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MEETING NO. 619

REGIONAL COUNCIL

Thursday, March 5, 2020
12:15 p.m. – 2:00 p.m.

SCAG MAIN OFFICE
900 Wilshire Blvd., Ste. 1700
RC 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 Tess Rey-Chaput at (213) 236-1908 or via email at REY@scag.ca.gov. Agendas & Minutes are also available at: www.scag.ca.gov/committees

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RC - Regional Council Members – March 2020

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- 69. Hon. Tim Sandoval**
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- 72. Hon. Zak Schwank**
Temecula, RC District 5
- 73. Hon. Lyn Semeta**
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- 75. Hon. Emma Sharif**
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- 76. Hon. Marty Simonoff**
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- 77. Sup. Hilda Solis**
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- 78. Hon. Karen Spiegel**
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REGIONAL COUNCIL OPEN SESSION AGENDA

Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700 – RC Board Room
Los Angeles, California 90017
Thursday, March 5, 2020
12:15 PM

The Regional Council may consider and act upon any of the items on the agenda regardless of whether they are listed as Information or Action items.

CALL TO ORDER AND PLEDGE OF ALLEGIANCE *(The Honorable Bill Jahn, 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 Committee, 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. The Chair has the discretion to reduce the time limit based upon the number of speakers and may limit the total time for all public comments to twenty (20) minutes.

REVIEW AND PRIORITIZE AGENDA ITEMS

ACTION/DISCUSSION ITEM/S

1. Recommended Final RHNA Methodology Page 10
(Kome Ajise, Executive Director, SCAG)

RECOMMENDED ACTION FOR CEHD:

Approve a recommendation that Regional Council (RC) approve Resolution No. 20-619-2 Adopting the Final Regional Housing Needs Assessment (RHNA) Methodology for the Sixth Housing Element Cycle (2021- 2029).

RECOMMENDED ACTION FOR RC:

Approve Resolution No. 20-619-2 Adopting the Final Regional Housing Needs Assessment (RHNA) Methodology for the Sixth Housing Element Cycle (2021- 2029).

2. 6th Cycle RHNA Appeals Procedures Page 67
(Kome Ajise, Executive Director, SCAG)

RECOMMENDED ACTION FOR CEHD:

Recommend that the Regional Council approve the 6th RHNA Cycle Appeals Procedures.

RECOMMENDED ACTION FOR REGIONAL COUNCIL:

Approve the 6th RHNA Cycle Appeals Procedures.

CONSENT CALENDAR

Approval Items

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3. Minutes of the Meeting - February 6, 2020 Page 117
4. Regional Early Action Planning (REAP) Grant Subregional Partnership Program & Funding Allocation Page 134
5. Resolution No. 20-619-1 : Preserving Naturally Occurring Affordable Housing Project Regulatory Agreement Page 139
6. Approval of the Fiscal Year 2020-21 Draft Comprehensive Budget Page 157
7. Contract Amendment, Contract 20-002-C01, Board Counsel Services Page 230
8. Contract Amendment Greater than 30% of the Contract's Original Value, Purchase Order No. 007008, Electronic Signatures, Amendment 2 Page 237
9. Contracts \$200,000 or Greater: 20-037-C01, Go Human Advertising & Engagement Campaign Page 245

Receive and File

10. Overview of Draft Connect SoCal Comments and Revision Approach Page 253
11. Status Update on the Connect SoCal Final PEIR Page 265
12. 31st Annual Demographic Workshop - Save the Date Page 274
13. March State and Federal Legislative Update Page 276
14. Status Update on Final Federal Safer, Affordable, Fuel-Efficient Vehicles Rule Page 277
15. Road User Charges (RUCs) – Lessons Learned Page 281
16. CFO Monthly Report Page 313

BUSINESS REPORT

(Randall Lewis, Ex-Officio Member)

PRESIDENT'S REPORT

(The Honorable Bill Jahn, President)

EXECUTIVE DIRECTOR'S REPORT

(Kome Ajise Executive Director)

FUTURE AGENDA ITEM/S

ANNOUNCEMENT/S

ADJOURNMENT

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REGIONAL COUNCIL CLOSED SESSION AGENDA

Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
March 5, 2020

CLOSED SESSION

CALL TO ORDER

PUBLIC COMMENT PERIOD

RECESS TO CLOSED SESSION

CLOSED SESSION ITEMS

1. Conference with Legal Counsel - Existing Litigation

Pursuant to Government Code Section 54956.9 (d)(1): Liu vs CalPers and SCAG (Case No. 19STCP0456)

2. Conference with Legal Counsel - Anticipated Litigation

Pursuant to Government Code Section 54956.9 (d)(2) - One Case

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AGENDA ITEM 1
REPORT

Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
March 5, 2020

To: Community
Economic & Human Development Committee (CEHD)
Regional Council (RC)
From: Kome Ajise, Executive Director, Executive Management,
213-236-1835, Ajise@scag.ca.gov
Subject: Recommended Final RHNA Methodology

**EXECUTIVE DIRECTOR'S
APPROVAL**

RECOMMENDED ACTION FOR CEHD:

Approve a recommendation that Regional Council (RC) approve Resolution No. 20-619-2 Adopting the Final Regional Housing Needs Assessment (RHNA) Methodology for the Sixth Housing Element Cycle (2021- 2029).

RECOMMENDED ACTION FOR RC:

Approve Resolution No. 20-619-2 Adopting the Final Regional Housing Needs Assessment (RHNA) Methodology for the Sixth Housing Element Cycle (2021- 2029).

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians.

EXECUTIVE SUMMARY:

As part of the RHNA process, SCAG must develop a final RHNA methodology, which will determine each jurisdiction's draft RHNA allocation as a share of the regional determination of 1,341,827 housing units need as determined by the California Department of Housing and Community Development (HCD). At the RHNA Subcommittee meeting on February 24, 2020, the subcommittee voted to approve the staff recommendation, with direction to staff to analyze a proposal submitted by the City of Cerritos for consideration by CEHD. Staff has provided such requested analysis as part of a presentation attached to this report. Considering the approval of a draft RHNA methodology by the Regional Council on November 7, 2019, and a review finding by HCD that the draft methodology furthers the statutory objectives of RHNA, staff requests that CEHD recommend Regional Council approval of Resolution No. 20-619-2, which reflects adoption of the draft RHNA methodology as the final RHNA methodology.

BACKGROUND:

As part of the RHNA process, SCAG must develop a final RHNA methodology, which will determine each jurisdiction's draft RHNA allocation as a share of the regional determination of 1,341,827

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housing unit need as determined by HCD.

Between August 1 and September 13, 2019, SCAG solicited public comments on three options for allocating the regional determination to the region's 197 local jurisdictions. Based on feedback received, and after careful consideration of the statutory objectives of RHNA which guide the methodology process, the Regional Council voted on November 7, 2019 to approve a draft RHNA methodology. A detailed timeline of meetings, submissions, staff reports, and correspondence is attached (RHNA Timeline of Key Activities and Milestones).

Per Government Code 65584.04 et seq., HCD has 60 days to review the draft methodology and determine whether it furthers the statutory objectives of RHNA. If HCD finds that the draft methodology is not consistent with the five statutory objectives of RHNA, SCAG may make revisions to further the statutory objectives per HCD review comments. On January 13, 2020, HCD completed their statutory review and found that SCAG's draft RHNA Methodology furthers the five statutory objectives of RHNA, which allows SCAG to finalize the RHNA methodology and issue draft RHNA allocations to each individual jurisdiction. HCD's comment letter (attached) notes:

"HCD has completed its review of the methodology and finds that the draft SCAG RHNA methodology furthers the five statutory objectives of RHNA. HCD acknowledges the complex task of developing a methodology to allocate RHNA to 197 diverse jurisdictions while furthering the five statutory objectives of RHNA. This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of objective factors specifically linked the statutory objectives in the existing need methodology."

HCD's analysis individually reviews the five statutory objectives of RHNA. Particular emphases are placed on data-based indicators of the extent to which SCAG's draft RHNA methodology (1) assigns more lower-income units to high-income/high-resourced jurisdictions, and (2) assigns lower-income units to jurisdictions with more low-wage jobs. HCD concludes its letter with an indication that "any changes made in response to appeals should be in the interest of seeking ways to more deeply further the objectives without compromising other objectives." HCD's findings confirm and complement SCAG's assessment of the methodology and illustrate how the distribution of units across the region advances statutory objectives (see attached PowerPoint).

Following HCD's findings of compliance, staff recommends that the Regional Council adopt the draft RHNA methodology as the final RHNA methodology by resolution. A detailed description of the methodology is attached. Thereafter, individual jurisdictions' draft RHNA allocation numbers will be issued in the Draft RHNA Allocation Plan, an appeals process will be conducted, and final RHNA allocations are scheduled to be issued by October 2020.

The staff-recommended final RHNA methodology will utilize final Connect SoCal data for the purpose of calculating each jurisdiction's allocation. These data have recently become available following the January 24, 2020 close of the Connect SoCal public comment period and reflect the data and model updates made since the draft Plan release on November 7, 2019. While the draft methodology and staff-recommended final methodology are identical, jurisdictions may see slight changes in their estimated RHNA allocation totals owing to changes in the data, which are used in the measurement of transit access and job access in the RHNA methodology. Region-wide, these data changes are equivalent to no more than 1.69% of the regional total. No further changes to these data are anticipated. The final Connect SoCal plan will be considered by the Regional Council on April 2, 2020 in advance of the release of the Draft RHNA Allocation Plan in order to ensure that SCAG is fully compliant with statutory requirements.

RHNA Subcommittee Action

At the RHNA Subcommittee meeting on February 24, 2020, several public comments spurred discussion of an alternative methodology proposed by the City of Cerritos. In advancing staff's recommended final methodology, the RHNA Subcommittee also directed staff to analyze and report to CEHD on Cerritos' proposal. Analysis is provided in the attached presentation.

Justifications for Adopting RC-Approved Draft Methodology without Change as the Final Methodology

Staff's assessment is that the alternative methodology proposed by the City of Cerritos would perform more poorly against statutory objectives than the RC and HCD-approved methodology (i.e., "backslide") and thus would likely jeopardize HCD's compliance findings described above. Additionally, state law does not provide for a second review by HCD of draft RHNA methodology. If a second methodology is submitted by SCAG to HCD, it would likely trigger the 60-day period for HCD's review of draft RHNA methodology under state law. Such a delay would jeopardize SCAG's ability to adopt a Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) by the scheduled April 2, 2020 date, since SCAG is required to distribute a draft RHNA allocation (based on the adopted Final Methodology) to each city and county in the region prior to adoption of the Connect SoCal Plan, under Government Code 65584.05(a). A delay associated with any further review could also jeopardize the ability of SCAG to finalize 6th cycle RHNA allocations in October 2020 and consequently, the ability of local jurisdictions to complete timely housing element updates by October 2021.

Finally, several comments received prior to and during the February 24, 2020 RHNA Subcommittee meeting concerned the Draft RHNA Methodology review and approval process. In response, the following section provides further information about this process.

Draft RHNA Methodology Approval Process

From about February 2019 until October 2019, SCAG held eighteen (18) public meetings, four public hearings and an information session where staff presented three proposed RHNA methodology options, and received over 250 written comments. Written comments received on the RHNA Methodology have been logged as “Written Comments Received on the 6th Cycle RHNA” (included in RHNA Subcommittee Meeting Agendas) and posted on SCAG’s RHNA webpage at <http://www.scag.ca.gov/programs/Pages/RHNA-comments.aspx>.

Activities leading to the Regional Council action on November 7, 2019 as reflected in the public meeting records, are highlighted as follows:

October 7, 2019 RHNA Subcommittee meeting

As part of the October 7th RHNA Subcommittee meeting agenda Item No. 5, staff presented a recommended draft RHNA methodology. During the meeting, Hon. Wendy Bucknum (Orange County) made a motion to move forward the staff recommended Draft RHNA Methodology to the CEHD Committee. Hon. Rusty Bailey (Riverside County) proposed a substitute motion for a draft RHNA methodology that would incorporate comments made by RHNA Subcommittee ex-officio member Paavo Monkkonen. The substitute motion proposed to eliminate the “Household Growth 2030-2045” factor from allocating the existing need so that the existing need allocation methodology would only include ‘Population within HQTAs’ and ‘Job Accessibility’ as factors at a 50-50 ratio. The substitute motion was not approved by a 4:3 vote. The original motion to move forward with the staff recommended draft RHNA methodology to the CEHD Committee, was approved by a 5:1 vote.

October 21, 2019 CEHD meeting

The CEHD voted unanimously to recommend that the Regional Council submit the staff recommended draft RHNA methodology to HCD for their 60-day review.

November 7, 2019 Regional Council Meeting

SCAG posted on its website the November 7, 2019 Regional Council meeting agenda packet, over 72-hours in advance of the regular meeting, in accordance with the Brown Act, Government Code Section 54950 et seq. The November 7th Regional Council meeting agenda Item No. 4 regarding the Recommended Draft RHNA Methodology included a staff report that provided information on both the staff recommended RHNA methodology, which was unanimously recommended for Regional Council approval by CEHD, in addition to information about the alternative RHNA methodology previously considered by the RHNA Subcommittee as part of the substitute motion made by Mayor Rusty Bailey (Riverside County). See Item No. 4, November 7, 2019 Regional Council Meeting Agenda at: http://www.scag.ca.gov/committees/CommitteeDocLibrary/RC_fullagn_110719.pdf.

At the November 7th Regional Council meeting, SCAG staff provided power point presentations as part of agenda Item No. 4, on both the staff-recommended and alternative RHNA methodologies. Fourteen (14) letters related to Item No. 4 were acknowledged in the record as transmitted to the Regional Council, posted on SCAG's website and paper copies were made available in the back of the meeting room for review by the Regional Council and public. Additionally, oral comments were received at the meeting as part of the public comment period.

After a robust discussion by Regional Council members regarding both methodologies presented by staff, the Regional Council approved (43:19) as a substitute motion made by Mayor Rusty Bailey (Riverside), the "Bailey Proposal" as the Draft RHNA Methodology to be submitted by SCAG to HCD with direction that staff also review Items 2, 3 and 4 of the City of Los Angeles' position packet and report back as to what these items may mean to the Draft RHNA Methodology. The Bailey Proposal eliminates the use of household growth between 2030 and 2045 to allocate existing need, assigns 50% of the existing need based on transit accessibility and the remaining 50% based on job accessibility, removes the cap on RHNA allocations based on a jurisdiction's 2045 Household Growth except for those in extremely Disadvantaged Communities (DACs), and re-distributes 'residual' units to non-DAC jurisdictions within the county in which they were generated, instead of a region-wide distribution.

More information on the process summarized above including links to associated correspondence can be found in the *Supplemental Analysis of Adopted Draft RHNA Methodology*, which was provided as a Receive and File report to the Executive/Administrative Committee (EAC) and Regional Council (RC) on February 6, 2020 (See Item No. 16 at: http://www.scag.ca.gov/committees/CommitteeDocLibrary/RC_fullagn020620.pdf). This analysis constitutes the report requested in the substitute motion and also addresses process questions raised by the Technical Working Group and other stakeholders.

FISCAL IMPACT:

Current work on the Regional Housing Needs Assessment is included in the current FY 19-20 General Fund Budget (800.0160.03: RHNA). There is no immediate fiscal impact for the tasks proposed under these funds.

ATTACHMENT(S):

1. Staff Recommended Final RHNA Methodology Presentation
2. HCD Review of Draft RHNA Methodology
3. Resolution to adopt Final RHNA Methodology and Attachment A
4. Estimated RHNA Allocations
5. RHNA Timeline of Key Activities and Milestones

Staff-Recommended Final RHNA Methodology

Kevin Kane, PhD
SCAG Staff
February 24, 2020

www.scag.ca.gov



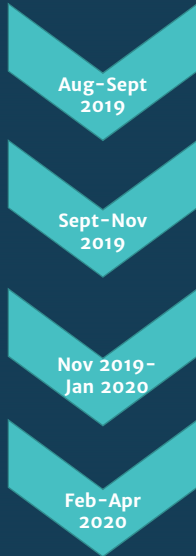
Outline of Presentation



- RHNA timeline
- HCD and RC-approved draft RHNA methodology and data inputs
- Methodology performance vs. statutory objectives

2

The RHNA Methodology Process



- Proposed RHNA Methodology**
 - Released for public comment August 1
 - Four public hearings and one public information session
 - Multiple options and components for review and comment
- Draft RHNA Methodology**
 - One methodology based on state housing law and regional goals while considering public comments
 - October 7: RHNA Subcommittee
 - October 21: CEHD Committee
 - November 7: Regional Council approval
- HCD Comment Period**
 - 60 day review of draft RHNA methodology
 - January 13: HCD concluded that SCAG draft methodology furthers RHNA objectives—statute does not provide for further changes to methodology
- Final RHNA Methodology**
 - Following HCD finding, staff recommends RC-approved Draft Methodology as Final Methodology
 - February 24: RHNA Subcommittee
 - March 5: CEHD Committee
 - March 5: Regional Council adopts final methodology by resolution
 - April 2: Regional Council releases draft RHNA allocations to each jurisdiction

RHNA Timeline Continued

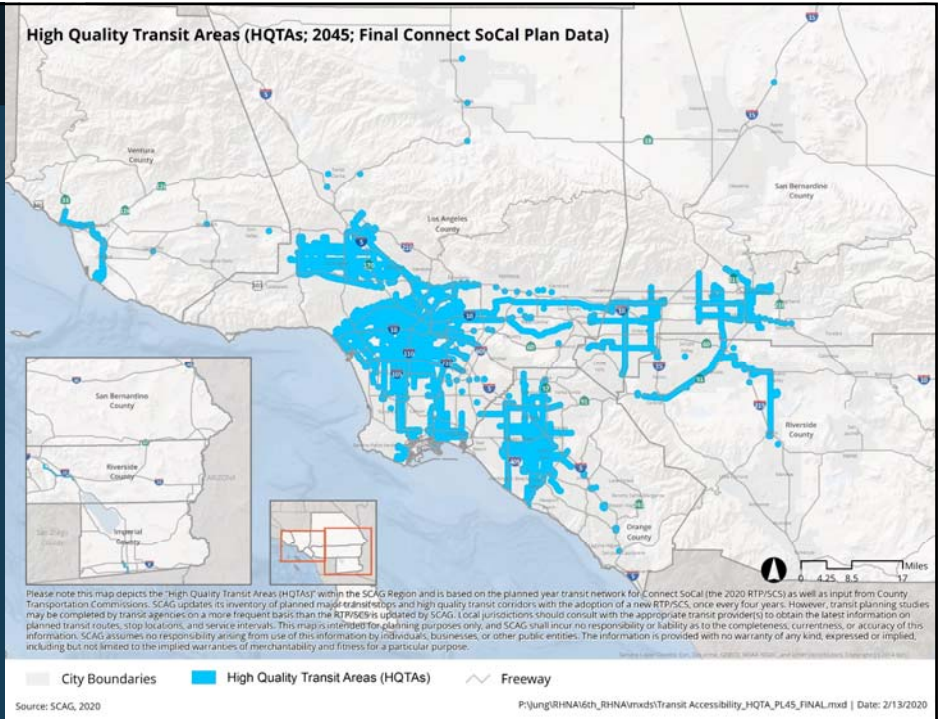


- Draft RHNA Allocations issued**
 - See detailed appeal timeline.
- Final RHNA Allocation**
- Local Housing Element Updates Due**

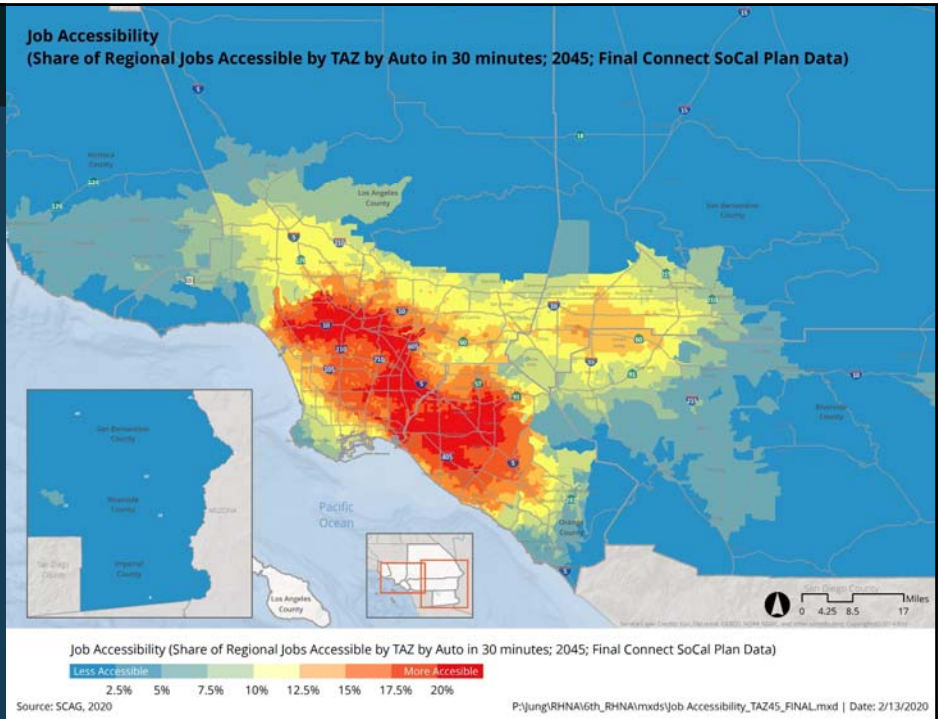
ALSO NOTE:

- Statute does not provide for another review by HCD
- Even if possible, the need for another 60 days of HCD review could delay RTP/SCS adoption and/or local housing element updates
- Based on HCD letter, changes which “backslide” on RHNA objectives not likely to be accepted by HCD

HQTA Boundaries using Final Connect SoCal Data



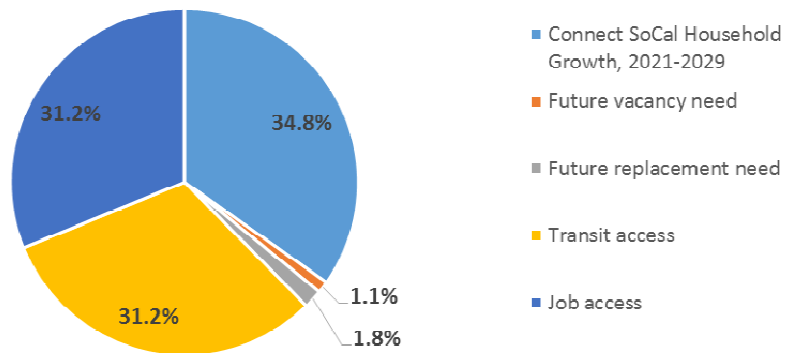
Job Accessibility using Final Connect SoCal Data



The RHNA Methodology: A plan to allocate 1,341,827 units to 197 jurisdictions



Staff Recommended Final RHNA Methodology - Regional Breakdown

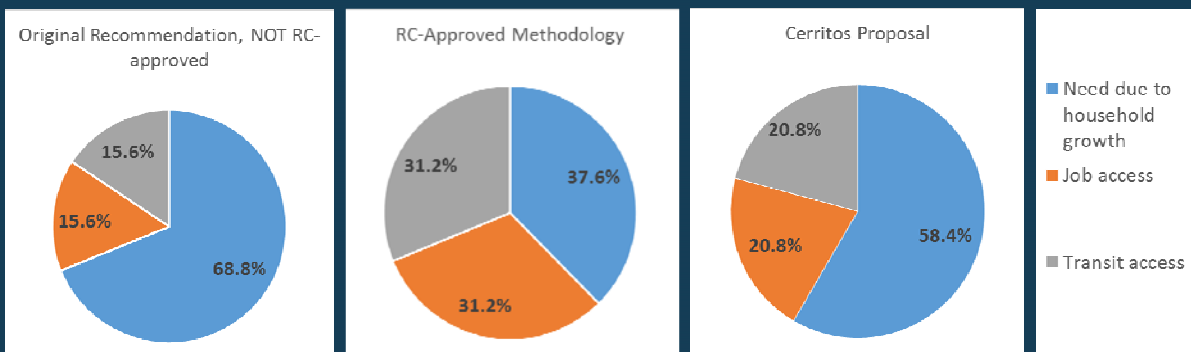


Note: The draft RHNA methodology uses jurisdiction-level Connect SoCal 2020-2030 household growth multiplied by 8.25 to match the duration of the RHNA planning period. At the jurisdictional level, Connect SoCal household growth is identical to local input, and over this time period is perfectly equivalent to the regional RHNA share depicted above.

How much "local input" gets used?



- Every data element is based on input from local jurisdictions – including job and transit access
- Question at hand: how much local input household growth is used in the total methodology?



Review of methodology performance versus statutory objectives



- Comparisons previously presented by SCAG staff
- Comparisons relied upon by HCD in their review

“HCD has completed its review of the methodology and finds that the draft SCAG RHNA methodology furthers the five statutory objectives of RHNA. HCD acknowledges the complex task of developing a methodology to allocate RHNA to 197 diverse jurisdictions while furthering the five statutory objectives of RHNA. This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of objective factors specifically linked the statutory objectives in the existing need methodology.”

9

Review: Statutory Objectives of RHNA

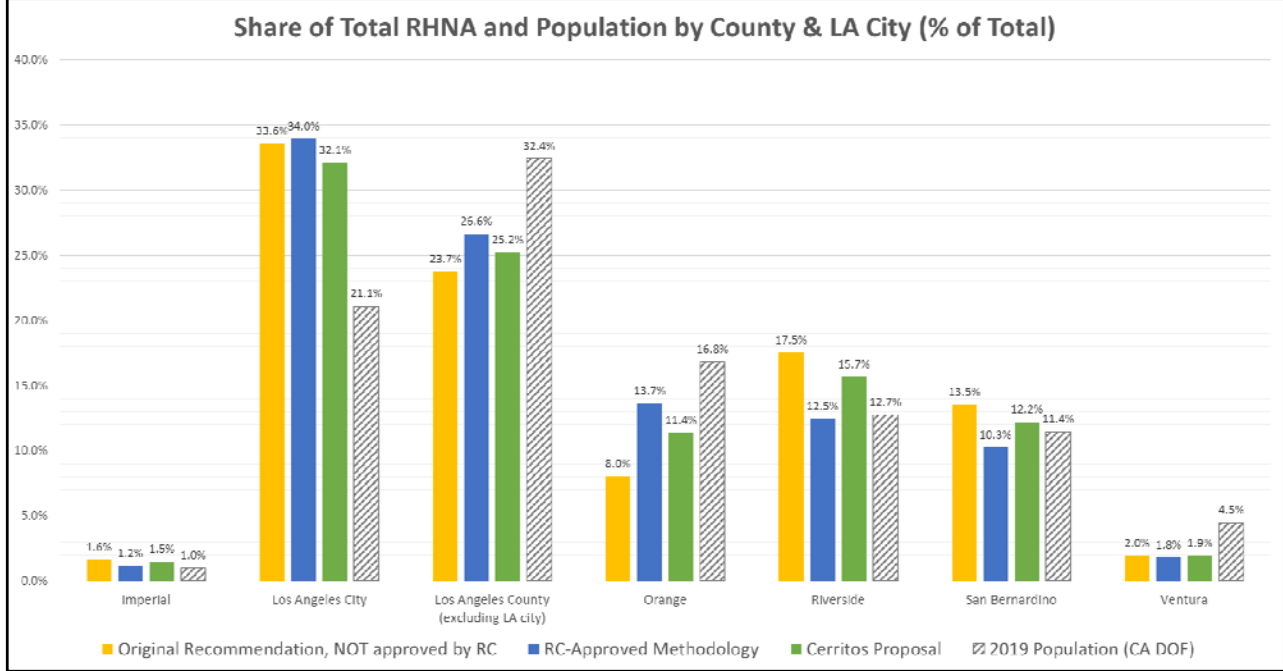


- 1) To increase the housing supply and mix of housing types, tenure and affordability within each region in an equitable manner
- 2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns
- 3) Promoting an improved intraregional relationship between jobs and housing
- 4) Allocating a lower proportion of housing need in income categories in jurisdictions that have a disproportionately high share in comparison to the county distribution
- 5) Affirmatively furthering fair housing (AFFH)

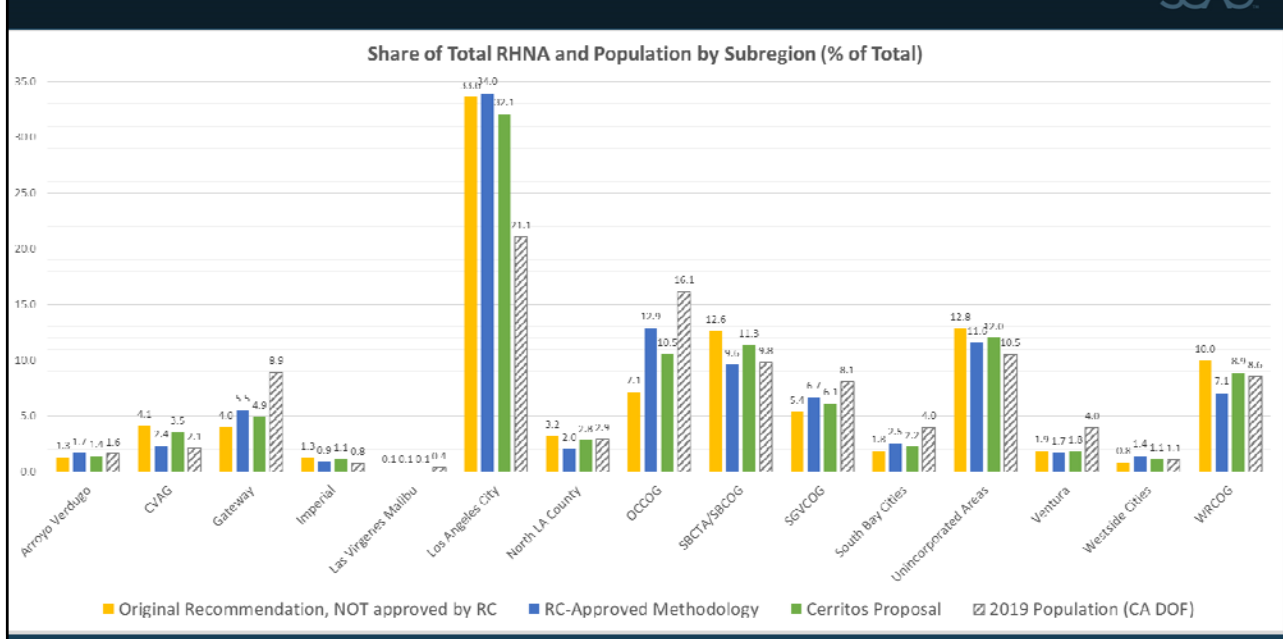


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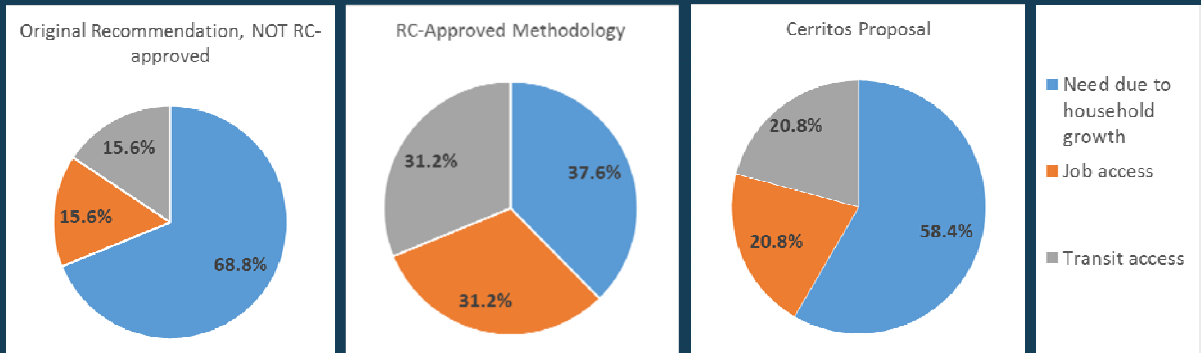
Re: RHNA objective 1, Equitable Geographic Distribution



Re: RHNA objective 1, Equitable Geographic Distribution

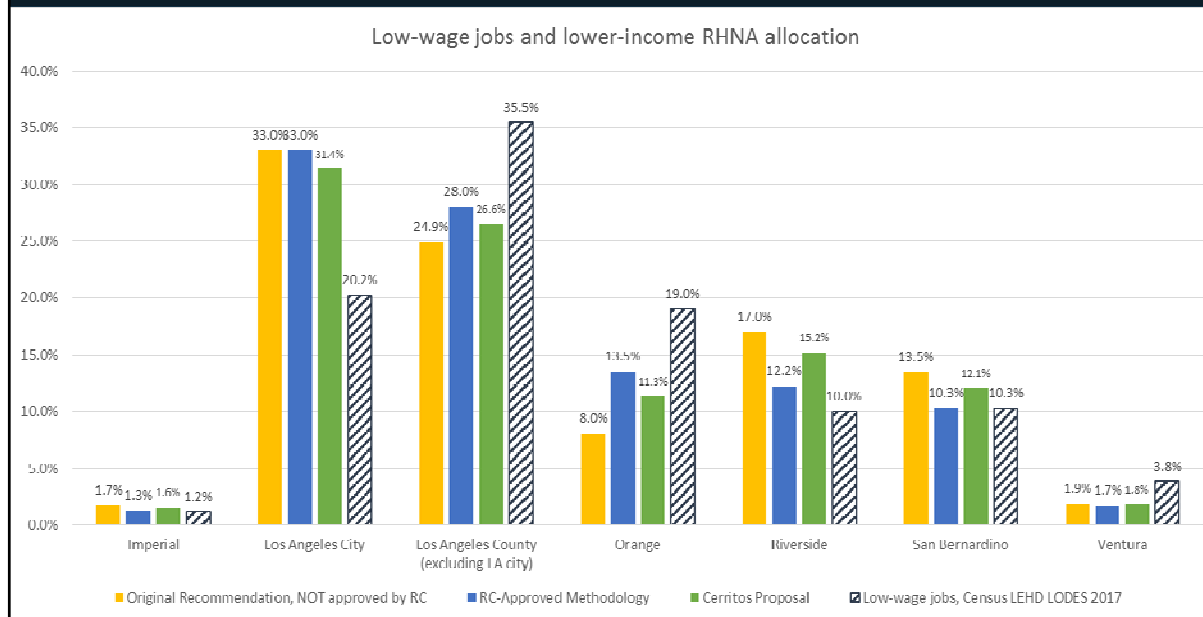


Re: RHNA Objective 2 – Infill and efficient development and RHNA Objective 3 – Improved intraregional jobs-housing relationships



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Re: RHNA Objective 3 – Improved intraregional relationships between low-wage jobs and affordable housing



Conclusions / Next Steps



- Performance indicators show the RC/HCD-approved, staff-recommended methodology *improves* performance on statutory objectives
- Staff-recommended final methodology found to further statutory objectives by HCD:

“HCD has completed its review of the methodology and finds that the draft SCAG RHNA methodology furthers the five statutory objectives of RHNA. ... In particular, HCD applauds the use of objective factors specifically linked the statutory objectives in the existing need methodology.”

- Cerritos proposal represents “backslide” on all indicators
- Therefore, staff recommends adoption of the draft RHNA methodology as the Final RHNA Methodology by resolution

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Thank you.

Kevin Kane, PhD
kane@scag.ca.gov

www.scag.ca.gov



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

2020 W. El Camino Ave
Sacramento, CA 95833-1829
916) 263-2911 FAX: (916) 263-7453
www.hcd.ca.gov



January 13, 2020

Kome Ajise
Executive Director
Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700
Los Angeles, CA 90017

Dear Executive Director Ajise:

RE: Review of Draft Regional Housing Need Allocation (RHNA) Methodology

Thank you for submitting the draft Southern California Association of Governments (SCAG) Sixth Cycle Regional Housing Need Allocation (RHNA) Methodology. Pursuant to Government Code Section 65584.04(i), the California Department of Housing and Community Development (HCD) is required to review draft RHNA methodology to determine whether the methodology furthers the statutory objectives described in Government Code Section 65584(d).

In brief, the draft SCAG RHNA methodology begins with the total regional determination provided by the California Department of Housing and Community Development (HCD) and separates it into two methodologies to allocate the full determination: projected need (504,970) and existing need (836,857).

For projected need, the household growth projected in SCAG's Connect SoCal growth forecast for the years 2020-2030 is used as the basis for calculating projected housing need for the region. A future vacancy and replacement need are also calculated and added to the projected need.

The existing need is calculated by assigning 50 percent of regional existing need based on a jurisdiction's share of the region's population within the high-quality transit areas (HQTAs) based on future 2045 HQTAs. The other 50 percent of the regional existing need is based on a jurisdiction's share of the region's estimated jobs in 2045 that can be accessed within a 30-minute driving commute. For high segregation and poverty areas as defined by [HCD/TCAC Opportunity Maps](#),¹ referred to by SCAG as extremely disadvantaged communities (DACs), existing need in excess of the 2020-2045 household growth forecast is reallocated to non-DAC jurisdictions within the same county.

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¹ Created by the California Fair Housing Task Force and commissioned by HCD and the California Tax Credit Allocation Committee (TCAC) to assist public entities in affirmatively furthering fair housing. The version used in this analysis is the 2019 HCD/TCAC Opportunity Maps available at treasurer.ca.gov/ctcac/opportunity.asp.

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Within both the projected and existing need methodologies the four RHNA income categories (very low, low, moderate, and above moderate) are assigned to each jurisdiction by the use of a 150 percent social equity adjustment, which inversely adjusts based on the current incomes within the jurisdiction. An additional percentage of social equity adjustment is made for jurisdictions that have a high concentration of DACs or Highest Resource areas as defined by the HCD/TCAC Opportunity maps. Overall, the social equity adjustments result in greater shares of lower income RHNA to higher income and higher-resource areas.

HCD has completed its review of the methodology and finds that the draft SCAG RHNA Methodology furthers the five statutory objectives of RHNA.²

HCD acknowledges the complex task of developing a methodology to allocate RHNA to 197 diverse jurisdictions while furthering the five statutory objectives of RHNA. This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of objective factors specifically linked the statutory objectives in the existing need methodology.

Below is a brief summary of findings related to each statutory objective described within Government Code Section 65584(d):

1. Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low-income households.

The methodology generally allocates increased shares of lower income RHNA to jurisdictions that have higher housing costs. In support of a mix of affordability, the highest housing cost cities generally receive higher shares of lower income RHNA. Under this methodology the 15 cities with the highest median housing costs all receive greater than 50 percent of the RHNA as lower income RHNA. Beverly Hills with the 18th highest median housing costs receives the 25th highest share of lower income RHNA; Westlake Village with the 14th highest median housing costs receives the 12th highest share of lower income RHNA; Aliso Viejo with the 23rd highest median housing costs receives the 38th highest share of lower income RHNA; and Villa Park with the 10th highest median housing costs receives the 31st highest share of lower income RHNA.

2. Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.

The draft SCAG RHNA methodology furthers the environmental principles of this objective as demonstrated by the transportation and job alignment with the RHNA allocations.

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² While HCD finds that this particular methodology furthers the objectives of RHNA, HCD's determination is subject to change depending on the region or cycle, as housing conditions in those circumstances may differ.

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3. Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.

Half of the existing need portion of the draft SCAG RHNA methodology is set based on the jurisdiction's share of the region's estimated jobs in 2045. While future looking job projections are important for housing planning, and housing built in the next decade will likely exist for 50-100 years or more, it is also critical to plan for the needs that exist today. This objective specifically considers the balance of low-wage jobs to housing available to low-wage workers. As part of HCD's analysis as to whether this jobs-housing fit objective was furthered by SCAG's draft methodology, HCD analyzed how the percentage share of the region's lower income RHNA compared to the percentage share of low-wage jobs.

For example, under the draft SCAG RHNA methodology Irvine would receive 1.84 percent of the region's lower income RHNA, and currently has 2.07 percent of the region's low-wage jobs, .23 percent less lower income RHNA than low-wage jobs for the region. Pomona would receive .71 percent of the region's lower income RHNA, and currently has .57 percent of the region's low-wage jobs, .13 percent more lower income RHNA than low-wage jobs for the region. Across all jurisdictions there is generally good alignment between low-wage jobs and lower income RHNA, with all but 15 jurisdictions within a half percent plus or minus difference between their share of lower income RHNA for the region and their percentage low-wage jobs for the region.

HCD is aware there has been some opposition to this current methodology from jurisdictions that received lower allocations under prior iterations; however it is worth noting that even if it is by a small amount, many of the jurisdictions that received increases are still receiving lower shares of the region's lower income RHNA compared to their share of the region's low-wage jobs. HCD recommends any changes made in response to appeals should be in the interest of seeking ways to more deeply further objectives without compromising other objectives.

4. Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.

This objective is furthered directly by the social equity adjustment factor included in the draft SCAG RHNA methodology. Jurisdictions in the SCAG region range from as little as 10.9 percent lower income households to 82.7 percent lower income households. The 20 jurisdictions with the greatest share of lower income households, 67.2-82.7 percent lower income households, would receive an average of 31.6 percent lower income share of their RHNA; compared to the 20 jurisdictions with the lowest share of lower income households, 10.9-25.1 percent lower income households, would receive an average of 59.1 percent lower income share of their RHNA. While the social equity adjustment explicitly responds to objective four, it also assists in the methodology furthering each of the other objectives.

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5. Affirmatively furthering fair housing, which means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

HCD applauds the inclusion of the affirmatively furthering fair housing adjustment factor in the methodology. This factor directs more lower income RHNA to higher opportunity areas and reduces allocations in segregated concentrated areas of poverty, as defined in the [HCD/TCAC Opportunity Maps](#), which evaluate access to opportunity, racial segregation, and concentrated poverty on 11 dimensions, which are all evidence-based indicators related to long term life outcomes. 14 of the top 15 highest shares of lower income RHNA are in regions over 99.95 percent High and Highest Resource areas. These include: Imperial, La Habra Heights, Rolling Hills Estates, Hermosa Beach, La Cañada Flintridge, Palos Verdes Estates, Manhattan Beach, Rolling Hills, Agoura Hills, Rancho Palos Verdes, Westlake Village, San Marino, Eastvale, and Hidden Hills. With the exceptions of the cities of Vernon and Industry, the 31 jurisdictions with the highest share of lower income RHNA are all over 95 percent High and Highest Resource areas.

HCD appreciates the active role of SCAG staff in providing data and input throughout the draft SCAG RHNA methodology development and review period. HCD especially thanks Ping Chang, Kevin Kane, Sarah Jepson, and Ma'Ayn Johnson for their significant efforts and assistance.

HCD looks forward to continuing our partnership with SCAG to assist its member jurisdictions to meet and exceed the planning and production of the region's housing need.

Support opportunities available for the SCAG region this cycle include, but are not limited to:

- SB 2 Planning Technical Assistance (Technical assistance available now through June 2021)
- Regional and Local Early Action Planning grants (25 percent of Regional funds available now, all other funds available early 2020)
- SB 2 Permanent Local Housing Allocation (Available April – July 2020)

If HCD can provide any additional assistance, or if you, or your staff, have any questions, please contact Megan Kirkeby, Assistant Deputy Director for Fair Housing, megan.kirkeby@hcd.ca.gov.



Megan Kirkeby
Assistant Deputy Director for Fair Housing



RESOLUTION NO. 20-619-2

A RESOLUTION OF THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) ADOPTING THE FINAL REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) METHODOLOGY FOR THE SIXTH HOUSING ELEMENT CYCLE (2021 – 2029)

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS 900 Wilshire Blvd., Ste. 1700 Los Angeles, CA 90017 T: (213) 236-1800 www.scag.ca.gov

WHEREAS, the Southern California Association of Governments (SCAG) is the Metropolitan Planning Organization, for the six county region consisting of Los Angeles, Orange, San Bernardino, Riverside, Ventura, and Imperial Counties;

REGIONAL COUNCIL OFFICERS

- President Bill Jahn, Big Bear Lake
First Vice President Rex Richardson, Long Beach
Second Vice President Clint Lorimore, Eastvale
Immediate Past President Alan D. Wapner, San Bernardino County Transportation Authority

WHEREAS, California state housing element law requires that the Southern California Association of Governments (SCAG) adopt a methodology for distributing the existing and projected regional housing need to each of the local jurisdictions within the SCAG region;

WHEREAS, the California Department of Housing and Community Development (HCD) is required to consult with SCAG in determining the existing and projected housing need for the region prior to each housing element cycle;

COMMITTEE CHAIRS

- Executive/Administration Bill Jahn, Big Bear Lake
Community, Economic & Human Development Peggy Huang, Transportation Corridor Agencies
Energy & Environment Linda Parks, Ventura County
Transportation Cheryl Viegas-Walker, El Centro

WHEREAS, on October 15, 2019, HCD provided SCAG with a regional housing need number of 1,341,827 units distributed among four income categories, very-low (26.2%), low (15.4%), moderate (16.7%), and above-moderate (41.7%) for the 6th Housing Element Cycle (2021-2029);

WHEREAS, SCAG conducted four public hearings in August 2019 to formally receive verbal and written comments on the proposed Regional Housing Needs Assessment (RHNA) methodology options, in addition to one public information session with a total of approximately 250 participants. Almost 250 written comments were submitted to SCAG specifically on the proposed methodology and over 35 verbal comments were shared at the four public hearings;

WHEREAS, after considering the public comments received, at its November 7, 2019 meeting, the SCAG Regional Council approved and submitted to HCD the Draft RHNA Methodology for the 6th Housing Element Cycle, for a 60-day review;

WHEREAS, on January 13, 2020, HCD determined that the Draft RHNA methodology furthers the objectives set forth in state law, California Government Code Section 65584(d);

Attachment: Resolution to adopt Final RHNA Methodology and Attachment A (Recommended Final RHNA Methodology)

NOW, THEREFORE, BE IT RESOLVED, that the SCAG Regional Council adopts the Final RHNA Methodology for the Sixth Housing Element Cycle (2021 – 2029) attached hereto as “Attachment A” and incorporated herein by this reference.

PASSED, APPROVED AND ADOPTED by the Regional Council of the Southern California Association of Governments at its regular meeting this 5th day of March, 2020.

William “Bill” Jahn
President, SCAG

Attested by:

Kome Ajise
Executive Director

Approved as to Form:

Justine Block
Acting Chief Counsel

Staff-Recommended FINAL RHNA Allocation Methodology

Attachment A

EXECUTIVE SUMMARY

SCAG is required to develop a final RHNA methodology to distribute existing and projected housing need for the 6th cycle RHNA for each jurisdiction, which will cover the planning period October 2021 through October 2029. Following extensive feedback from stakeholders during the proposed methodology comment period and an extensive policy discussion, SCAG’s Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019, as described below, and provide it to the State Department of Housing and Community Development (HCD) for their statutory review. On January 13, 2020, HCD completed its review of the draft methodology and found that it furthers the five statutory objectives of RHNA.

As the draft methodology has been approved by the Regional Council and found to be consistent with state housing law by HCD, no changes are required and staff recommends the draft methodology as the final methodology. The overall framework for this methodology is included in the table below and further described in the rest of this document.

Projected need	Existing need	Income categories
Household growth 2020-2030	Transit accessibility (HQTA population 2045)	150% social equity adjustment minimum
Future vacancy need	Job accessibility	0-30% additional adjustment for areas with lowest or highest resource concentration
Replacement need	Residual distribution within the county	

HOUSING CRISIS

There is no question that there is an ongoing housing crisis throughout the State of California. A variety of measures indicate the extent of the crisis including overcrowding and cost-burdened households, but the underlying cause is due to insufficient housing supply despite continuing population growth over recent decades.

As part of the RHNA process SCAG must develop a final RHNA methodology, which will determine each jurisdiction’s draft RHNA allocation as a share of the regional determination of existing and projected housing need provided by the California Department of Housing and Community Development (HCD). There are several requirements outlined by Government Code Section 65584.04, which will be covered in different sections of this packet:

Attachment: Resolution to adopt Final RHNA Methodology and Attachment A (Recommended Final RHNA Methodology)

- Allocation methodology, per Government Code 65584.04(a)
- How the allocation methodology furthers the objectives State housing law, per GC 65584.04(f)
- How local planning factors are incorporated into the RHNA methodology, per GC 65584.04(f)
- Furthering the objectives of affirmatively furthering fair housing (AFFH), per GC 65584.04(d)
- Public engagement, per GC 65584.04(d)

Additionally, SCAG has developed a dynamic estimator tool and data appendix that contains a full set of various underlying data and assumptions to support the recommended final methodology. Due to the size of the appendix, a limited number of printed copies are available. SCAG has posted the dynamic estimator tool and full methodology appendix, on its RHNA webpage: www.scag.ca.gov/rhna.

Per State housing law, the RHNA methodology must distribute existing and projected housing need to all jurisdictions. The following section provides the staff-recommended final methodology for distributing projected and existing need to jurisdictions from the RHNA regional determination provided by the California Department of Housing and Community Development (HCD) pursuant to Government Code Section 65584.01.

Guiding Principles for RHNA Methodology

In addition to furthering the five objectives pursuant to Government Code 65585(d), there are several guiding principles that SCAG staff has developed to use as the basis for developing the distribution mechanism for the RHNA methodology. These principles are based on the input and guidance provided by the RHNA Subcommittee during their discussions on RHNA methodology between February 2019 and June 2019.

1. The housing crisis is a result of housing building not keeping up with growth over the last several decades. The RHNA allocation for all jurisdictions is expected to be higher than the 5th RHNA cycle.
2. Each jurisdiction must receive a fair share of their regional housing need. This includes a fair share of planning for enough housing for all income levels, and consideration of factors that indicate areas that have high and low concentration of access to opportunity.
3. It is important to emphasize the linkage to other regional planning principles to develop more efficient land use patterns, reduce greenhouse gas emissions, and improve overall quality of life.

The jurisdictional boundaries used in the recommended RHNA methodology will be based on those as of August 31, 2016. Spheres of influence in unincorporated county areas are considered within unincorporated county boundaries for purposes of RHNA.

Proposed RHNA Allocation Methodology

The proposed RHNA methodology, which was released for public review on August 1, contained three (3) options to distribute HCD's regional determination for existing and projected need for the

SCAG region. HCD provided SCAG a final regional determination of 1,341,827 units for the 6th cycle RHNA on October 15, 2019.¹

The three options were developed based on RHNA Subcommittee feedback on various factors at their meetings between February and June 2019 and feedback from stakeholders. SCAG solicited formal public comment on the three options and any other factors, modifications, or alternative options during the public comment period, which commenced on August 1 and concluded on September 13, 2019.

Four public hearings were conducted to formally receive verbal and written comments on the proposed RHNA methodology, in addition to one public information session with a total participation of approximately 250 people. Almost 250 written comments were submitted to SCAG specifically on the proposed methodology and over 35 verbal comments were shared at four (4) public hearings held in August 2019.

Draft and Final RHNA Allocation Methodology

Based on comments received during the public comment period, staff recommended a combination of the three options in the proposed methodology further enhanced by factors specifically suggested by stakeholders.

On November 7, 2019, SCAG's Regional Council voted to approve the Draft RHNA Methodology. The approved draft methodology includes modifications to the staff-recommended draft methodology for calculating existing housing need to more closely align the methodology with job and transit accessibility factors.

On January 13, 2020, HCD completed their statutory review and found that SCAG's Draft RHNA Methodology furthers the five statutory objectives of RHNA, which allows SCAG to finalize the RHNA methodology and issue draft RHNA allocations to each individual jurisdiction. HCD's comment letter, which can be found at www.scag.ca.gov/rhna, notes:

"HCD has completed its review of the methodology and finds that the draft SCAG RHNA methodology furthers the five statutory objectives of RHNA. HCD acknowledges the complex task of developing a methodology to allocate RHNA to 197 diverse jurisdictions while furthering the five statutory objectives of RHNA. This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of objective factors specifically linked the statutory objectives in the existing need methodology."

¹ On September 5, 2019, the SCAG Regional Council voted to object to HCD the regional determination of 1,344,740, per Government Code Section 65584.01, that was provided on August 15, 2019. After review of SCAG's objection letter, HCD provided a final regional determination of 1,341,827 units on October 15, 2019.

Following this finding, staff recommends the draft RHNA methodology as the final RHNA methodology. Since some of the data inputs to the draft RHNA methodology utilized draft Connect SoCal data, the staff-recommended final RHNA methodology will utilize final Connect SoCal data.

The finding of compliance from HCD allows SCAG’s Regional Council to adopt the final RHNA methodology and send a draft RHNA allocation to each local jurisdiction. Following a separate appeals phase described in Government Code 65584.05 et seq., RHNA allocations will be finalized in approximately October 2020.

The next section describes the staff-recommended final RHNA methodology mechanism to distribute the 1,341,827 housing units determined by HCD to all SCAG jurisdictions.

Determining Existing Need and Projected Need

The staff-recommended final RHNA methodology starts with the total regional determination provided by HCD and separates existing need from projected need.

Projected need is considered as household growth for jurisdictions between the RHNA projection period between July 1, 2021 and October 1, 2029, in addition to a calculated future vacancy need and replacement need. For projected household growth, SCAG’s Connect SoCal growth forecast for the years 2020-2030 is used as the basis for calculating projected housing unit need for the region. The anticipated growth in households over this period is multiplied by 0.825 to approximate growth during the 8.25-year RHNA projection period of July 1, 2021 to October 1, 2029.

For several jurisdictions, SCAG’s growth forecast includes projected household growth on tribal land. For these jurisdictions, SCAG’s estimate of household growth on tribal land from July 1, 2021 to October 1, 2029 is subtracted from the jurisdictional projected household growth (see note in the accompanying dynamic estimator tool). A vacancy adjustment of 1.5% for owner-occupied units and 5% for renter-occupied units representing healthy-market vacancy will be applied to projected household growth to determine future vacancy need. Next a replacement need is added, which is an estimate of expected replacement need over the RHNA period. **Based on these components, the regional projected need is 504,970 units.**

Existing need is considered the remainder of the regional determination after projected need is subtracted. **Based on this consideration, the regional existing need is 836,857 units.**

Determining a Jurisdiction’s RHNA Allocation (Existing and Projected Need)

In determining the existing need and projected need for the region, the methodology applies a three-step process to determine a jurisdiction’s RHNA allocation by income category:

1. Determine a jurisdiction’s projected housing need
 - a. Assign household growth to jurisdictions based on SCAG’s Connect SoCal Regional Transportation Plan/Sustainable Communities Strategy Growth Forecast between 2020 and 2030

- b. Calculate a jurisdiction’s future vacancy need by applying a healthy market vacancy rate separately to the jurisdiction’s owner and renter households
 - c. Assign a replacement need to jurisdictions based on each jurisdiction’s share of regional net replacement need based on information collected from the replacement need survey submitted by local jurisdictions
2. Determine a jurisdiction’s existing housing need
 - a. Assign 50 percent of regional existing need based on a jurisdiction’s share of region’s population within the high quality transit areas (HQTAs) based on future 2045 HQTAs
 - b. Assign 50 percent of regional existing need based on a jurisdiction’s share of the region’s jobs that can be accessed within a 30-minute driving commute
 - c. For extremely disadvantaged communities (hereafter “DACs,” see definition below), identify residual existing need, which is defined herein as total housing need in excess of household growth between 2020 and 2045². DACs are jurisdictions with more than half of the population living in high segregation and poverty or low resource areas as defined by the California Tax Credit Allocation Committee (TCAC)/HCD Opportunity Index Scores further described in the document.
 - d. Reallocate residual existing need by county to non-DAC jurisdictions within the same county based on the formula in (a) and (b) above, i.e. 50% transit accessibility and 50% job accessibility.
 3. Determine a jurisdiction’s total housing need
 - a. Add a jurisdiction’s projected housing need from (1) above to its existing housing need from (2) above to determine its total housing need.
 4. Determine four RHNA income categories (very low, low, moderate, and above moderate)
 - a. Use a minimum 150% social equity adjustment
 - b. Add an additional percentage of social equity adjustment to jurisdictions that have a high concentration of very low or very high resource areas using the California Tax Credit Allocation Committee (TCAC)’s index scoring
 - i. Add a 10% social equity adjustment to areas that are designated as 70-80% very high or very low resource area
 - ii. Add a 20% social equity adjustment to areas that are designated as 81-90% very high or very low resource area
 - iii. Add a 30% social equity adjustment to areas that are designated as 91-100% very high or very low resource area

² Since HCD’s regional determination of 1,341,827 exceeds SCAG’s 2020-2045 household growth forecast of 1,297,000 by 3.46 percent, for the purposes of existing need allocation, exceeding “local input” or more accurately, Connect SoCal Growth Forecast, household growth shall mean exceeding 1.0368 times household growth.

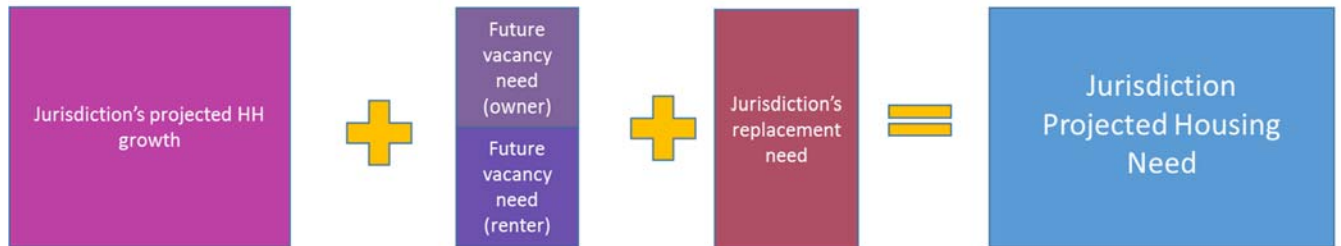
Methodology Component	Assigned units
Projected need: Household growth	466,958
Projected need: Future vacancy need	14,467
Projected need: Replacement need	23,545
Projected need subtotal	504,970

	Percentage of Existing Need	Assigned units
Existing need: Transit accessibility	50%	418,429
Existing need: Job accessibility	50%	418,428
Existing need subtotal		836,857

Total regional need	1,341,827
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Step 1: Determine Projected Housing Need

The first step of the RHNA methodology is to determine a jurisdiction’s projected need. From the regional determination, projected need is considered to be regional household growth, regional future vacancy need, and regional replacement need.



To determine a jurisdiction’s projected need, SCAG staff recommends a three-step process:

- a. Determine the jurisdiction’s regional projected household growth based on local input
- b. Determine future vacancy need based on a jurisdiction’s existing composition of owner and renter households and apply a vacancy rate on projected household growth based on the following:
 - a. Apply a 1.5% vacancy need for owner households
 - b. Apply a 5.0% vacancy need for renter households
- c. Determine a jurisdiction’s net replacement need based on replacement need survey results

Step 1a: Projected Household Growth

SCAG's Connect SoCal regional growth forecast reflects recent and past trends, key demographic and economic assumptions, and local, regional, state, and national policy. SCAG's regional growth forecasting process also emphasizes the participation of local jurisdictions and other stakeholders. The growth forecast process kicked off on May 30, 2017 with a panel of experts meeting wherein fifteen academic scholars and leading practitioners in demographics and economics were invited to review key input assumptions for the growth forecast including expected job growth, labor force participation, birth rates, immigration and household formation rates. SCAG staff then incorporated the recommendations of the panel of experts into a preliminary range of population, household, and employment growth figures for 2016, 2020, 2030, 2035, and 2045 for the region and six counties individually.

SCAG further projects jurisdiction-level and sub-jurisdiction-level employment, population, and households using several major data sources, including:

- California Department of Finance (DOF) population and household estimates;
- California Employment Development Department (EDD) jobs report by industry;
- 2015 existing land use and General Plans from local jurisdictions;
- 2010 Census and the latest ACS data (2013-2017 5-year samples);
- County assessor parcel databases;
- 2011 and 2015 Business Installment data from InfoGroup; and
- SCAG's 2016 RTP/SCS growth forecast.

On October 31, 2017, the preliminary small area (i.e. jurisdiction and sub-jurisdiction) growth forecasts were released to local jurisdictions for their comments and input. This kicked off SCAG's *Bottom-Up Local Input and Envisioning Process* which provided each local jurisdiction with their preliminary growth forecast information as well as several other data elements both produced by SCAG and other agencies which are related to the development of Connect SoCal. Data map books were generated and provided electronically and in hard copy format and included detailed parcel-level land use data, information on resource areas, farmland, transportation, geographical boundaries and the draft growth forecast. Complete information on the Data map books and the Bottom-Up Local Input and Envisioning Process can be found at <http://scagrtpscs.net/Pages/DataMapBooks.aspx>. Over the next eight months, SCAG staff conducted one-on-one meetings with all 197 local jurisdictions to explain methods and assumptions behind the jurisdiction and sub-jurisdiction growth forecast as well as to provide an opportunity to review, edit, and approve SCAG's preliminary forecast for population, employment, and households for 2016, 2020, 2030, 2035, and 2045.

Between October 2018 and February 2019, SCAG reviewed local input on the growth forecast and other data map book elements. The local input growth forecast was evaluated at the county and regional level for the base year of 2016 and the horizon year of 2045 and was found to be technically sound. Specifically, as it relates to SCAG's local input household forecast:

- The forecast generates a 2045 regional unemployment rate of 4.7 percent which is reasonable based on past trends and ensured that the forecast is balanced, i.e. there are not too many jobs for the number of anticipated workers
- The forecast generates a 2045 population-to-household ratio of 2.9 which is consistent with the preliminary forecast and reflects expert-anticipated decreases in this ratio, ensuring that there are not too many people for the anticipated number of households region-wide
- From 2020-2045, the forecast anticipates household growth of 21 percent and population growth of 15 percent, indicating an alleviation of the region's current housing shortage over this future period.

SCAG's growth forecast for the years 2020-2030 is used as the basis for calculating projected housing unit need. Because the 6th cycle RHNA projection period covers July 1, 2021 through October 15, 2029, it is necessary to adjust reported household growth between 2020 and 2030 and adjust it to an 8.25 year projection period. The anticipated growth in households over this period is multiplied by 0.825 to approximate growth during the 8.25-year RHNA projection period (July 1, 2021 to October 15, 2029).

Step 1b: Future Vacancy Need

The purpose of a future vacancy need is to ensure that there are enough vacant units to support a healthy housing market that can genuinely accommodate projected household growth. An undersupply of vacant units can prevent new households from forming or moving into a jurisdiction. Formulaically, future vacancy need is a percentage applied to the jurisdiction's household growth by tenure type (owner and renter households). While individual jurisdictions may experience different vacancy rates at different points in time, future vacancy need is independent of existing conditions and instead is a minimum need to support household growth.

To calculate a jurisdiction's future vacancy need, its proportion of owner-occupied units and renter-occupied units are determined using American Community Survey (ACS) 2013-2017 data—the most recent available at the time of the draft methodology's development. The percentages are applied to the jurisdiction's projected household growth from the previous step, which results in the number of projected households that are predicted to be owners and those that are predicted to be renters.

Next, two different vacancy rates are applied based on the regional determination provided by HCD. The recommended methodology uses 1.5 percent for owner-occupied units and a rate of 5 percent for renter-occupied units. The difference is due to the higher rates of turnover generally reported by renter units in comparison to owner-occupied units. The vacancy rates are applied to their respective tenure category to determine how many future vacant units are needed by tenure and then added together to get the total future vacancy need.

Step 1c: Replacement Need

Residential units are demolished for a variety of reasons including natural disasters, fire, or desire to construct entirely new residences. Each time a unit is demolished, a household is displaced and disrupts the jurisdiction's pattern of projected household growth. The household may choose to live in a vacant unit or leave the jurisdiction, of which both scenarios result in negative household growth

through the loss of a vacant unit for a new household or subtracting from the jurisdictions number of households.

For these reasons, replacement need is a required component of the regional determination provided by HCD. The methodology's replacement need will be calculated using a jurisdiction's net replacement need based on data submitted for the replacement need survey, which was conducted between March and April 2019.

Each jurisdiction's data on historical demolitions between reporting years 2008 and 2018, which was collected from the California Department of Finance (DOF), was tabulated and provided to jurisdictions in the replacement need survey. Jurisdictions were asked to provide data on units that replaced the reported demolished units. A net replacement need was determined based on this information for each jurisdiction.

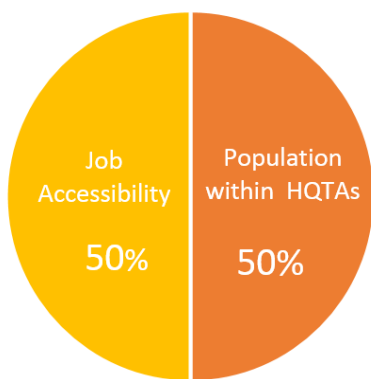
After determining each of the projected housing need components, they are combined to determine a jurisdiction's projected housing need.

Step 2: Determine Existing Housing Need

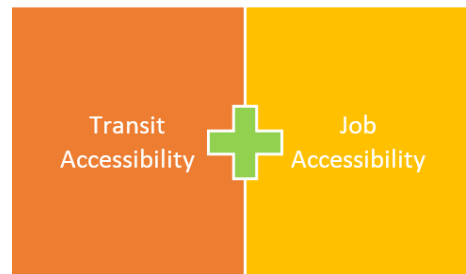
After determining a jurisdiction's projected need, the next step is to determine a jurisdiction's existing need. Following the above discussion and based on HCD's determination of total regional housing need, existing need is defined as the total need minus the projected need—approximately 62 percent of the entire regional determination. SCAG's Regional Council determined that the regional existing need be split into two parts:

- Fifty (50) percent on population near transit (HQTAs), or 31 percent of total need
- Fifty (50) percent on job accessibility, or 31 percent of total need

Regional Existing Need



Jurisdiction Existing Need



Step 2a: Share of Regional HQTA Population

The next step involves the consideration of proximity to transit to distribute fifty (50) percent of the region's existing housing need, in an effort to better align transportation and housing planning.

For several years, SCAG has developed a measure called High Quality Transit Areas (HQTAs) which are areas within a half-mile of transit stations and corridors with at least a fifteen (15) minute headway during peak hours for bus service. HQTAs are based on state statutory definitions of high-quality transit corridors (HQTCS) and major transit stops. For the development of Connect SoCal, freeway-running HQTCS have been excluded from HQTAs to better reflect the level of service they provide to nearby areas.

Planned HQTCS and major transit stops for future years are improvements that are expected to be implemented by transit agencies by the Connect SoCal horizon year of 2045. SCAG updates its inventory with the quadrennial adoption of each RTP/SCS; however, planning and environmental impact studies may be completed by transit agencies more frequently. Therefore, HQTAs in future years reflect the best information currently available to SCAG regarding the location of future high-quality transit service accessibility. More detailed information on HQTA-related definitions is available in the data appendix.

50 percent of the regional existing housing need will be distributed based on a jurisdiction's share of regional residential population within an HQTA, based on the HQTA boundaries used in the final Connect SoCal Plan anticipated to be adopted by SCAG in April 2020. Not all jurisdictions have an HQTA within their jurisdictional boundaries and thus may not receive existing need based on this factor.

Step 2b: Job Accessibility

The concept behind job accessibility is to further the statewide housing objective and SCAG's Connect SoCal objective of improving the relationship between jobs and housing. While none of the three options presented in the proposed RHNA methodology included a factor directly based on job accessibility, an overwhelming number of public comments expressed support for the methodology to include this specific component.

The methodology assigns fifty (50) percent of regional existing need based on job accessibility. Job accessibility is based on the share of the region's jobs accessible by a thirty (30) minute commute by car in 2045. Importantly, the RHNA methodology's job access factor is *not* based on the number of jobs within a jurisdiction from SCAG's Connect SoCal Plan or any other data source. Rather, it is a measure based on of how many jobs can be *accessed* from that jurisdiction within a 30-minute commute, which includes jobs in other jurisdictions. Since over 80 percent of SCAG region workers live and work in different jurisdictions, genuinely improving the relationship between jobs and housing necessitates an approach based on job access rather than the number of jobs in a jurisdiction.

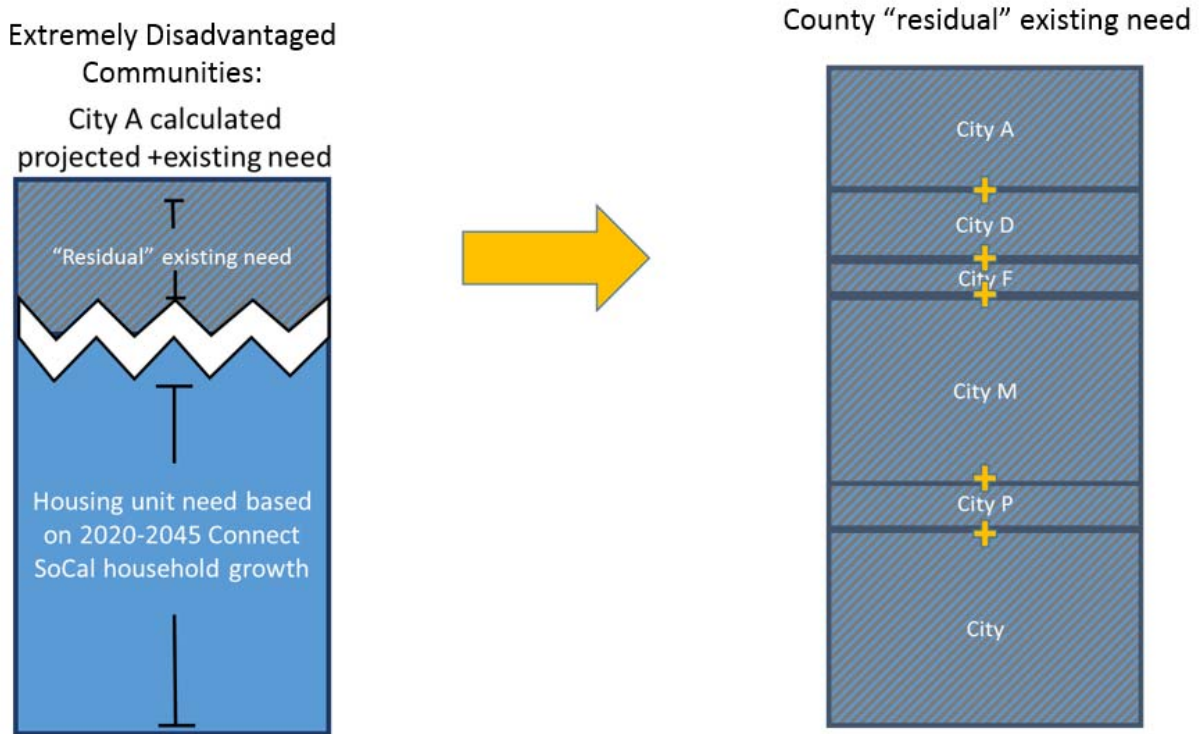
These job accessibility data are derived at the transportation analysis zone (TAZ) level from travel demand modelling output from SCAG's final Connect SoCal Plan. SCAG realizes that in many jurisdictions, especially larger ones, job access many not be uniform in all parts of the city or county. However, since the RHNA process requires allocating housing need at the jurisdictional-level, staff reviewed several ways to measure the typical commuter's experience in each jurisdiction. Ultimately, the share of the region's jobs that could be accessed by a jurisdiction's *median TAZ* was found to be the best available measure of job accessibility for that jurisdiction. Based on this measure, in central parts of the region, residents of some jurisdictions can access as much as 23 percent of the region's

jobs in a 30 minute car commute, while the average across all the region’s jurisdictions was 10.5 percent.

This measure is multiplied by a jurisdiction’s share of total population in order to allocate housing unit need to jurisdictions. This important step ensures that the potential beneficiaries of greater accessibility (i.e., the population in a jurisdiction with good job access) are captured in the methodology. Based on this approach, jurisdictions with limited accessibility to jobs will receive a smaller RHNA allocation based on this component.

Step 2c: “Residual” Adjustment Factor for Existing Need

In many jurisdictions defined as “disadvantaged communities (DACs)”, the calculated projected and existing need is higher than its household growth between 2020 and 2045, as determined by the SCAG Growth Forecast used in the final Connect SoCal regional plan. Those DAC jurisdictions that have a need as determined by the RHNA methodology as higher than its 2020 to 2045 household growth³ will be considered as generating “residual” existing need. Residual need will be subtracted from jurisdictional need in these cases so that the maximum a DAC jurisdiction will receive for existing need is equivalent to its 2020 to 2045 household growth. Not all DAC jurisdictions will have a residual existing need.



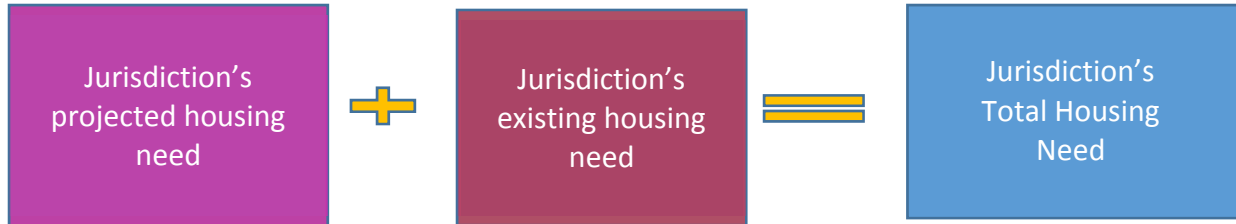
³ Since HCD’s regional determination of 1,341,827 exceeds SCAG’s 2020-2045 household growth forecast of 1,297,000 by 3.68 percent, for the purposes of existing need allocation, exceeding “local input” or “Connect SoCal” household growth shall mean exceeding 1.0368 times household growth.

A county total of residual existing need will be calculated and then redistributed with the same county to non-DAC jurisdictions. The redistribution will be assigned to jurisdictions based on transit accessibility (50%) and job accessibility (50%), and will exclude DAC jurisdictions which have over 50% of their populations in very low resource areas using California Tax Credit Allocation Committee (TCAC)/HCD Opportunity Indices.

Very low resource areas are areas that have least access to opportunity as measured by indicators such as poverty levels, low wage job proximity, math and reading proficiency, and pollution levels. This mechanism will help to further AFFH objectives since residual existing RHNA need, which includes additional affordable units, will be assigned to areas that are not identified as those with the lowest resources, which will increase access to opportunity. A full discussion on the TCAC opportunity indicators is provided in the following section on social equity adjustment. Data relating to the TCAC opportunity indicator categories for each jurisdiction can be found in the RHNA methodology data appendix and in the accompanying RHNA allocation estimator tool on the RHNA webpage: www.scag.ca.gov/rhna.

Step 3: Determining Total Housing Need

After determining a jurisdiction's projected housing need from step 1 and its existing housing need from step 2, the sum of the projected and existing need becomes a jurisdiction's total housing need.



Step 4: Determining Four Income Categories through Social Equity Adjustment

After determining a jurisdiction's total RHNA allocation, the next step is to assign the total into four RHNA income categories. The four RHNA income categories are:

- Very low (50 percent or less of the county median income);
- Low (50-80 percent);
- Moderate (80 to 120 percent); and
- Above moderate (120 percent and above)

The fourth RHNA objective specifically requires that the RHNA methodology allocate a lower proportion of housing need in jurisdictions that already have a disproportionately high concentration of those households in comparison to the county distribution. Additionally, the fifth objective, affirmatively furthering fair housing (AFFH), requires that the RHNA methodology further the objectives of addressing significant disparities in housing needs and access to opportunity in order to overcome patterns of segregation.

To further these two objectives, the RHNA methodology includes a minimum 150 percent social equity adjustment and an additional 10 to 30 percent added in areas with significant populations that are defined as very low or very high resource areas, referred to as an AFFH adjustment. This determines the distribution of four income categories for each jurisdiction.

Social equity adjustment



A social equity adjustment ensures that jurisdictions accommodate their fair share of each income category. First, the percentage of each jurisdiction's distribution of four income categories is determined using the county median income as a benchmark. For example, in Los Angeles County, a household earning less than \$30,552 annually, or 50 percent of the county median income, would be considered a very low income household. A household in Los Angeles County earning more than \$73,218 annually, or 120 percent of the county median income, would be counted in the above moderate category. The number of households in each category is summed and then a percentage of each category is then calculated.

For reference, below is the median household income by county.

- Imperial County: \$44,779
- Los Angeles County: \$61,015
- Orange County: \$81,851
- Riverside County: \$60,807
- San Bernardino County: \$57,156
- Ventura County: \$81,972
- SCAG region: \$64,114

Source: American Community Survey (ACS) 2013-2017 5-year estimates

Once a jurisdiction's household income distribution by category is determined, the percentage is compared to the county's percentage of existing household income distribution. For example, if a jurisdiction has an existing distribution of 30 percent of very low income households while the county is 25 percent, the jurisdiction is considered as having an overconcentration of very low income households compared to the county. A social equity adjustment ensures that the jurisdiction will be assigned a smaller percentage of very low income households for its RHNA allocation than both what it and the county currently experience.

If the jurisdiction is assigned a social equity adjustment of 150 percent, the formula to calculate its very low income percentage is:

Household Income Level	Formula to Calculate City A Social Equity Adjustment of 150%
Very Low Income	$30\% - [(30\% - 25\%) \times 1.5] = 22.5\%$

In this example, 22.5 percent of the jurisdiction's total RHNA allocation would be assigned to the very low income category. This adjustment is lower than both its existing household income distribution (30 percent) and the existing county distribution (25 percent).

The inverse occurs in higher income categories. Assuming 20 percent of a jurisdiction's households are above moderate income while 25 percent of the county's households are above moderate income, the jurisdiction will be assigned a distribution of 27.5 percent for above moderate income need.

Household Income Level	Formula to Calculate City A Social Equity Adjustment of 150%
Above moderate income	$20\% - [(20\% - 25\%) \times 1.5] = 27.5\%$

If the adjustment was 100 percent a jurisdiction’s distribution would be exactly the same as the County’s distribution. Conceptually a 150 percent adjustment means that the City meets the County distribution and goes beyond that threshold by 50 percent, resulting in a higher or lower distribution than the County depending on what existing conditions are in the City. The higher the adjustment, the more noticeable the difference between the jurisdiction’s existing household income distribution and its revised distribution.

The RHNA methodology recommends a minimum of 150 percent social equity adjustment with an additional 10, 20, or 30 percent added depending on whether the jurisdiction is considered a very low or very high resource area based on its Opportunity Index score.

In 2015 the U.S. Department of Housing and Urban Development (HUD) developed a set of “Opportunity Indices” to help states and localities identify factors that contribute to fair housing issues in their region and comply with the federal Fair Housing Act. In late 2017, a Task Force convened by HCD and the California Tax Credit Allocation Committee (TCAC) released an “Opportunity mapping” tool based on these HUD indices to identify areas in California that can “offer low-income children and adults the best chance at economic advancement, high educational attainment, and good physical and mental health.”⁴

The TCAC and HCD Opportunity mapping tool includes a total of eleven (11) census-tract level indices to measure exposure to opportunity in local communities. The indices are based on measures of economic, environmental, and educational opportunities within communities. Regional patterns of segregation are also identified based on this tool. Below is a summary table of the 11 indices sorted by type:

Economic	Environment	Education
Poverty	CalEnviroScreen 3.0 indicators	Math proficiency
Adult education		Reading proficiency
Employment		High school graduation rates
Low-wage job proximity		Student poverty rate
Median home value		<ul style="list-style-type: none"> • <i>Ozone</i> • <i>PM2.5</i> • <i>Diesel PM</i> • <i>Drinking water contaminates</i> • <i>Pesticides</i> • <i>Toxic releases from facilities</i> • <i>Traffic density</i> • <i>Cleanup sites</i> • <i>Groundwater threats</i> • <i>Hazardous waste</i> • <i>Impaired water bodies</i> • <i>Solid waste sites</i>

⁴ California Fair Housing Taskforce Revised opportunity Mapping Technology, Updated November 27, 2018: <https://www.treasurer.ca.gov/ctcac/opportunity/final-opportunity-mapping-methodology.pdf>

Based on its respective access to opportunity, each census tract is given a score that designates it under one of the following categories:

- High segregation & poverty
- Low resource
- Moderate resource
- High resource
- Highest resource

Tract-level indices were summed to the jurisdictional-level by SCAG using area-weighted interpolation. Using 2013-2017 American Community Survey population data, SCAG determined the share of each jurisdiction’s population in each of these five categories. For example:

	Lowest Resource				Very High Resource
Opportunity Indicator Category	High segregation & poverty	Low resource	Moderate resource	High resource	Highest resource
City A Percentage of population	10%	10%	30%	30%	20%
City B Percentage of population	90%	5%	5%	0%	0%
City C Percentage of population	0%	0%	10%	15%	75%

The recommended methodology determines high resource concentration using the “very high” resource area score. The recommended methodology determines “lowest” resource areas by combining the two lowest measures. In the above table, City B would be considered to have a much higher concentration of lower resource areas than City A. City C would be considered to have a much higher concentration of highest resource areas.⁵

- High segregation & Poverty + Low Resource = Lowest Resource
- Highest Resource

Jurisdictions that are identified as having between 70 and 100 percent of the population within a lowest or very high resource area are assigned an additional 10 and 30 percent social equity adjustment:

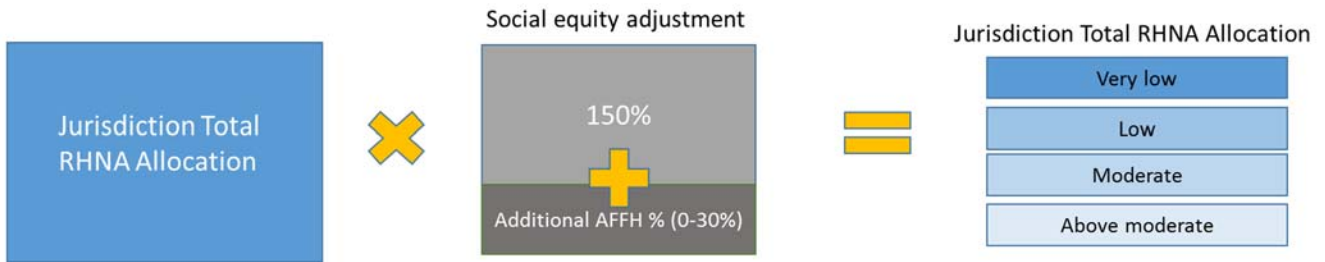
⁵ As a cross-reference, if City B has both a high job and transit accessibility it would be exempt from the redistribution of residual existing need from the RHNA methodology’s Step 2d because more than 50 percent of its population is within a very low resource area. On the other hand City A and City C, if they have a high job and transit access, would not be exempt from receiving regional residual need because they have only 20 percent and 0 percent of their respective population within a very low resource area.

Concentration of population within very low or very high resource area	Additional social equity adjustment
70-80%	+10%
80-90%	+20%
90-100%	+30%

In the example table, City B would receive an additional social equity adjustment of 30% because 95% of its population is within a lowest resource area (sum of high segregation & poverty and low resource measures). City C would receive an additional social equity adjustment of 10% because 75% of its population is within a very high resource area. City A would not receive a further adjustment because it does not have a high enough concentration of population within either the lowest or very high resource categories.

Assigning a higher social equity adjustment based on Opportunity Indices will result in a higher percentage of affordable housing units to areas that have higher resources. Concurrently, it will assign a lower percentage of affordable housing in areas where they is already an overconcentration. Because Opportunity Indices consider factors such as access to lower wage jobs, poverty rates, and school proficiency, the social equity adjustment in the RHNA methodology will result in factors beyond simply household income distribution. This additional adjustment will help to adjust the disparity in access to fair housing across the region, furthering the AFFH objective required in State housing law.

Once the social equity adjustment is determined, it is used to assign need to the four income categories.



Final Adjustments

On a regional level the final RHNA allocation plan must be the same as the regional determination, by income category, provided by HCD. The final RHNA methodology will result in slight differences, among income categories, since income categories are required to use county distributions as benchmarks and the HCD determination does not include county-level benchmarks. For this reason, after the initial income categories are determined for jurisdictions, SCAG will apply a normalization adjustment to the RHNA allocation to ensure that the regional total by income category is maintained.

Additionally, in the event that a jurisdiction receives an allocation of zero (0) units under the RHNA methodology a minimum RHNA allocation of eight (8) units would be assigned. Government Code Section 65584.04(m)(2) requires that the final RHNA allocation plan ensure that each jurisdiction receive an allocation of units for low- and very low income households. Under these circumstances, SCAG will assign those jurisdictions a minimum of four (4) units in the very low income category and four (4) units in the low income category for a draft RHNA allocation of eight (8) units.

Meeting the Objectives of RHNA

Government Code Section 65584.04(a) requires that the RHNA methodology furthers the five objectives of the Regional Housing Needs Assessment:

- (1) Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households.
- (2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region’s greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.
- (3) Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.
- (4) Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.
- (5) Affirmatively furthering fair housing.
 - (e) For purposes of this section, “affirmatively furthering fair housing” means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

On January 13, 2020, HCD completed its review of SCAG’s draft RHNA methodology and found that it furthers the five statutory objectives of RHNA.

Local Planning Factors

As part of the development of the proposed RHNA methodology, SCAG must conduct a survey of planning factors that identify local conditions and explain how each of the listed factors are incorporated into the RHNA methodology. This survey, also known as the “Local Planning Factor” survey, is a specific requirement for the RHNA methodology process and is separate from the local review process of the Growth Forecast used as the basis for determining future growth in the Connect SoCal plan.

The survey was distributed to all SCAG jurisdictions in mid-March 2019 with a posted due date of May 30, 2019. One-hundred and nine (109) jurisdictions, or approximately 55%, submitted a response to the local planning factor survey. To facilitate the conversation about local planning factors, between October 2017 and October 2018 SCAG included these factors as part of the local input survey and surveyed a binary yes/no as to whether these factors impacted jurisdictions. The formal local planning factor survey was pre-populated with the pre-survey answers to help facilitate survey response. The full packet of local planning factor surveys can be downloaded at www.scag.ca.gov/rhna.

SCAG staff reviewed each of the submitted surveys to analyze planning factors opportunities and constraints across the region. The collected information was used to ensure that the methodology will equitably distribute housing need and that underlying challenges as a region are collectively addressed.

- (1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate, based on readily available data, of the number of low-wage jobs within the jurisdiction and how many housing units within the jurisdiction are affordable to low-wage workers as well as an estimate, based on readily available data, of projected job growth and projected household growth by income level within each member jurisdiction during the planning period.*

The RHNA methodology directly considers job accessibility and determines a portion of housing need for each jurisdiction based on this factor. Using transportation analysis zones as a basis, the percentage of jobs accessible within a 30 minute drive for a jurisdiction’s population is determined and then weighted based on the jurisdiction’s population size to determine individual shares of regional jobs accessible. Based on a review of other potential mechanisms to factor in jobs into the RHNA methodology, SCAG staff has determined that this mechanism most closely aligns with the goals of State housing law.

A supplemental analysis of the impact of the draft RHNA methodology’s impact on jobs-housing relationships and low-wage jobs-housing relationships was provided to the Regional Council on February 5, 2020.

- (2) *The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following:*
- (A) *Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.*
 - (B) *The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.*
 - (C) *Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis, including land zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts conversion to non-agricultural uses.*
 - (D) *County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts its conversion to non-agricultural uses.*

Consideration of the above planning factors have been incorporated into the Growth Forecast process and results by way of analysis of aerial land use data, general plan, parcel level property data, open space, agricultural land and resource areas, and forecast surveys distributed to local jurisdictions. The bottom-up Local Input and Envisioning Process, which is used as the basis for both RHNA and SCAG's Connect SoCal (Regional Transportation Plan/Sustainable Communities Strategy) started with an extensive outreach effort involving all local jurisdictions regarding their land use and development constraints. All local jurisdictions were invited to provide SCAG their respective growth perspective and input. The RHNA methodology directly incorporates local input on projected household growth, which should be a direct reflection of local planning factors such as lack of water or sewer capacity, FEMA-designated flood sites, and open space and agricultural land protection.

Prior RHNA cycles did not promote direct linkage to transit proximity and the methodology encourages more efficient land use patterns by utilizing existing as well as future planned transportation infrastructure and preserves areas designated as open space and agricultural

lands. In particular the inclusion of transit proximity places an increased emphasis on infill opportunities and areas that are more likely to support higher residential densities.

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

As indicated above, the Growth Forecast used as the basis for the Connect SoCal Plan is also used as the basis for projected household growth in the RHNA methodology. The weighting of a jurisdiction's population share within an HQTAs directly maximizes the use of public transportation and existing transportation infrastructure.

- (4) Agreements between a county and cities in a county to direct growth toward incorporated areas of the county, and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of the jurisdiction that prohibits or restricts conversion to nonagricultural uses.*

This planning factor has been identified through the local input process and local planning factor survey collection as affecting growth within Ventura County. The urban growth boundary, known as Save Our Agricultural Resources (SOAR), is an agreement between the County of Ventura and its incorporated cities to direct growth toward incorporated areas, and was recently extended to 2050. Based on the input collected, SCAG staff has concluded that this factor is already reflected in the RHNA methodology since it was considered and incorporated into the local input submitted by jurisdictions.

- (5) The loss of units contained in assisted housing developments, as defined in paragraph (9) of subdivision (a) of Section 65583 that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.*

The conversion of low income units into non-low income units is not explicitly addressed through the distribution of existing and projected housing need. Staff has provided statistics in the RHNA methodology appendix on the potential loss of units in assisted housing developments. The loss of such units affects the proportion of affordable housing needed within a community and the region as a whole.

Local planning factor survey responses indicate that the impact of this factor is not regionally uniform. Many jurisdictions that replied some units are at-risk for losing their affordability status in the near future have indicated that they are currently reviewing and developing local resources to address the potential loss. Based on this, SCAG staff has determined that at-risk units are best addressed through providing data on these units as part of the RHNA methodology and giving local jurisdictions the discretion to address this factor and adequately plan for any at-risk unit loss in preparing their housing elements.

(6) The percentage of existing households at each of the income levels listed in subdivision (e) of Section 65584 that are paying more than 30 percent and more than 50 percent of their income in rent.

An evaluation of survey responses reveals that cost-burdened households, or those who pay at least 30 percent of their household income on housing costs, is a prevalent problem throughout the region. The RHNA methodology also includes in its appendix data from the ACS 2013-2017 on cost-burdened statistics for households who pay more than 30 percent of their income on housing by owner and renter, and for renter households who pay 50 percent or more of their income on housing. The general trend is seen in both high and low income communities, suggesting that in most of the SCAG region high housing costs are a problem for all income levels.

Nonetheless a large number of jurisdictions indicated in the survey that overpaying for housing costs disproportionately impacts lower income households in comparison to higher income households. This issue is exacerbated in areas where there is not enough affordable housing available, particularly in higher income areas. For this reason, the RHNA methodology incorporates not only a 150 percent social equity adjustment, but also uses the TCAC Opportunity Indices to distribute the RHNA allocation into the four income categories in areas identified as being the highest resource areas of the region. The Opportunity Indices include a proximity to jobs indicator, particularly for low-wage jobs, which identifies areas with a high geographical mismatch between low wage jobs and affordable housing. Increasing affordable housing supply in these areas can help alleviate cost-burden experienced by local lower income households because more affordable options will be available.

The reason for using social equity adjustment and opportunity indices to address cost-burdened households rather than assigning total need is because it is impossible to determine through the methodology how and why the cost-burden is occurring in a particular jurisdiction. Cost-burden is a symptom of housing need and not its cause. A jurisdiction might permit a high number of units but still experiences cost-burden because other jurisdictions restrict residential permitting. Or, a jurisdiction might have a large number of owner-occupied housing units that command premium pricing, causing cost-burden for high income households and especially on lower income households due to high rents from high land costs. An analysis of existing need indicators by jurisdiction, which is part of the RHNA methodology data appendix, does not reveal a single strong trend to base a distribution methodology for cost-burden and thus the RHNA methodology distributes this existing need indicator regionally using social equity adjustment and Opportunity Indices rather than to where the indicators exist.

(7) The rate of overcrowding.

An evaluation of survey responses indicates that there is a variety of trends in overcrowding throughout the region. Overcrowding is defined as more than 1.01 persons per room (not bedroom) in a housing unit. Some jurisdictions have responded that overcrowding is a severe issue, particularly for lower income and/or renter households, while others have

responded that overcrowding is not an issue at all. At the regional determination level HCD applied an overcrowding component, which is a new requirement for the 6th RHNA cycle. Because

Similar to cost-burden, overcrowding is caused by an accumulated housing supply deficit and is considered an indicator of existing housing need. The reason for not assigning need directly based on this indicator is because it is impossible to determine through the methodology how and why the overcrowding is occurring in a particular jurisdiction. A jurisdiction that has an overcrowding rate higher than the regional average might be issuing more residential permits than the regional average while the surrounding jurisdictions might not have overcrowding issues but issue fewer permits than the regional average. An analysis of existing need indicators by jurisdiction, which is part of the RHNA methodology data appendix, does not reveal a single strong trend to base a distribution methodology for overcrowding and thus the methodology distributes this existing need indicator regionally rather than to where the indicators exist.

While not specifically surveyed, several jurisdictions have indicated that density has affected their jurisdictions and have requested that the methodology should consider this as a factor. While density is not directly addressed as a factor, the social equity adjustment indirectly addresses density particularly for lower income jurisdictions. In housing elements, jurisdictions most demonstrate that a site is affordable for lower income households by applying a “default density”, defined in State housing law as either 20 or 30 dwelling units per acre depending on geography and population. In other words, a site that is zoned at 30 dwelling units per acre is automatically considered as meeting the zoning need for a low income household.

However there is not a corresponding default density for above moderate income zoning. Assigning a lower percentage of lower income households than existing conditions indirectly reduces future density since the jurisdiction can zone at lower densities if it so chooses. While this result does not apply to higher income jurisdictions, directing growth toward less dense areas for the explicit purpose of reducing density is in direct contradiction to the objectives of state housing law, especially for promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development pattern.

(8)The housing needs of farmworkers.

The RHNA methodology appendix provides data on agricultural jobs by jurisdiction as well as workers by place of residence. The survey responses indicate that most jurisdictions do not have agricultural land or only have small agricultural operations that do not necessarily require designated farmworker housing. For the geographically concentrated areas that do have farmworker housing, responses indicate that many jurisdictions already permit or are working to allow farmworker housing by-right in the same manner as other agricultural uses are allowed. Jurisdictions that are affected by the housing needs of farmworkers can be assumed to have considered this local factor when submitting feedback on SCAG’s Growth

Forecast. A number of jurisdictions reiterated their approach in the local planning factor survey response.

Similar to at-risk units, the RHNA methodology does not include a distribution mechanism to distribute farmworker housing. However, SCAG has provided data in its RHNA methodology appendix related to this factor and encourages local jurisdictions to adequately plan for this need in their housing elements.

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

SCAG staff has prepared a map outlining the location of four-year private and public universities in the SCAG region along with enrollment numbers from the California School Campus Database (2018). Based on an evaluation of survey responses that indicated a presence of a university within their boundaries, SCAG staff concludes that most housing needs related to university enrollment are addressed and met by dormitories provided by the institution both on- and off-campus. No jurisdiction expressed concern in the surveys about student housing needs due to the presence of a university within their jurisdiction.

However, some jurisdictions have indicated outside of the survey that off-campus student housing is an important issue within their jurisdictions and are in dialogue with HCD to determine how this type of housing can be integrated into their local housing elements. Because this circumstance applies to only a handful of jurisdictions, it is recommended that housing needs generated by a public or private university be addressed in the jurisdiction's housing element if it is applicable.

(10) The loss of units during a state of emergency that was declared by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2), during the planning period immediately preceding the relevant revision pursuant to Section 65588 that have yet to be rebuilt or replaced at the time of the analysis.

Replacement need, defined as units that have been demolished but not yet replaced, are included as a component of projected housing need in the RHNA methodology. To determine this number, HCD reviewed historical demolition permit data between 2008 and 2017 (reporting years 2009 and 2018) as reported by the California Department of Finance (DOF), and assigned SCAG a regional replacement need of 0.5% of projected and existing need, or 34,010 units.

There have been several states of emergency declared for fires in the SCAG region that have destroyed residential units, as indicated by several jurisdictions in their local planning factor survey responses. Survey responses indicate that a total of 1,785 units have been lost regionally from fires occurring after January 1, 2018. Units lost from fires that occurred prior to January 1, 2018, have already been counted in the replacement need for the 6th RHNA cycle.

In spring 2019, SCAG conducted a replacement need survey with jurisdictions to determine units that have been replaced on the site of demolished units reported. Region wide 23,545 of the region's demolished units still needed to be replaced based on survey results. The sum of the number of units needing to be replaced based on the replacement need survey and the number of units reported as lost due to recent states of emergency, or 25,330, is lower than HCD's regional determination of replacement need of 34,010. One can reasonably conclude that units lost based on this planning factor are already included in the regional total and distributed, and thus an extra mechanism to distribute RHNA based on this factor is not necessary to meet the loss of units.

(11)The region's greenhouse gas emissions targets provided by the State Air Resources Board pursuant to Section 65080.

An assessment of survey responses indicate that a number of jurisdictions in the SCAG region are developing efforts for more efficient land use patterns and zoning that would result in greenhouse gas emissions. These include a mix of high-density housing types, neighborhood based mixed-use zoning, climate action plans, and other local efforts to reduce greenhouse gas emissions at the regional level.

The RHNA methodology includes a distribution of 50 percent of regional existing need based on a jurisdiction's share of regional population within an HQT. The linkage between housing planning and transportation planning will allow for a better alignment between the RHNA allocation plan and the Connect SoCal RTP/SCS. It will promote more efficient development land use patterns, encourage transit use, and importantly reduce greenhouse gas emissions. This will in turn support local efforts already underway to support the reduction of regional greenhouse gas emissions.

Moreover the RHNA methodology includes the Growth Forecast reviewed with local input as a distribution component, particularly for projected housing need. Local input is a basis for SCAG's Connect SoCal Plan, which addresses greenhouse gas emissions at the regional level since it is used to reach the State Air Resources Board regional targets. An analysis of the consistency between the RHNA and Connect SoCal Plan is included as an attachment to this document.

(12)Any other factors adopted by the council of governments that further the objectives listed in subdivision (d) of Section 65584, provided that the council of governments specifies which of the objectives each additional factor is necessary to further. The council of governments may include additional factors unrelated to furthering the objectives listed in subdivision (d) of Section 65584 so long as the additional factors do not undermine the objectives listed in subdivision (d) of Section 65584 and are applied equally across all household income levels as described in subdivision (f) of Section 65584 and the council of governments makes a finding that the factor is necessary to address significant health and safety conditions.

No other planning factors were adopted by SCAG to review as a specific local planning factor.

Affirmatively Furthering Fair Housing (AFFH)

Among a number of changes due to recent RHNA legislation is the inclusion of affirmatively furthering fair housing (AFFH) as both an addition to the listed State housing objectives of Government Section 65588 and to the requirements of RHNA methodology as listed in Government Code Section 65584.04(b) and (c), which includes surveying jurisdictions on AFFH issues and strategies and developing a regional analysis of findings from the survey.

AFFH Survey

The AFFH survey accompanied the required local planning factor survey and was sent to all SCAG jurisdictions in mid-March 2019 with a posted due date of May 30, 2019. Ninety (90) of SCAG's 197 jurisdictions completed the AFFH survey, though some jurisdictions indicated that they would not be submitting the AFFH survey due to various reasons. The full packet of surveys submitted prior to the development of the proposed methodology packet can be downloaded at www.scag.ca.gov/rhna.

Jurisdictions were asked various questions regarding fair housing issues, strategies and actions. These questions included:

- Describe demographic trends and patterns in your jurisdiction over the past ten years. Do any groups experience disproportionate housing needs?
- To what extent do the following factors impact your jurisdiction by contributing to segregated housing patterns or racially or ethnically-concentrated areas of poverty?
- To what extent do the following acts as determinants for fair housing and compliance issues in your jurisdiction?
- What are your public outreach strategies to reach disadvantaged communities?
- What steps has your jurisdiction undertaken to overcome historical patterns of segregation or remove barriers to equal housing opportunity?

The survey questions were based on the U.S. Department of Housing and Urban Development (HUD) Analysis of Impediments to Fair Housing Choice survey that each jurisdiction, or their designated local Housing Authority, must submit to HUD to receive Community Development Block Grant (CDBG) funds. For the AFFH survey, jurisdictions were encouraged to review their HUD-submitted surveys to obtain data and information that would be useful for submitting the AFFH survey.

Pursuant to Government Code Section 65584.04(c), the following is an analysis of the survey results.

Themes

Several demographic themes emerged throughout the SCAG region based on submitted AFFH surveys. A high number of jurisdictions indicated that their senior populations are increasing and many indicated that the fixed income typically associated with senior populations might have an effect on housing affordability. Other jurisdictions have experienced an increase in minority populations, especially among Latino and Asian groups. There is also a trend of the loss of young adults (typically younger than 30) and a decrease in the number of families with children in more suburban locations due to the rise in housing costs.

Barriers

There was a wide variety of barriers reported in the AFFH survey, though a number of jurisdictions indicated they did not have any reportable barriers to fair access to housing. Throughout the SCAG region, communities of all types reported that community opposition to all types of housing was an impediment to housing development. Sometimes the opposition occurred in existing low income and minority areas. Some jurisdictions indicated that high opportunity resource areas currently do not have a lot of affordable housing or Section 8 voucher units while at the same time, these areas have a fundamental misunderstanding of who affordable housing serves and what affordable housing buildings actually look like. Based on these responses, it appears that community opposition to housing, especially affordable housing and the associated stigma with affordable housing, is a prevalent barrier throughout the SCAG region.

Other barriers to access to fair housing are caused by high land and development costs since they contribute to very few affordable housing projects being proposed in higher opportunity areas. The high cost of housing also limits access to fair housing and is a significant contributing factor to disparities in access to opportunity. Increasing property values were reported across the region and some jurisdictions indicated that they are occurring in existing affordable neighborhoods and can contribute to gentrification and displacement. Additionally, during the economic downturn a large number of Black and Latino homeowners were disproportionately impacted by predatory lending practices and therefore entered foreclosure in higher numbers than other populations.

Other barriers reported in the AFFH survey include the lack of funding available to develop housing after the dissolution of redevelopment agencies in 2012. Moreover, some jurisdictions indicated that the lack of regional cooperation contributes to segregation.

Strategies to Overcome Barriers

All submitted AFFH surveys indicated that their respective jurisdictions employed at least a few strategies to overcome barriers to access fair housing. These strategies ranged from local planning and zoning tools to funding assistance to innovative outreach strategies.

In regard to planning and zoning tools, a number of jurisdictions indicated they have adopted inclusionary zoning ordinances or an in-lieu fee to increase the number of affordable units within their jurisdictions. Others have adopted an accessory dwelling unit (ADU) ordinance with accommodating standards to allow for higher densities in existing single-family zone neighborhoods. A few jurisdictions indicated that they have adopted an unpermitted dwelling unit (UDU) ordinance, which legalizes unpermitted units instead of removing them provided that the units meet health and safety codes. In addition to ADU and UDU ordinances, some jurisdictions have also adopted density bonuses, which allow a project to exceed existing density standards if it meets certain affordability requirements. Some responses in the survey indicate that the establishment of some of these tools and standards have reduced community opposition to projects. In addition, some jurisdictions responded that they have reduced review times for residential permit approvals and reduced or waived fees associated with affordable housing development.

To combat gentrification and displacement, some jurisdictions have established rent-stabilization ordinances while others have established a rent registry so that the jurisdiction can monitor rents

and landlord practices. Some jurisdictions have adopted relocation plans and others are actively seeking to extend affordability covenants for those that are expiring.

In regard to funding, SCAG jurisdictions provide a wide variety of support to increase the supply of affordable housing and increase access to fair housing. A number of jurisdictions provide citywide rental assistance programs for low income households and some indicated that their programs include favorable home purchasing options. Some of these programs also encourage developers to utilize the local first-time homebuyer assistance program to specifically qualify lower income applicants.

Other jurisdictions indicate that they manage housing improvement programs to ensure that their existing affordable housing stock is well maintained. Some AFFH surveys describe local multiple rental assistance programs, including Section 8 Housing Choice vouchers and financial support of tenant/landlord arbitration or mediation services.

Some jurisdictions indicated that they have focused on mobile homes as a way to increase access to fair housing. There are programs described that assist households that live in dilapidated and unsafe mobile homes in unpermitted mobile home parks by allowing the household to trade in their mobile home in exchange for a new one in a permitted mobile park. Other programs include rental assistance specifically for households who live in mobile homes.

In regard to community outreach, a large number of jurisdictions in the SCAG region have established or are seeking to establish innovative partnerships to increase access to fair housing and reduce existing barriers. Many jurisdictions work with fair housing advocacy groups such as the Housing Rights Center, which provide community workshops, counseling, and tenant-landlord mediation services. Other jurisdictions have established landlord-tenant commissions to resolve housing disputes and provide services to individuals with limited resources. Some jurisdictions have partnered with advocacy groups, such as the League of United Latin American Citizens (LULAC), to hold community-based workshops featuring simultaneous multi-lingual translations. Other innovative partnerships created by jurisdictions include those with local schools and school districts and public health institutions to engage disadvantaged groups and provide services to areas with limited resources.

A large number of jurisdictions have also indicated that they have increased their social media presence to reach more communities. Others have also increased their multi-lingual outreach efforts to ensure that limited-English proficiency populations have the opportunity to engage in local fair housing efforts.

Based on the AFFH surveys submitted by jurisdictions, while there is a wide range of barriers to fair housing opportunities in the SCAG region there is also a wide range of strategies to help overcome these barriers at the local level.

Meeting AFFH Objectives on a Regional Basis

To work towards the objective of AFFH, several benchmarks were reviewed as potential indicators of increasing access to fair housing and removing barriers that led to historical segregation patterns.

Opportunity Indices

The objectives of affirmatively furthering fair housing are to not only overcome patterns of segregation, but to also increase access to opportunity for historically marginalized groups, particularly in racially and ethnically concentrated areas of poverty. In 2015 the U.S. Department of Housing and Urban Development (HUD) developed a set of indices, known as “Opportunity Indices” to help states and jurisdictions identify factors that contribute to fair housing issues in their region and comply with the federal Fair Housing Act.

In 2015 the U.S. Department of Housing and Urban Development (HUD) developed a set of indices, known as “Opportunity Indices” to help states and jurisdictions identify factors that contribute to fair housing issues in their region and comply with the federal Fair Housing Act. In late 2017, a Task Force convened by HCD and the California Tax Credit Allocation Committee (TCAC) released an “Opportunity mapping” tool based on these HUD indices to identify areas in California that can “offer low-income children and adults the best chance at economic advancement, high educational attainment, and good physical and mental health.”

The TCAC and HCD Opportunity mapping tool includes a total of eleven (11) census-tract level indices to measure exposure to opportunity in local communities. Regional patterns of segregation can be identified based on this tool. The indices are based on indicators such as poverty levels, low wage job proximity, pollution, math and reading proficiency. Below is a summary table of the 11 indices sorted by type:

Economic	Environment	Education
Poverty	CalEnviroScreen 3.0 indicators <ul style="list-style-type: none"> • <i>Ozone</i> • <i>PM2.5</i> • <i>Diesel PM</i> • <i>Drinking water contaminates</i> • <i>Pesticides</i> • <i>Toxic releases from facilities</i> • <i>Traffic density</i> • <i>Cleanup sites</i> • <i>Groundwater threats</i> • <i>Hazardous waste</i> • <i>Impaired water bodies</i> • <i>Solid waste sites</i> 	Math proficiency
Adult education		Reading proficiency
Employment		High school graduation rates
Low-wage job proximity		Student poverty rate
Median home value		

To further the objectives of AFFH, SCAG utilizes the Opportunity indices tool at multiple points in the RHNA methodology. Jurisdictions that have the highest concentration of population in low resource areas are exempted from receiving regional residual existing need, which will result in fewer units

assigned to areas identified as having high rates of poverty and racial segregation. Additionally, jurisdictions with the highest concentration of population within highest resource areas will receive a higher social equity adjustment, which will result in more access to opportunity for lower income households.

Public Engagement

The development of a comprehensive RHNA methodology requires comprehensive public engagement. Government Code Section 65584.04(d) requires at least one public hearing to receive oral and written comments on the proposed methodology, and also requires SCAG to distribute the proposed methodology to all jurisdictions and requesting stakeholders, along with publishing the proposed methodology on the SCAG website. The official public comment period on the proposed RHNA methodology began on August 1, 2019 after Regional Council action and concluded on September 13, 2019.

To maximize public engagement opportunities, SCAG staff hosted four public workshops to receive verbal and written comment on the proposed RHNA methodology and an additional public information session in August 2019:

- August 15, 6-8 p.m. Public Workshop, Los Angeles (View-only webcasting available)
- August 20, 1-3 p.m. Public Workshop, Los Angeles (Videoconference at SCAG regional offices and View-only webcasting available)
- August 22, 1-3 p.m., Public Workshop, Irvine
- August 27, 6-8 p.m., Public Workshop, San Bernardino (View-only webcasting available)
- August 29, 1-3pm Public Information Session, Santa Clarita

Approximately 250 people attended the workshops in-person, at videoconference locations, or via webcast. Over 35 individual verbal comments were shared over the four workshops.

To increase participation from individuals and stakeholders that are unable to participate during regular working hours, two of the public workshops were held in the evening hours. One of the workshops was held in the Inland Empire. SCAG worked with its Environmental Justice Working Group (EJWG) and local stakeholder groups to reach out to their respective contacts in order to maximize outreach to groups representing low income, minority, and other traditionally disadvantaged populations.

Almost 250 written comments were submitted by the comment deadline and included a wide range of stakeholders. Approximately 50 percent were from local jurisdictions and subregions, and the other 50 percent were submitted by advocacy organizations, industry groups, residents and resident groups, and the general public. All of the comments received, both verbal and written, were reviewed by SCAG staff, and were used as the basis for developing the RHNA methodology.

The increased involvement by the number of jurisdictions and stakeholders beyond the municipal level compared to prior RHNA cycles indicate an increased level of interest by the public in the housing crisis and its solutions, and the efforts of SCAG to meet these interests. As part of its housing

program initiatives, SCAG will continue to reach out to not only jurisdictions, but to advocacy groups and traditionally disadvantaged communities that have not historically participated in the RHNA process and regional housing planning. These efforts will be expanded beyond the RHNA program and will be encompassed into addressing the housing crisis at the regional level and ensuring that those at the local and community level can be part of solutions to the housing crisis.

Additional RHNA Methodology Supporting Materials

Please note that additional supporting materials for the RHNA Methodology have been posted on SCAG's RHNA website at www.scag.ca.gov/rhna including Data Appendix, Local Planning Factor Survey Responses and Affirmatively Furthering Fair Housing Survey Responses.

ESTIMATE OF SCAG RHNA ALLOCATION BASED ON STAFF-RECOMMENDED FINAL RHNA METHODOLOGY
13-Feb-20

ALLOCATION BY COUNTY

	Total	Very-low income	Low income	Moderate income	Above moderate income
Imperial	15,953	4,652	2,349	2,192	6,760
Los Angeles	813,071	217,492	123,141	131,523	340,916
Orange	183,425	46,264	29,166	32,476	75,519
Riverside	167,191	41,922	26,443	29,146	69,681
San Bernardino	137,796	35,556	21,849	24,089	56,302
Ventura	24,398	5,751	3,799	4,516	10,332
TOTAL	1,341,834	351,637	206,747	223,941	559,509

ALLOCATION BY SUBREGION

	Total	Very-low income	Low income	Moderate income	Above moderate income
Arroyo Verdugo	22,143	5,974	3,572	3,650	8,947
CVAG	31,557	6,183	4,652	5,551	15,171
Gateway	74,423	20,805	10,776	11,221	31,621
Imperial	11,661	3,452	1,754	1,613	4,841
Las Virgenes Malibu	932	357	198	182	196
Los Angeles City	455,565	115,676	68,591	74,934	196,364
North LA County	27,428	7,837	4,127	4,278	11,185
OCCOG	173,050	43,136	27,305	30,442	72,167
SBCTA/SBCOG	128,972	33,381	20,491	22,566	52,534
SGVCOG	89,407	25,119	13,360	14,042	36,886
South Bay Cities	34,099	10,183	5,220	5,525	13,170
Unincorporated	155,364	42,801	24,347	25,907	62,309
Ventura	23,139	5,434	3,574	4,267	9,864
Westside Cities	19,225	5,957	3,635	3,538	6,095
WRCOG	94,869	25,342	15,144	16,224	38,159

ALLOCATION BY LOCAL JURISDICTION

County	Subregion	Total	Very-low income	Low income	Moderate income	Above moderate income
Adelanto city	San Bernardino SBCTA/SBCOG	3755	393	565	650	2148
Agoura Hills city	Los Angeles Las Virgenes Malibu	318	126	72	55	65
Alhambra city	Los Angeles SGVCOG	6810	1769	1033	1077	2931
Aliso Viejo city	Orange OCCOG	1193	388	213	205	386
Anaheim city	Orange OCCOG	17412	3757	2391	2939	8325
Apple Valley town	San Bernardino SBCTA/SBCOG	4281	1082	599	745	1855
Arcadia city	Los Angeles SGVCOG	3205	1098	568	604	935
Artesia city	Los Angeles Gateway	1067	310	168	128	462
Avalon city	Los Angeles Gateway	27	7	5	3	12
Azusa city	Los Angeles SGVCOG	2644	757	366	381	1139
Baldwin Park city	Los Angeles SGVCOG	1996	574	274	262	886
Banning city	Riverside WRCOG	1669	315	192	279	882
Barstow city	San Bernardino SBCTA/SBCOG	1516	171	227	299	819
Beaumont city	Riverside WRCOG	4201	1225	719	722	1535
Bell city	Los Angeles Gateway	228	42	23	29	134
Bell Gardens city	Los Angeles Gateway	502	99	29	72	303
Bellflower city	Los Angeles Gateway	3725	1011	486	552	1676
Beverly Hills city	Los Angeles Westside Cities	3096	1005	678	600	813
Big Bear Lake city	San Bernardino SBCTA/SBCOG	212	49	33	37	93
Blythe city	Riverside CVAG	493	81	70	96	245
Bradbury city	Los Angeles SGVCOG	40	15	8	9	8
Brawley city	Imperial Imperial	1423	397	209	202	615
Brea city	Orange OCCOG	2360	666	392	402	899
Buena Park city	Orange OCCOG	8900	2113	1340	1570	3876
Burbank city	Los Angeles Arroyo Verdugo	8752	2546	1415	1406	3386
Calabasas city	Los Angeles Las Virgenes Malibu	353	131	70	70	82
Calexico city	Imperial Imperial	4854	1274	653	612	2315
Calimesa city	Riverside WRCOG	2012	493	274	378	867
Calipatria city	Imperial Imperial	151	35	21	16	79
Camarillo city	Ventura Ventura	1372	351	243	270	508
Canyon Lake city	Riverside WRCOG	129	43	23	24	39
Carson city	Los Angeles South Bay Cities	5606	1765	911	873	2057

Attachment: Estimated RHNA Allocations (Recommended Final RHNA Methodology)

ESTIMATE OF SCAG RHNA ALLOCATION BASED ON STAFF-RECOMMENDED FINAL RHNA METHODOLOGY

	County	Subregion	Total	Very-low income	Low income	Moderate income	Above moderate income
Cathedral City city	Riverside	CVAG	2543	537	352	456	1197
Cerritos city	Los Angeles	Gateway	1902	676	344	331	551
Chino city	San Bernardino	SBCTA/SBCOG	6959	2106	1281	1200	2373
Chino Hills city	San Bernardino	SBCTA/SBCOG	3720	1384	819	787	731
Claremont city	Los Angeles	SGVCOG	1705	553	308	296	548
Coachella city	Riverside	CVAG	7875	1030	998	1366	4482
Colton city	San Bernardino	SBCTA/SBCOG	5418	1313	666	904	2536
Commerce city	Los Angeles	Gateway	246	54	22	38	132
Compton city	Los Angeles	Gateway	1001	234	120	130	517
Corona city	Riverside	WRCOG	6078	1748	1038	1094	2198
Costa Mesa city	Orange	OCCOG	11727	2910	1789	2083	4946
Covina city	Los Angeles	SGVCOG	1908	612	267	281	747
Cudahy city	Los Angeles	Gateway	393	79	36	53	224
Culver City city	Los Angeles	Westside Cities	3332	1104	602	558	1067
Cypress city	Orange	OCCOG	3924	1145	655	622	1502
Dana Point city	Orange	OCCOG	529	146	84	101	199
Desert Hot Springs city	Riverside	CVAG	3864	567	534	686	2077
Diamond Bar city	Los Angeles	SGVCOG	2514	841	432	435	805
Downey city	Los Angeles	Gateway	6504	2072	943	912	2578
Duarte city	Los Angeles	SGVCOG	873	263	142	135	333
Eastvale City	Riverside	WRCOG	3021	1141	671	634	576
El Centro city	Imperial	Imperial	3431	997	488	460	1485
El Monte city	Los Angeles	SGVCOG	8482	1791	851	1230	4610
El Segundo city	Los Angeles	South Bay Cities	491	188	88	83	132
Fillmore city	Ventura	Ventura	413	72	60	72	209
Fontana city	San Bernardino	SBCTA/SBCOG	17476	5095	2943	3029	6410
Fountain Valley city	Orange	OCCOG	4832	1304	785	833	1911
Fullerton city	Orange	OCCOG	13180	3189	1985	2267	5739
Garden Grove city	Orange	OCCOG	19124	4154	2795	3204	8970
Gardena city	Los Angeles	South Bay Cities	5719	1479	758	892	2589
Glendale city	Los Angeles	Arroyo Verdugo	13391	3429	2158	2244	5561
Glendora city	Los Angeles	SGVCOG	2271	732	385	387	766
Grand Terrace city	San Bernardino	SBCTA/SBCOG	628	187	91	106	243
Hawaiian Gardens city	Los Angeles	Gateway	330	60	43	46	181
Hawthorne city	Los Angeles	South Bay Cities	1731	443	204	249	835
Hemet city	Riverside	WRCOG	6451	809	730	1171	3741
Hermosa Beach city	Los Angeles	South Bay Cities	556	231	126	105	94
Hesperia city	San Bernardino	SBCTA/SBCOG	8135	1915	1228	1406	3587
Hidden Hills city	Los Angeles	Las Virgenes Malibu	41	16	8	9	7
Highland city	San Bernardino	SBCTA/SBCOG	2508	617	408	470	1013
Holtville city	Imperial	Imperial	171	40	33	26	73
Huntington Beach city	Orange	OCCOG	13337	3651	2179	2303	5204
Huntington Park city	Los Angeles	Gateway	1601	263	195	242	901
Imperial city	Imperial	Imperial	1598	702	345	294	258
Indian Wells city	Riverside	CVAG	381	116	80	91	94
Indio city	Riverside	CVAG	7793	1787	1167	1312	3527
Industry city	Los Angeles	SGVCOG	17	5	4	2	6
Inglewood city	Los Angeles	South Bay Cities	7422	1808	952	1110	3552
Irvine city	Orange	OCCOG	23555	6379	4225	4299	8652
Irwindale city	Los Angeles	SGVCOG	119	35	11	16	56
Jurupa Valley City	Riverside	WRCOG	4484	1203	747	729	1806
La Cañada Flintridge city	Los Angeles	SGVCOG	611	251	135	139	87
La Habra city	Orange	OCCOG	803	191	116	130	367
La Habra Heights city	Los Angeles	Gateway	171	77	34	31	29
La Mirada city	Los Angeles	Gateway	1958	632	341	319	665
La Palma city	Orange	OCCOG	800	222	140	137	301
La Puente city	Los Angeles	SGVCOG	1928	543	275	275	836
La Quinta city	Riverside	CVAG	1526	419	268	296	544
La Verne city	Los Angeles	SGVCOG	1343	412	238	223	470
Laguna Beach city	Orange	OCCOG	393	117	80	79	118
Laguna Hills city	Orange	OCCOG	1979	565	352	353	709
Laguna Niguel city	Orange	OCCOG	1205	347	201	223	435
Laguna Woods city	Orange	OCCOG	992	125	135	191	541
Lake Elsinore city	Riverside	WRCOG	6666	1873	1097	1131	2566
Lake Forest city	Orange	OCCOG	3229	953	541	558	1177
Lakewood city	Los Angeles	Gateway	3915	1293	636	652	1335
Lancaster city	Los Angeles	North LA County	9004	2218	1192	1326	4269
Lawndale city	Los Angeles	South Bay Cities	2491	729	310	370	1082

Attachment: Estimated RHNA Allocations (Recommended Final RHNA Methodology)

ESTIMATE OF SCAG RHNA ALLOCATION BASED ON STAFF-RECOMMENDED FINAL RHNA METHODOLOGY

	County	Subregion	Total	Very-low income	Low income	Moderate income	Above moderate income
Loma Linda city	San Bernardino	SBCTA/SBCOG	2052	522	311	353	866
Lomita city	Los Angeles	South Bay Cities	828	238	123	127	339
Long Beach city	Los Angeles	Gateway	26440	7122	4038	4149	11131
Los Alamitos city	Orange	OCCOG	767	192	118	145	312
Los Angeles city	Los Angeles	Los Angeles City	455565	115676	68591	74934	196364
Lynwood city	Los Angeles	Gateway	1555	375	138	235	807
Malibu city	Los Angeles	Las Virgenes Malibu	78	27	18	17	17
Manhattan Beach city	Los Angeles	South Bay Cities	773	321	164	155	133
Maywood city	Los Angeles	Gateway	364	54	47	55	209
Menifee city	Riverside	WRCOG	6593	1755	1049	1103	2686
Mission Viejo city	Orange	OCCOG	2211	671	400	396	744
Monrovia city	Los Angeles	SGVCOG	1670	518	262	254	636
Montclair city	San Bernardino	SBCTA/SBCOG	2589	696	382	399	1112
Montebello city	Los Angeles	SGVCOG	5171	1309	705	774	2383
Monterey Park city	Los Angeles	SGVCOG	5246	1320	820	846	2260
Moorpark city	Ventura	Ventura	1287	376	233	245	434
Moreno Valley city	Riverside	WRCOG	13595	3768	2046	2161	5620
Murrieta city	Riverside	WRCOG	3035	1005	581	543	905
Needles city	San Bernardino	SBCTA/SBCOG	86	9	10	16	51
Newport Beach city	Orange	OCCOG	4832	1451	927	1048	1406
Norco city	Riverside	WRCOG	453	144	84	81	143
Norwalk city	Los Angeles	Gateway	5024	1542	757	657	2068
Ojai city	Ventura	Ventura	52	12	8	10	22
Ontario city	San Bernardino	SBCTA/SBCOG	20803	5624	3279	3322	8579
Orange city	Orange	OCCOG	3927	1064	603	676	1585
Oxnard city	Ventura	Ventura	8529	1834	1068	1535	4092
Palm Desert city	Riverside	CVAG	2785	673	459	460	1193
Palm Springs city	Riverside	CVAG	2554	543	407	461	1142
Palmdale city	Los Angeles	North LA County	6625	1772	933	1001	2919
Palos Verdes Estates city	Los Angeles	South Bay Cities	198	81	44	47	26
Paramount city	Los Angeles	Gateway	363	90	43	48	182
Pasadena city	Los Angeles	SGVCOG	9409	2739	1659	1562	3449
Perris city	Riverside	WRCOG	7786	2024	1124	1271	3367
Pico Rivera city	Los Angeles	Gateway	3939	1148	562	572	1657
Placentia city	Orange	OCCOG	4363	1226	678	768	1690
Pomona city	Los Angeles	SGVCOG	10532	2791	1336	1506	4899
Port Hueneme city	Ventura	Ventura	125	25	15	18	66
Rancho Cucamonga city	San Bernardino	SBCTA/SBCOG	10500	3236	1916	2033	3315
Rancho Mirage city	Riverside	CVAG	1743	429	317	328	670
Rancho Palos Verdes city	Los Angeles	South Bay Cities	637	251	138	125	122
Rancho Santa Margarita city	Orange	OCCOG	679	208	120	125	227
Redlands city	San Bernardino	SBCTA/SBCOG	3507	963	614	650	1280
Redondo Beach city	Los Angeles	South Bay Cities	2483	932	507	489	555
Rialto city	San Bernardino	SBCTA/SBCOG	8252	2211	1203	1368	3470
Riverside city	Riverside	WRCOG	18419	4849	3057	3133	7379
Rolling Hills city	Los Angeles	South Bay Cities	44	19	9	11	6
Rolling Hills Estates city	Los Angeles	South Bay Cities	191	81	42	38	30
Rosemead city	Los Angeles	SGVCOG	4604	1151	636	685	2131
San Bernardino city	San Bernardino	SBCTA/SBCOG	8104	1411	1094	1445	4154
San Buenaventura (Ventura) city	Ventura	Ventura	5302	1184	863	948	2307
San Clemente city	Orange	OCCOG	975	279	162	186	347
San Dimas city	Los Angeles	SGVCOG	1245	382	219	206	438
San Fernando city	Los Angeles	North LA County	1790	459	272	283	776
San Gabriel city	Los Angeles	SGVCOG	3017	843	414	465	1295
San Jacinto city	Riverside	WRCOG	3385	797	464	559	1565
San Juan Capistrano city	Orange	OCCOG	1052	268	172	183	428
San Marino city	Los Angeles	SGVCOG	398	149	91	91	68
Santa Ana city	Orange	OCCOG	3087	583	360	522	1621
Santa Clarita city	Los Angeles	North LA County	10009	3388	1730	1668	3222
Santa Fe Springs city	Los Angeles	Gateway	950	252	158	152	388
Santa Monica city	Los Angeles	Westside Cities	8874	2786	1668	1698	2721
Santa Paula city	Ventura	Ventura	655	101	98	121	335
Seal Beach city	Orange	OCCOG	1240	256	200	238	545
Sierra Madre city	Los Angeles	SGVCOG	204	78	38	34	53
Signal Hill city	Los Angeles	Gateway	516	159	78	90	189
Simi Valley city	Ventura	Ventura	2788	746	492	517	1032
South El Monte city	Los Angeles	SGVCOG	576	130	63	70	313
South Gate city	Los Angeles	Gateway	8263	2130	991	1171	3971

Attachment: Estimated RHNA Allocations (Recommended Final RHNA Methodology)

ESTIMATE OF SCAG RHNA ALLOCATION BASED ON STAFF-RECOMMENDED FINAL RHNA METHODOLOGY

	County	Subregion	Total	Very-low income	Low income	Moderate income	Above moderate income
South Pasadena city	Los Angeles	SGVCOG	2061	754	397	333	578
Stanton city	Orange	OCCOG	1228	164	144	231	690
Temecula city	Riverside	WRCOG	4183	1355	799	777	1253
Temple City city	Los Angeles	SGVCOG	2183	628	349	369	837
Thousand Oaks city	Ventura	Ventura	2616	733	493	531	860
Torrance city	Los Angeles	South Bay Cities	4929	1617	844	851	1617
Tustin city	Orange	OCCOG	6777	1722	1045	1131	2879
Twentynine Palms city	San Bernardino	SBCTA/SBCOG	1044	229	126	184	504
Unincorporated Imperial Co.	Imperial	Unincorporated	4292	1200	595	579	1919
Unincorporated Los Angeles Co.	Los Angeles	Unincorporated	89849	25583	13662	14152	36452
Unincorporated Orange Co.	Orange	Unincorporated	10375	3128	1861	2034	3352
Unincorporated Riverside Co.	Riverside	Unincorporated	40765	10398	6647	7370	16350
Unincorporated San Bernardino Co.	San Bernardino	Unincorporated	8824	2176	1358	1522	3768
Unincorporated Ventura Co.	Ventura	Unincorporated	1259	317	225	249	468
Upland city	San Bernardino	SBCTA/SBCOG	5673	1579	956	1011	2127
Vernon city	Los Angeles	Gateway	8	4	4	0	0
Victorville city	San Bernardino	SBCTA/SBCOG	8146	1730	1133	1500	3782
Villa Park city	Orange	OCCOG	295	92	59	61	83
Walnut city	Los Angeles	SGVCOG	1292	426	224	231	411
West Covina city	Los Angeles	SGVCOG	5333	1648	847	863	1974
West Hollywood city	Los Angeles	Westside Cities	3923	1062	687	681	1493
Westlake Village city	Los Angeles	Las Virgenes Malibu	142	57	29	32	24
Westminster city	Orange	OCCOG	9733	1874	1469	1780	4610
Westmorland city	Imperial	Imperial	33	7	5	4	17
Whittier city	Los Angeles	Gateway	3431	1022	535	555	1319
Wildomar city	Riverside	WRCOG	2709	795	449	433	1032
Yorba Linda city	Orange	OCCOG	2410	762	449	456	742
Yucaipa city	San Bernardino	SBCTA/SBCOG	2859	705	492	509	1153
Yucca Valley town	San Bernardino	SBCTA/SBCOG	749	154	116	145	334

Attachment: Estimated RHNA Allocations (Recommended Final RHNA Methodology)

RHNA Timeline of Key Activities and Milestones
October 2018 - January 2020

Date	Type	Milestone
10/29/18	Meeting	RHNA Subcommittee Meeting #1: <i>Kickoff</i>
12/3/18	Meeting	RHNA Subcommittee Meeting #2: <i>Action- Subcommittee charter</i>
2/4/19	Meeting	RHNA Subcommittee Meeting #3: <i>Action-subregional delegation guidelines</i>
2/7/19	Meeting	Regional Council and CEHD Meeting: <i>Action-RHNA Subcommittee charter</i>
3/4/19	Meeting	RHNA Subcommittee Meeting #4: <i>Action-release of methodology surveys, discussion on RHNA methodology</i>
3/7/19	Meeting	CEHD Meeting: <i>Action-Subregional delegation guidelines</i>
3/27/19	Panel	Convened Panel of Experts on technical issues related to regional determination
4/1/19	Meeting	RHNA Subcommittee Meeting #5: <i>Discussion on RHNA methodology</i>
4/4/19	Meeting	Regional Council Meeting: <i>Action-Subregional delegation guidelines</i>
5/6/19	Meeting	RHNA Subcommittee Meeting #6: <i>Action- regional determination package, discussion on RHNA methodology</i>
6/3/19	Meeting	RHNA Subcommittee Meeting #7: <i>Action- amended regional determination package, discussion on RHNA methodology</i>
6/6/19	Meeting	CEHD and Regional Council Meeting: <i>Action – submission of regional consultation package to HCD</i>
6/20/19	Submission	Submission of regional consultation package to HCD
7/22/19	Meeting	RHNA Subcommittee Meeting #8: <i>Action-release of proposed methodology options for public review</i>
7/29/19	Webinar	RHNA 101 Webinar
8/1/19	Meeting	Release of Proposed Methodology for Public Comment (<i>CEHD and Regional Council Action</i>)
8/1/19- 9/1/319	Public comment period	Public comment period on proposed RHNA methodology
8/15/19	Hearing	Proposed Methodology Public Hearing #1, SCAG Los Angeles Office
8/20/19	Hearing	Proposed Methodology Public Hearing #2, SCAG Los Angeles Office
8/22/19	Correspondence	Receipt of regional determination from HCD
8/22/19	Hearing	Proposed Methodology Public Hearing #3, Irvine City Hall
8/22/19	Hearing	Proposed Methodology Public Hearing #4, SBCTA Board Room
8/29/19	Workshop	Proposed Methodology Public Information Session, Santa Clarita
9/5/19	Meeting	CEHD and Regional Council Meeting: <i>Action-Objection to regional determination from HCD</i>
9/13/19	Due date	Comment deadline for proposed methodology
9/18/19	Submission	Submission of objection letter of regional determination to HCD
9/25/19	Workshop	Preview workshop of staff recommended draft RHNA methodology

10/7/19	Meeting	RHNA Subcommittee Meeting #9: <i>Action-recommendation of draft RHNA methodology Mayor Bailey's Substitute Motion failed in a 4-3 votes</i>
10/15/19	Correspondence	Receipt of final regional determination from HCD
10/17/19	Meeting	Briefing on technical issues related to staff recommended draft RHNA methodology as part of the Technical Working Group meeting
10/21/19	Meeting	CEHD Special Meeting: <i>Action- recommendation of draft RHNA methodology (unanimous)</i>
10/21/19	Correspondence	Commenter letter from SBCTA objecting to staff-recommended draft RHNA methodology due to inequitable regional distribution
10/22/19	Correspondence	Received e-mail from Mayor Sahli-Wells requesting staff presentation of Mayor Bailey's Alternative RHNA Methodology for the November 7, 2019 Regional Council meeting
11/1/19	Correspondence	Received letter jointly signed by Mayor Bailey, Supervisor Spiegel, Mayor Navarro & EEC Member Toni Momberger recommending an Alternative RHNA Methodology for the November 7, 2019 Regional Council meeting
11/2/19	Staff Report	Staff Report posted including analysis of Alternative Methodology
11/5/19	Correspondence	Commenter letter from Mayor of Los Angeles objecting to staff-recommended draft RHNA methodology including recommendations with some overlap with Bailey's Alternative Methodology
11/5/19	Correspondence	E-mail from Kome to RC members including the letter from Mayor Bailey & the Estimator (calculator) for Alternative Methodology, enabling side-by-side comparison of jurisdictions' estimated RHNA allocations under either scenario.
11/6/19	Staff Memo	SCAG staff's initial response provided to City of Los Angeles on its Recommended Changes to RHNA methodology
11/7/19	Meeting	Regional Council Meeting: <i>Action-Approval of Bailey's Alternative Methodology by a 43-19 votes; approved methodology submittal to HCD for review</i>
11/14/19	Submission	Submission of draft RHNA methodology to HCD as approved by Regional Council
1/13/20	Correspondence	Receipt of HCD's review of SCAG's draft RHNA methodology, which is found to further the five statutory objectives of RHNA

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Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
March 5, 2020

To: Community
Economic & Human Development Committee (CEHD)
Regional Council (RC)
From: Kome Ajise, Executive Director, Executive Management,
213-236-1835, Ajise@scag.ca.gov
Subject: 6th Cycle RHNA Appeals Procedures

**EXECUTIVE DIRECTOR'S
APPROVAL**

RECOMMENDED ACTION FOR CEHD:

Recommend that the Regional Council approve the 6th RHNA Cycle Appeals Procedures.

RECOMMENDED ACTION FOR REGIONAL COUNCIL:

Approve the 6th RHNA Cycle Appeals Procedures.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

EXECUTIVE SUMMARY:

Per Government Code Section 65584.05(b) within forty-five (45) days of receipt of the draft RHNA allocation, local jurisdictions and the California Department of Housing and Community Development (HCD) may appeal any jurisdiction’s draft RHNA allocation. SCAG staff has developed 6th Cycle RHNA Appeals Procedures that outline the appeals process, and includes information on bases for appeals, the public hearings to hear appeals, and the reallocation of successful appeals.

BACKGROUND:

Subsequent to the adoption of the final RHNA methodology, SCAG will release a draft RHNA allocation plan. Per Government Code Section 65584.05(b), within 45 days of receipt of the draft RHNA allocation, local jurisdictions and the California Department of Housing and Community Development (HCD) may appeal any jurisdiction’s draft RHNA allocation. The distribution of a draft RHNA allocation is dependent on the adoption of a final RHNA methodology. Assuming that the final RHNA methodology is adopted on March 5, 2020 by the Regional Council and a draft RHNA allocation receipt date of Friday, April 10, 2020, the 45-day filing period will end on Monday, May 25, 2020.

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California’s Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

Appeals may be filed on any draft RHNA allocation within the SCAG region by any SCAG jurisdiction and HCD. Per Government Code Section 65584.05(b), an appeal may only be filed on at least one of the following basis:

- Local planning factors and information relating to affirmatively furthering fair housing;
- Application of adopted final methodology
- Significant and Unforeseen change in circumstances

Regarding a “significant and unforeseen change in circumstances,” Government Code Section 65584.05(b)(3) requires it is based on a local planning factor as described in Government Code Section 65584.04(b) and by extension, subsection (e). This would require that any qualifying change in circumstances would need to have occurred after SCAG’s methodology survey packet was distributed in Spring 2019. Additionally, an appeal based on a change in circumstances may only be filed by a jurisdiction appealing its own draft RHNA allocation.

Additionally, in accordance with State housing law, an appeal cannot be granted based on the following factors:

- A local jurisdiction’s existing zoning ordinance and land use restrictions
- Any local ordinance, policy, voter-approved measure or standard limiting residential development.
- Prior underproduction of housing in a jurisdiction from the previous regional housing need allocation.
- Stable population numbers in a jurisdiction.

More detailed descriptions of these exclusions for appeals is included in Section I.D of the attached 6th Cycle RHNA Appeals Procedures, which is attached to this report.

Applicants of an appeal must complete an appeals form (Exhibit A) that will be available on the SCAG RHNA webpage (www.scag.ca.gov/rhna) after the appeals procedures are adopted by the Regional Council. Directions on how to electronically submit the form and supporting documentation will be provided on the final form and on the RHNA webpage.

Following the conclusion of the filing period, all jurisdictions will be notified by SCAG of all appeals filed and related attachments will be posted on SCAG’s website. Per Government Code Section 65584.05(c) Jurisdictions and HCD will have 45 days, or until June 9, 2020 (assuming that the draft RHNA allocation will be available in early April), to comment on filed appeals.

Within 30 days of the end of the appeal comment period, SCAG must conduct public hearings to hear all filed appeals. The hearing body will be the RHNA Subcommittee, also known at this point as

the RHNA Appeals Board. The RHNA Appeals Board will be subject to the RHNA Subcommittee Charter, which was adopted by the SCAG Regional Council at their February 7, 2019 meeting. All decisions made by the Appeals Board will be considered final and not reviewed by the CEHD Committee or Regional Council.

Public notice of hearings will be posted within 21 days of the scheduled public hearings. Because it is unknown at this time how many appeals will be filed, SCAG staff is currently unable to set the date of the hearings. However, the public hearings will most likely take place during the latter half of July 2020 assuming that the draft RHNA allocation will be available in early April.

The appeals hearings will be organized by each jurisdiction subject to an appeal. Appeal applicants that have filed an appeal will be allotted time during the public hearing to present their argument for an adjustment to the jurisdiction's draft RHNA allocation. Jurisdictions that are the subject of an appeal but did not file an appeal on their own draft RHNA allocation will also be allotted time to present. SCAG staff will provide a recommendation and staff report for each subject jurisdiction, after which applicants and the subject jurisdiction which did not file an appeal but is the subject of an appeal (if applicable) may present a brief rebuttal. The RHNA Appeals Board is encouraged to make one finding on the subject jurisdiction after hearing all arguments and presentations on each subject jurisdiction. A full description of the public hearing procedures, including time allotments, are including in the 6th Cycle RHNA Appeals Procedures, which is an attachment to this report.

All successful appeals, except in determined cases as outlined in the Appeals Procedures Section H, will be reallocated back to all jurisdictions in the SCAG region, including those who had successful appeals. A full description of the methodology for successful appeal redistribution is described in the 6th Cycle RHNA Appeals Procedures.

The results of the appeals process and its subsequent reallocation will be included in the proposed final RHNA Allocation Plan, which will be reviewed by the RHNA Subcommittee, CEHD Committee, and Regional Council between August and September 2020. The final RHNA Allocation Plan is scheduled for adoption on October 1, 2020 by the Regional Council.

Differences between the 5th and 6th Cycles Appeals Procedures

There are several noticeable differences between the 5th and proposed 6th Cycle RHNA Appeals Procedures. First, for the 6th Cycle any jurisdiction and HCD may file an appeal on any jurisdiction whereas in the 5th cycle only a jurisdiction could file an appeal on its own draft RHNA allocation. Additionally, there were two separate processes in which a jurisdiction could request a reduction to its draft RHNA allocation – a revision request and an appeal. However, due to recent legislation the process has been streamlined into one appeals process.

Moreover in prior RHNA cycles, an appeal could not be based on local ordinances or voter-approved measures that limited the number of residential permits issued. For the 6th cycle, in addition to these types of local ordinances, also excluded from appeals are underproduction of housing units since the last RHNA cycle and stable population growth.

Next Steps

A draft of the proposed 6th Cycle RHNA Appeals Procedures was presented at a public workshop on February 3, 2020. The purpose of the workshop was to provide the public a preview of SCAG staff proposals on the procedures and solicit comments until February 10, 2020. A number of jurisdictions provided written comments on the procedures, several of which have been directly incorporated into the procedures and attachments. Written comments received on the draft 6th Cycle RHNA Appeals Procedures can found posted on the RHNA webpage.

SCAG staff presented the updated RHNA Appeals Procedures at the February 24, 2020 RHNA Subcommittee meeting, where the Subcommittee recommended review and approval by the CEHD Committee and Regional Council at their respective March 5, 2020 meetings. Following Regional Council adoption, SCAG will post the procedures along with a final appeal application form and directions for filing an appeal on the SCAG RHNA webpage. Key dates of the appeals process will be finalized after the adoption of the final RHNA methodology.

FISCAL IMPACT:

Work associated with this item is included in the current FY 19-20 General Fund Budget (800.0160.03: RHNA).

ATTACHMENT(S):

1. 6th Cycle RHNA Appeals Procedures
2. Exhibit A Appeal Request Form
3. Exhibit C-GOV_65080.
4. Exhibit C -GOV_65584.
5. Exhibit C - GOV_65584.04
6. Exhibit C -GOV_65584.05
7. RHNA Subcommittee Charter
8. PowerPoint Presentation - RHNA Appeals Procedures

6th Cycle RHNA Appeals Procedures

Pursuant to Government Code section 65584.05, any local jurisdiction within the SCAG region may file an appeal to modify its allocated share or another jurisdiction's share of the regional housing need included as part of SCAG's Draft Regional Housing Needs Assessment (RHNA) Allocation Plan, hereinafter referred to as the "Draft RHNA Plan." The California Department of Housing and Community Development, hereinafter referred to as "HCD", may also file an appeal to one or more jurisdiction's draft RHNA allocation. No appeal shall be allowed relating to post-appeal reallocation adjustments made by SCAG, as further described in Section II, below.

I. APPEALS PROCESS

A. DEADLINE TO FILE

The period to file appeals shall commence on April 10, 2020¹, which shall be deemed as the date of receipt by jurisdictions and HCD of the draft RHNA Plan. In order to comply with Government Code § 65584.05(b), a jurisdiction or HCD seeking to appeal a draft allocation of the regional housing need must file an appeal by 5:00 p.m. May 25, 2020². Late appeals shall not be accepted by SCAG.

B. FORM OF APPEAL

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

C. BASES FOR APPEAL

Local jurisdictions shall only file an appeal based upon the criteria listed below. In order to provide guidance to potential appellants, information regarding SCAG's allocation methodology approved by SCAG's Regional Council on March 5, 2020³, and application of local factors in the development of SCAG's adopted Final Methodology is attached hereto as Exhibit "B". Appeals based on "change in circumstances" can only be filed by the jurisdiction or jurisdictions where the change in circumstances occurred.

¹ This date assumes that the draft RHNA allocation will be available in early April 2020. Dates related to the appeal process will be finalized after the adoption of the Final RHNA Methodology.

² This date assumes that the draft RHNA allocation will be available in early April 2020. Dates related to the appeal process will be finalized after the adoption of the Final RHNA Methodology.

³ This date is the scheduled date for adoption of the Final RHNA Methodology by the SCAG Regional Council. In the event of a date change, this section will be amended.

Pursuant to Government Code Section 65584.05, filed appeals must include a statement as to why the revision is necessary to further the intent of the objectives listed in Section 65584. Additionally, Government Code Section 65584.05(b) requires that all filed appeals must be consistent with, and not to the detriment of, the development pattern in the sustainable communities strategy, or SCAG’s Connect SoCal Plan, pursuant to Government Code Section 65080(b)(2).

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the allocation methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d).

2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH) – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5) including the following:
 - a. Each jurisdiction’s existing and projected jobs and housing relationship.
 - b. The opportunities and constraints to development of additional housing in each jurisdiction, including the following:
 - (1) lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period;
 - (2) the availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities;
 - (3) Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space,

farmland, environmental habitats, and natural resources on a long-term basis, including land zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts conversion to non-agricultural uses.

- (4) County policies to preserve prime agricultural land, as defined pursuant to Government Code § 56064, within an unincorporated area, and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts its conversion to non-agricultural uses.
- c. The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.
- d. Agreements between a county and cities in a county to direct growth toward incorporated areas of the county or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of the jurisdiction that prohibits or restricts conversion to nonagricultural uses.
- e. The loss of units contained in assisted housing developments, as defined in Government Code § 65583(a)(9), that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.
- f. The percentage of existing households at each of the income levels listed in subdivision (e) of Section 65584 that are paying more than 30 percent and more than 50 percent of their income in rent.
- g. The rate of overcrowding.
- h. The housing needs of farmworkers.
- i. The housing needs generated by the presence of a private university or a campus of the California State University or

the University of California within any member jurisdiction.

- j. The loss of units during a state of emergency that was declared by the Governor pursuant to the California Emergency Services Act (Chapter 7(commencing with Section 8550) of Division 1 of Title 2), during the planning period immediately preceding the relevant revision pursuant to Section 65588 that have yet to be rebuilt or replaced at the time of the analysis. For purposes of these guidelines, this applies to loss of units during a state of emergency occurring since October 2013 and have not yet been rebuilt or replaced by the time of the development of the draft RHNA methodology, or November 7, 2019.
 - k. The region’s greenhouse gas emissions targets provided by the State Air Resources Board pursuant to Section 65080, to be met by SCAG’s Connect SoCal Plan.
 - l. Information based upon the issues, strategies, and actions that are included, as available in an Analysis of Impediments to Fair Housing Choice or an Assessment of Fair Housing completed by any city or county or the California Department of Housing and Community Development, and in housing elements
3. Changed Circumstances – That a significant and unforeseen change in circumstances has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.

D. LIMITS ON SCOPE OF APPEAL

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

1. Any other criteria other than the criteria in Section I.C above.
2. A local jurisdiction's existing zoning ordinance and land use restrictions, including but not limited to, the contents of the local jurisdiction's current general plan. Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions.
3. Any local ordinance, policy, voter-approved measure or standard limiting residential development. Pursuant to Government Code Section 65584.04(g)(1), any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits shall not be a justification for a determination or a reduction in a city's or county's share of regional housing need.
4. Prior underproduction of housing in a jurisdiction from the previous regional housing need allocation. Pursuant to Government Code Section 65584.04)(g)(2), prior underproduction of housing in a jurisdiction from the previous housing need allocation, as determined by each jurisdiction's annual production report submitted to Government Code Section 65400(a)(2)(H) cannot be used as a justification for a determination or reduction in a jurisdiction's share of the regional housing need.
5. Stable population numbers in a jurisdiction. Pursuant to Government Code Section 65584.04(g)(3), stable population growth from the previous regional housing needs cycle cannot be used as a justification for a determination or reduction in a jurisdiction's share of the regional housing need.

E. COMMENTS ON APPEALS

At the close of the appeals period as set forth in I.A., SCAG shall notify all jurisdictions within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website after the close of the appeals filing period. Local jurisdictions and HCD may comment on one or more appeals within the 45

days following the end of the appeals filing period. All comments must be filed by 5:00 pm July 9, 2020⁴. No late comments shall be accepted by SCAG.

F. HEARING BODY

SCAG’s Regional Council has delegated the responsibility of considering appeals regarding draft allocations to the RHNA Subcommittee, also referred to as the RHNA Appeals Board. All provisions of the RHNA Subcommittee’s charter shall apply with respect to the conduct of the appeal hearings. Per the RHNA Subcommittee charter, which was adopted on February 7, 2019 by the Regional Council, all decisions made by the RHNA Appeals Board are considered final and will not be reviewed by the SCAG CEHD Committee or Regional Council.

G. APPEAL HEARING

SCAG shall conduct one public hearing to consider all appeals filed and comments received on the appeals no later than August 8, 2020⁵. This public hearing may be continued (over several days if necessary) until all appeals are heard. Notice shall be provided to the appealing jurisdictions, commenting jurisdictions, and HCD at least 21 days in advance of the hearing. The appeal hearing may take place provided that each county is represented either by a member or alternate of the RHNA Appeals Board. Alternates are permitted to participate in the appeal hearing, provided however, that each county shall only be entitled to one vote when deciding on the appeal. Ex-officio members may participate as non-voting members of the RHNA Appeals Board and are not counted for purposes of a quorum. In alignment with the adopted RHNA Subcommittee charter, in the event the hearing involves the member’s or alternate’s respective jurisdiction, the member or alternate may elect not to participate in the discussion and vote by the RHNA Subcommittee regarding such appeal.

Appeal Hearing Procedures

The hearing(s) shall be conducted to provide applicants and jurisdictions that did not file appeals but are the subject of an appeal, with the opportunity to make their case regarding a change in their draft regional housing need allocation or another jurisdiction’s allocation, with the burden on the applicants to prove their case. The appeals hearings will be organized by the specific jurisdiction subject to an appeal or appeals and will adhere to the following procedures:

⁴ This date assumes that the draft RHNA allocation will be available in early April 2020. Dates related to the appeal process will be finalized after the adoption of the Final RHNA Methodology.

⁵ This date assumes that the draft RHNA allocation will be available in early April 2020. Dates related to the appeal process will be finalized after the adoption of the Final RHNA Methodology. Additionally, depending on the number of appeals filed and the complexity of the appeals SCAG may elect to extend this time period by thirty (30) days per Government Code Section 65584.05(i).

1. Initial Arguments

Applicants who have filed an appeal for a particular jurisdiction will have an opportunity to present their request and reasons to grant the appeal. In the event of multiple appeals filed for a single jurisdiction, the subject jurisdiction will present their argument first if it has filed an appeal on its own draft RHNA allocation. Applicants may present their case either on their own, or in coordination with other applicants, but each applicant shall be allotted five (5) minutes each. If the subject jurisdiction did not file an appeal on its own draft RHNA allocation, it will be given an opportunity to present after all applicants have provided initial arguments on their filed appeals. Any presentation from the jurisdiction who did not appeal but is the subject of the appeal is limited to five (5) minutes unless it is responding to more than one appeal, in which case the jurisdiction is limited to eight (8) minutes.

2. Staff Response

After initial arguments are presented, SCAG staff will present their recommendation to approve or deny the appeals filed for the subject jurisdiction. The staff response is limited to five (5) minutes.

3. Rebuttal

Applicants and the jurisdiction who did not file an appeal but is the subject of the appeal (if applicable) may elect to provide a rebuttal but are limited to the arguments and evidence presented in the staff response. Each applicant and the subject jurisdiction that did not file an appeal on its own draft RHNA allocation will be allotted three (3) minutes each for a rebuttal.

4. Extension of Time Allotment

The Chair of the Appeals Board may elect to grant additional time for any presentation, staff response, or rebuttal in the interest of due process and equity.

5. Appeal Board Discussion and Determination

After arguments and rebuttals are presented, the RHNA Appeals Board may ask questions of applicants, the subject jurisdiction (if present), and SCAG staff. The Chair of the Appeals Board may request that questions from the Appeals Board be asked prior to a discussion among Appeals Board members. Any voting Board member may make a motion regarding the appeal(s) for the subject jurisdiction. The Appeals Board is encouraged to make a single determination on the subject jurisdiction

after hearing all arguments and presentations on each subject jurisdiction.

The RHNA Appeals Board need not adhere to formal evidentiary rules and procedures in conducting the hearing. An appealing jurisdiction may choose to have technical staff present its case at the hearing. At a minimum, technical staff should be available at the hearing to answer any questions of the RHNA Appeals Board.

H. DETERMINATION OF APPEAL

The RHNA Appeals Board shall issue a written final determination on all filed appeals after the conclusion of the public hearing(s). The written final determination shall consider all arguments and comments presented on revising the draft RHNA allocation of the subject jurisdiction and make a determination for each subject jurisdiction. The final determinations shall be based upon the information and methodology set forth in Government Code section 65584.04 and whether the revision is necessary to further the objectives listed in Government Code section 65584(d). The final determination shall include written findings as to how the determination is consistent with Government Code section 65584.05. The decision of the RHNA Appeals Board shall be final, and local jurisdictions shall have no further right to appeal.

In accordance with existing law, the final determination on an appeal by the RHNA Subcommittee may require the adjustment of allocation of a local jurisdiction that is not the subject of an appeal. Specific adjustments to jurisdictions not the subject of an appeal as a result of an appeal will be included as part of the Appeal Board's determination. These specific adjustments may be excluded from the cumulative total adjustments required to be reallocated as described in Section II of these Appeals Guidelines if it is included as part of the appeals determination of the subject jurisdiction.

I. ALTERNATIVE DATA REQUIREMENTS

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

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

II. POST-APPEAL REALLOCATION OF REGIONAL HOUSING NEED

In accordance with existing law (*see*, Government Code Section 65584.05(g)), after the conclusion of the appeals process, SCAG shall total the successfully appealed housing need allocations, except for adjustments made to jurisdictions not the subject of an appeal as determined by the Appeals Board in Section I.H. If the adjustments total seven percent (7%) or less of the regional housing need, SCAG shall distribute the adjustments proportionally, to all local jurisdictions. For purposes of these procedures, proportional distribution shall be based on the share of regional need after the appeals are determined and prior to the required redistribution.

If the adjustments total more than seven percent (7%) of the regional housing need, existing law requires that SCAG to develop a methodology to distribute the amount greater than seven percent to local governments. In this situation, SCAG will redistribute the amount greater than the seven percent based on the “residual” existing need calculation included in the adopted final RHNA methodology. To be consistent with the “residual” existing need calculation, successfully appealed units above the seven percent threshold will be redistributed to each county based on their proportion of total successful appeals. Fifty percent (50%) of each county’s amount above the regional seven percent will be redistributed within the county based on population within a High Quality Transit Area (HQT) and fifty percent (50%) of the amount will be redistributed within the county based on share of regional jobs accessible. Communities designated as disadvantaged, defined in the Final RHNA Methodology as having more than fifty percent (50%) of their population in lower resource areas, will be exempt from redistribution of the amount greater than seven percent. For more information regarding the existing need distribution in the Final RHNA Methodology, please refer to Exhibit B SCAG’s adopted Final RHNA Methodology.

III. FINAL RHNA PLAN

After SCAG reallocates units to all local jurisdictions resulting from successful appeals, SCAG's Regional Council shall review and consider adoption of the Final RHNA Plan for SCAG's 6th cycle RHNA. This is scheduled to occur on October 1, 2020.

DRAFT

List of Exhibits

Exhibit A: Draft RHNA Appeal Form (*pending*)

Exhibit B: SCAG's Adopted 6th RHNA Cycle Final Methodology (*pending*)

Exhibit C:

- Government Code Section 65580
- Government Code Section 65584
- Government Code Section 65584.04
- Government Code Section 65584.05

Exhibit D: RHNA Subcommittee Charter

DRAFT

Sixth Regional Housing Needs Assessment (RHNA) Cycle Appeal Request

All appeal requests must be received by SCAG May 21, 2020, 5 p.m. Appeals should be submitted to housing@scag.ca.gov. Late submissions will not be accepted.

Date:

Jurisdiction Subject to Appeal Filing:

Filing Party (Jurisdiction or HCD)

Filing Party Contact Name

Filing Party Email:

APPEAL AUTHORIZED BY:

Name: _____

PLEASE SELECT BELOW:

- Mayor
- Chief Administrative Office
- City Manager
- Chair of County Board of Supervisors
- Planning Director
- Other: _____

BASES FOR APPEAL

- RHNA Methodology
- Local Planning Factors and/or Information Related to Affirmatively Furthering Fair Housing (See Government Code Section 65584.04 (b)(2) and (e))
 - Existing or projected jobs-housing balance
 - Sewer or water infrastructure constraints for additional development
 - Availability of land suitable for urban development or for conversion to residential use
 - Lands protected from urban development under existing federal or state programs
 - County policies to preserve prime agricultural land
 - Distribution of household growth assumed for purposes of comparable Regional Transportation Plans
 - County-city agreements to direct growth toward incorporated areas of County
 - Loss of units contained in assisted housing developments
 - High housing cost burdens
 - The rate of overcrowding
 - Housing needs of farmworkers
 - Housing needs generated by the presence of a university campus within a jurisdiction
 - Loss of units during a state of emergency
 - The region's greenhouse gas emissions targets
 - Affirmatively furthering fair housing

FOR STAFF USE ONLY:

Date _____

Hearing Date: _____

Planner: _____

Sixth Regional Housing Needs Assessment (RHNA) Cycle Appeal Request

All appeal requests must be received by SCAG May 21, 2020, 5 p.m. Appeals should be submitted to housing@scag.ca.gov. Late submissions will not be accepted.

- Changed Circumstances (Per Government Code Section 65584.05(b), appeals based on change of circumstance can only be made by the jurisdiction or jurisdictions where the change in circumstance occurred)

Brief statement on why this revision is necessary to further the intent of the objectives listed in Government Code Section 65584 (please refer to Exhibit C of the Appeals Guidelines):

Brief Description of Appeal Request and Desired Outcome:

Number of units requested to be reduced or added to the jurisdiction’s draft RHNA allocation (circle one):

Reduced _____ Added _____

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

- 1.
- 2.
- 3.

FOR STAFF USE ONLY:

Date _____

Hearing Date: _____

Planner: _____

State of California

GOVERNMENT CODE

Section 65080

65080. (a) Each transportation planning agency designated under Section 29532 or 29532.1 shall prepare and adopt a regional transportation plan directed at achieving a coordinated and balanced regional transportation system, including, but not limited to, mass transportation, highway, railroad, maritime, bicycle, pedestrian, goods movement, and aviation facilities and services. The plan shall be action-oriented and pragmatic, considering both the short-term and long-term future, and shall present clear, concise policy guidance to local and state officials. The regional transportation plan shall consider factors specified in Section 134 of Title 23 of the United States Code. Each transportation planning agency shall consider and incorporate, as appropriate, the transportation plans of cities, counties, districts, private organizations, and state and federal agencies.

(b) The regional transportation plan shall be an internally consistent document and shall include all of the following:

(1) A policy element that describes the transportation issues in the region, identifies and quantifies regional needs, and describes the desired short-range and long-range transportation goals, and pragmatic objective and policy statements. The objective and policy statements shall be consistent with the funding estimates of the financial element. The policy element of transportation planning agencies with populations that exceed 200,000 persons may quantify a set of indicators including, but not limited to, all of the following:

(A) Measures of mobility and traffic congestion, including, but not limited to, daily vehicle hours of delay per capita and vehicle miles traveled per capita.

(B) Measures of road and bridge maintenance and rehabilitation needs, including, but not limited to, roadway pavement and bridge conditions.

(C) Measures of means of travel, including, but not limited to, percentage share of all trips (work and nonwork) made by all of the following:

- (i) Single occupant vehicle.
- (ii) Multiple occupant vehicle or carpool.
- (iii) Public transit including commuter rail and intercity rail.
- (iv) Walking.
- (v) Bicycling.

(D) Measures of safety and security, including, but not limited to, total injuries and fatalities assigned to each of the modes set forth in subparagraph (C).

(E) Measures of equity and accessibility, including, but not limited to, percentage of the population served by frequent and reliable public transit, with a breakdown by

income bracket, and percentage of all jobs accessible by frequent and reliable public transit service, with a breakdown by income bracket.

(F) The requirements of this section may be met using existing sources of information. No additional traffic counts, household surveys, or other sources of data shall be required.

(2) A sustainable communities strategy prepared by each metropolitan planning organization as follows:

(A) No later than September 30, 2010, the State Air Resources Board shall provide each affected region with greenhouse gas emission reduction targets for the automobile and light truck sector for 2020 and 2035, respectively.

(i) No later than January 31, 2009, the state board shall appoint a Regional Targets Advisory Committee to recommend factors to be considered and methodologies to be used for setting greenhouse gas emission reduction targets for the affected regions. The committee shall be composed of representatives of the metropolitan planning organizations, affected air districts, the League of California Cities, the California State Association of Counties, local transportation agencies, and members of the public, including homebuilders, environmental organizations, planning organizations, environmental justice organizations, affordable housing organizations, and others. The advisory committee shall transmit a report with its recommendations to the state board no later than September 30, 2009. In recommending factors to be considered and methodologies to be used, the advisory committee may consider any relevant issues, including, but not limited to, data needs, modeling techniques, growth forecasts, the impacts of regional jobs-housing balance on interregional travel and greenhouse gas emissions, economic and demographic trends, the magnitude of greenhouse gas reduction benefits from a variety of land use and transportation strategies, and appropriate methods to describe regional targets and to monitor performance in attaining those targets. The state board shall consider the report before setting the targets.

(ii) Before setting the targets for a region, the state board shall exchange technical information with the metropolitan planning organization and the affected air district. The metropolitan planning organization may recommend a target for the region. The metropolitan planning organization shall hold at least one public workshop within the region after receipt of the report from the advisory committee. The state board shall release draft targets for each region no later than June 30, 2010.

(iii) In establishing these targets, the state board shall take into account greenhouse gas emission reductions that will be achieved by improved vehicle emission standards, changes in fuel composition, and other measures it has approved that will reduce greenhouse gas emissions in the affected regions, and prospective measures the state board plans to adopt to reduce greenhouse gas emissions from other greenhouse gas emission sources as that term is defined in subdivision (i) of Section 38505 of the Health and Safety Code and consistent with the regulations promulgated pursuant to the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code), including Section 38566 of the Health and Safety Code.

(iv) The state board shall update the regional greenhouse gas emission reduction targets every eight years consistent with each metropolitan planning organization's timeframe for updating its regional transportation plan under federal law until 2050. The state board may revise the targets every four years based on changes in the factors considered under clause (iii). The state board shall exchange technical information with the Department of Transportation, metropolitan planning organizations, local governments, and affected air districts and engage in a consultative process with public and private stakeholders, before updating these targets.

(v) The greenhouse gas emission reduction targets may be expressed in gross tons, tons per capita, tons per household, or in any other metric deemed appropriate by the state board.

(B) Each metropolitan planning organization shall prepare a sustainable communities strategy, subject to the requirements of Part 450 of Title 23 of, and Part 93 of Title 40 of, the Code of Federal Regulations, including the requirement to use the most recent planning assumptions considering local general plans and other factors. The sustainable communities strategy shall (i) identify the general location of uses, residential densities, and building intensities within the region, (ii) identify areas within the region sufficient to house all the population of the region, including all economic segments of the population, over the course of the planning period of the regional transportation plan taking into account net migration into the region, population growth, household formation and employment growth, (iii) identify areas within the region sufficient to house an eight-year projection of the regional housing need for the region pursuant to Section 65584, (iv) identify a transportation network to service the transportation needs of the region, (v) gather and consider the best practically available scientific information regarding resource areas and farmland in the region as defined in subdivisions (a) and (b) of Section 65080.01, (vi) consider the state housing goals specified in Sections 65580 and 65581, (vii) set forth a forecasted development pattern for the region, which, when integrated with the transportation network, and other transportation measures and policies, will reduce the greenhouse gas emissions from automobiles and light trucks to achieve, if there is a feasible way to do so, the greenhouse gas emission reduction targets approved by the state board, and (viii) allow the regional transportation plan to comply with Section 176 of the federal Clean Air Act (42 U.S.C. Sec. 7506).

(C) (i) Within the jurisdiction of the Metropolitan Transportation Commission, as defined by Section 66502, the Association of Bay Area Governments shall be responsible for clauses (i), (ii), (iii), (v), and (vi) of subparagraph (B); the Metropolitan Transportation Commission shall be responsible for clauses (iv) and (viii) of subparagraph (B); and the Association of Bay Area Governments and the Metropolitan Transportation Commission shall jointly be responsible for clause (vii) of subparagraph (B).

(ii) Within the jurisdiction of the Tahoe Regional Planning Agency, as defined in Sections 66800 and 66801, the Tahoe Metropolitan Planning Organization shall use the Regional Plan for the Lake Tahoe Region as the sustainable community strategy, provided that it complies with clauses (vii) and (viii) of subparagraph (B).

(D) In the region served by the Southern California Association of Governments, a subregional council of governments and the county transportation commission may work together to propose the sustainable communities strategy and an alternative planning strategy, if one is prepared pursuant to subparagraph (I), for that subregional area. The metropolitan planning organization may adopt a framework for a subregional sustainable communities strategy or a subregional alternative planning strategy to address the intraregional land use, transportation, economic, air quality, and climate policy relationships. The metropolitan planning organization shall include the subregional sustainable communities strategy for that subregion in the regional sustainable communities strategy to the extent consistent with this section and federal law and approve the subregional alternative planning strategy, if one is prepared pursuant to subparagraph (I), for that subregional area to the extent consistent with this section. The metropolitan planning organization shall develop overall guidelines, create public participation plans pursuant to subparagraph (F), ensure coordination, resolve conflicts, make sure that the overall plan complies with applicable legal requirements, and adopt the plan for the region.

(E) The metropolitan planning organization shall conduct at least two informational meetings in each county within the region for members of the board of supervisors and city councils on the sustainable communities strategy and alternative planning strategy, if any. The metropolitan planning organization may conduct only one informational meeting if it is attended by representatives of the county board of supervisors and city council members representing a majority of the cities representing a majority of the population in the incorporated areas of that county. Notice of the meeting or meetings shall be sent to the clerk of the board of supervisors and to each city clerk. The purpose of the meeting or meetings shall be to discuss the sustainable communities strategy and the alternative planning strategy, if any, including the key land use and planning assumptions to the members of the board of supervisors and the city council members in that county and to solicit and consider their input and recommendations.

(F) Each metropolitan planning organization shall adopt a public participation plan, for development of the sustainable communities strategy and an alternative planning strategy, if any, that includes all of the following:

(i) Outreach efforts to encourage the active participation of a broad range of stakeholder groups in the planning process, consistent with the agency's adopted Federal Public Participation Plan, including, but not limited to, affordable housing advocates, transportation advocates, neighborhood and community groups, environmental advocates, home builder representatives, broad-based business organizations, landowners, commercial property interests, and homeowner associations.

(ii) Consultation with congestion management agencies, transportation agencies, and transportation commissions.

(iii) Workshops throughout the region to provide the public with the information and tools necessary to provide a clear understanding of the issues and policy choices. At least one workshop shall be held in each county in the region. For counties with a population greater than 500,000, at least three workshops shall be held. Each

workshop, to the extent practicable, shall include urban simulation computer modeling to create visual representations of the sustainable communities strategy and the alternative planning strategy.

(iv) Preparation and circulation of a draft sustainable communities strategy and an alternative planning strategy, if one is prepared, not less than 55 days before adoption of a final regional transportation plan.

(v) At least three public hearings on the draft sustainable communities strategy in the regional transportation plan and alternative planning strategy, if one is prepared. If the metropolitan transportation organization consists of a single county, at least two public hearings shall be held. To the maximum extent feasible, the hearings shall be in different parts of the region to maximize the opportunity for participation by members of the public throughout the region.

(vi) A process for enabling members of the public to provide a single request to receive notices, information, and updates.

(G) In preparing a sustainable communities strategy, the metropolitan planning organization shall consider spheres of influence that have been adopted by the local agency formation commissions within its region.

(H) Before adopting a sustainable communities strategy, the metropolitan planning organization shall quantify the reduction in greenhouse gas emissions projected to be achieved by the sustainable communities strategy and set forth the difference, if any, between the amount of that reduction and the target for the region established by the state board.

(I) If the sustainable communities strategy, prepared in compliance with subparagraph (B) or (D), is unable to reduce greenhouse gas emissions to achieve the greenhouse gas emission reduction targets established by the state board, the metropolitan planning organization shall prepare an alternative planning strategy to the sustainable communities strategy showing how those greenhouse gas emission targets would be achieved through alternative development patterns, infrastructure, or additional transportation measures or policies. The alternative planning strategy shall be a separate document from the regional transportation plan, but it may be adopted concurrently with the regional transportation plan. In preparing the alternative planning strategy, the metropolitan planning organization:

(i) Shall identify the principal impediments to achieving the targets within the sustainable communities strategy.

(ii) May include an alternative development pattern for the region pursuant to subparagraphs (B) to (G), inclusive.

(iii) Shall describe how the greenhouse gas emission reduction targets would be achieved by the alternative planning strategy, and why the development pattern, measures, and policies in the alternative planning strategy are the most practicable choices for achievement of the greenhouse gas emission reduction targets.

(iv) An alternative development pattern set forth in the alternative planning strategy shall comply with Part 450 of Title 23 of, and Part 93 of Title 40 of, the Code of Federal Regulations, except to the extent that compliance will prevent achievement of the greenhouse gas emission reduction targets approved by the state board.

(v) For purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), an alternative planning strategy shall not constitute a land use plan, policy, or regulation, and the inconsistency of a project with an alternative planning strategy shall not be a consideration in determining whether a project may have an environmental effect.

(J) (i) Before starting the public participation process adopted pursuant to subparagraph (F), the metropolitan planning organization shall submit a description to the state board of the technical methodology it intends to use to estimate the greenhouse gas emissions from its sustainable communities strategy and, if appropriate, its alternative planning strategy. The state board shall respond to the metropolitan planning organization in a timely manner with written comments about the technical methodology, including specifically describing any aspects of that methodology it concludes will not yield accurate estimates of greenhouse gas emissions, and suggested remedies. The metropolitan planning organization is encouraged to work with the state board until the state board concludes that the technical methodology operates accurately.

(ii) After adoption, a metropolitan planning organization shall submit a sustainable communities strategy or an alternative planning strategy, if one has been adopted, to the state board for review, including the quantification of the greenhouse gas emission reductions the strategy would achieve and a description of the technical methodology used to obtain that result. Review by the state board shall be limited to acceptance or rejection of the metropolitan planning organization's determination that the strategy submitted would, if implemented, achieve the greenhouse gas emission reduction targets established by the state board. The state board shall complete its review within 60 days.

(iii) If the state board determines that the strategy submitted would not, if implemented, achieve the greenhouse gas emission reduction targets, the metropolitan planning organization shall revise its strategy or adopt an alternative planning strategy, if not previously adopted, and submit the strategy for review pursuant to clause (ii). At a minimum, the metropolitan planning organization must obtain state board acceptance that an alternative planning strategy would, if implemented, achieve the greenhouse gas emission reduction targets established for that region by the state board.

(iv) On or before September 1, 2018, and every four years thereafter to align with target setting, notwithstanding Section 10231.5, the state board shall prepare a report that assesses progress made by each metropolitan planning organization in meeting the regional greenhouse gas emission reduction targets set by the state board. The report shall include changes to greenhouse gas emissions in each region and data-supported metrics for the strategies used to meet the targets. The report shall also include a discussion of best practices and the challenges faced by the metropolitan planning organizations in meeting the targets, including the effect of state policies and funding. The report shall be developed in consultation with the metropolitan planning organizations and affected stakeholders. The report shall be submitted to the Assembly Committee on Transportation and the Assembly Committee on Natural

Resources, and to the Senate Committee on Transportation, the Senate Committee on Housing, and the Senate Committee on Environmental Quality.

(K) Neither a sustainable communities strategy nor an alternative planning strategy regulates the use of land, nor, except as provided by subparagraph (J), shall either one be subject to any state approval. Nothing in a sustainable communities strategy shall be interpreted as superseding the exercise of the land use authority of cities and counties within the region. Nothing in this section shall be interpreted to limit the state board's authority under any other law. Nothing in this section shall be interpreted to authorize the abrogation of any vested right whether created by statute or by common law. Nothing in this section shall require a city's or county's land use policies and regulations, including its general plan, to be consistent with the regional transportation plan or an alternative planning strategy. Nothing in this section requires a metropolitan planning organization to approve a sustainable communities strategy that would be inconsistent with Part 450 of Title 23 of, or Part 93 of Title 40 of, the Code of Federal Regulations and any administrative guidance under those regulations. Nothing in this section relieves a public or private entity or any person from compliance with any other local, state, or federal law.

(L) Nothing in this section requires projects programmed for funding on or before December 31, 2011, to be subject to the provisions of this paragraph if they (i) are contained in the 2007 or 2009 Federal Statewide Transportation Improvement Program, (ii) are funded pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49 (commencing with Section 8879.20) of Division 1 of Title 2), or (iii) were specifically listed in a ballot measure before December 31, 2008, approving a sales tax increase for transportation projects. Nothing in this section shall require a transportation sales tax authority to change the funding allocations approved by the voters for categories of transportation projects in a sales tax measure adopted before December 31, 2010. For purposes of this subparagraph, a transportation sales tax authority is a district, as defined in Section 7252 of the Revenue and Taxation Code, that is authorized to impose a sales tax for transportation purposes.

(M) A metropolitan planning organization, or a regional transportation planning agency not within a metropolitan planning organization, that is required to adopt a regional transportation plan not less than every five years, may elect to adopt the plan not less than every four years. This election shall be made by the board of directors of the metropolitan planning organization or regional transportation planning agency no later than June 1, 2009, or thereafter 54 months before the statutory deadline for the adoption of housing elements for the local jurisdictions within the region, after a public hearing at which comments are accepted from members of the public and representatives of cities and counties within the region covered by the metropolitan planning organization or regional transportation planning agency. Notice of the public hearing shall be given to the general public and by mail to cities and counties within the region no later than 30 days before the date of the public hearing. Notice of election shall be promptly given to the Department of Housing and Community Development. The metropolitan planning organization or the regional transportation planning agency

shall complete its next regional transportation plan within three years of the notice of election.

(N) Two or more of the metropolitan planning organizations for Fresno County, Kern County, Kings County, Madera County, Merced County, San Joaquin County, Stanislaus County, and Tulare County may work together to develop and adopt multiregional goals and policies that may address interregional land use, transportation, economic, air quality, and climate relationships. The participating metropolitan planning organizations may also develop a multiregional sustainable communities strategy, to the extent consistent with federal law, or an alternative planning strategy for adoption by the metropolitan planning organizations. Each participating metropolitan planning organization shall consider any adopted multiregional goals and policies in the development of a sustainable communities strategy and, if applicable, an alternative planning strategy for its region.

(3) An action element that describes the programs and actions necessary to implement the plan and assigns implementation responsibilities. The action element may describe all transportation projects proposed for development during the 20-year or greater life of the plan. The action element shall consider congestion management programming activities carried out within the region.

(4) (A) A financial element that summarizes the cost of plan implementation constrained by a realistic projection of available revenues. The financial element shall also contain recommendations for allocation of funds. A county transportation commission created pursuant to the County Transportation Commissions Act (Division 12 (commencing with Section 130000) of the Public Utilities Code) shall be responsible for recommending projects to be funded with regional improvement funds, if the project is consistent with the regional transportation plan. The first five years of the financial element shall be based on the five-year estimate of funds developed pursuant to Section 14524. The financial element may recommend the development of specified new sources of revenue, consistent with the policy element and action element.

(B) The financial element of transportation planning agencies with populations that exceed 200,000 persons may include a project cost breakdown for all projects proposed for development during the 20-year life of the plan that includes total expenditures and related percentages of total expenditures for all of the following:

- (i) State highway expansion.
- (ii) State highway rehabilitation, maintenance, and operations.
- (iii) Local road and street expansion.
- (iv) Local road and street rehabilitation, maintenance, and operation.
- (v) Mass transit, commuter rail, and intercity rail expansion.
- (vi) Mass transit, commuter rail, and intercity rail rehabilitation, maintenance, and operations.
- (vii) Pedestrian and bicycle facilities.
- (viii) Environmental enhancements and mitigation.
- (ix) Research and planning.
- (x) Other categories.

(C) The metropolitan planning organization or county transportation agency, whichever entity is appropriate, shall consider financial incentives for cities and counties that have resource areas or farmland, as defined in Section 65080.01, for the purposes of, for example, transportation investments for the preservation and safety of the city street or county road system and farm-to-market and interconnectivity transportation needs. The metropolitan planning organization or county transportation agency, whichever entity is appropriate, shall also consider financial assistance for counties to address countywide service responsibilities in counties that contribute toward the greenhouse gas emission reduction targets by implementing policies for growth to occur within their cities.

(c) Each transportation planning agency may also include other factors of local significance as an element of the regional transportation plan, including, but not limited to, issues of mobility for specific sectors of the community, including, but not limited to, senior citizens.

(d) (1) Except as otherwise provided in this subdivision, each transportation planning agency shall adopt and submit, every four years, an updated regional transportation plan to the California Transportation Commission and the Department of Transportation. A transportation planning agency located in a federally designated air quality attainment area or that does not contain an urbanized area may at its option adopt and submit a regional transportation plan every five years. When applicable, the plan shall be consistent with federal planning and programming requirements and shall conform to the regional transportation plan guidelines adopted by the California Transportation Commission. Before adoption of the regional transportation plan, a public hearing shall be held after the giving of notice of the hearing by publication in the affected county or counties pursuant to Section 6061.

(2) (A) Notwithstanding subdivisions (b) and (c), and paragraph (1), inclusive, the regional transportation plan, sustainable communities strategy, and environmental impact report adopted by the San Diego Association of Governments on October 9, 2015, shall remain in effect for all purposes, including for purposes of consistency determinations and funding eligibility for the San Diego Association of Governments and all other agencies relying on those documents, until the San Diego Association of Governments adopts its next update to its regional transportation plan.

(B) The San Diego Association of Governments shall adopt and submit its update to the 2015 regional transportation plan on or before December 31, 2021.

(C) After the update described in subparagraph (B), the time period for San Diego Association of Governments' updates to its regional transportation plan shall be reset and shall be adopted and submitted every four years.

(D) Notwithstanding clause (iv) of subparagraph (A) of paragraph (2) of subdivision (b), the State Air Resources Board shall not update the greenhouse gas emission reduction targets for the region within the jurisdiction of the San Diego Association of Governments before the adoption of the update to the regional transportation plan pursuant to subparagraph (B).

(E) The update to the regional transportation plan adopted by the San Diego Association of Governments on October 9, 2015, which will be prepared and submitted

to federal agencies for purposes of compliance with federal laws applicable to regional transportation plans and air quality conformity and which is due in October 2019, shall not be considered a regional transportation plan pursuant to this section and shall not constitute a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(F) In addition to meeting the other requirements to nominate a project for funding through the Solutions for Congested Corridors Program (Chapter 8.5 (commencing with Section 2390) of Division 3 of the Streets and Highways Code), the San Diego Association of Governments, until December 31, 2021, shall only nominate projects for funding through the Solutions for Congested Corridors Program that are consistent with the eligibility requirements for projects under any of the following programs:

(i) The Transit and Intercity Rail Capital Program (Part 2 (commencing with Section 75220) of Division 44 of the Public Resources Code).

(ii) The Low Carbon Transit Operations Program (Part 3 (commencing with Section 75230) of Division 44 of the Public Resources Code).

(iii) The Active Transportation Program (Chapter 8 (commencing with Section 2380) of Division 3 of the Streets and Highways Code).

(G) Commencing January 1, 2020, and every two years thereafter, the San Diego Association of Governments shall begin developing an implementation report that tracks the implementation of its most recently adopted sustainable communities strategy. The report shall discuss the status of the implementation of the strategy at the regional and local level, and any successes and barriers that have occurred since the last report. The San Diego Association of Governments shall submit the implementation report to the state board by including it in its sustainable communities strategy implementation review pursuant to clause (ii) of subparagraph (J) of paragraph (2) of subdivision (b).

(Amended by Stats. 2019, Ch. 634, Sec. 2. (AB 1730) Effective January 1, 2020.)

State of California

GOVERNMENT CODE

Section 65584

65584. (a) (1) For the fourth and subsequent revisions of the housing element pursuant to Section 65588, the department shall determine the existing and projected need for housing for each region pursuant to this article. For purposes of subdivision (a) of Section 65583, the share of a city or county of the regional housing need shall include that share of the housing need of persons at all income levels within the area significantly affected by the general plan of the city or county.

(2) It is the intent of the Legislature that cities, counties, and cities and counties should undertake all necessary actions to encourage, promote, and facilitate the development of housing to accommodate the entire regional housing need, and reasonable actions should be taken by local and regional governments to ensure that future housing production meets, at a minimum, the regional housing need established for planning purposes. These actions shall include applicable reforms and incentives in Section 65582.1.

(3) The Legislature finds and declares that insufficient housing in job centers hinders the state’s environmental quality and runs counter to the state’s environmental goals. In particular, when Californians seeking affordable housing are forced to drive longer distances to work, an increased amount of greenhouse gases and other pollutants is released and puts in jeopardy the achievement of the state’s climate goals, as established pursuant to Section 38566 of the Health and Safety Code, and clean air goals.

(b) The department, in consultation with each council of governments, shall determine each region’s existing and projected housing need pursuant to Section 65584.01 at least two years prior to the scheduled revision required pursuant to Section 65588. The appropriate council of governments, or for cities and counties without a council of governments, the department, shall adopt a final regional housing need plan that allocates a share of the regional housing need to each city, county, or city and county at least one year prior to the scheduled revision for the region required by Section 65588. The allocation plan prepared by a council of governments shall be prepared pursuant to Sections 65584.04 and 65584.05.

(c) Notwithstanding any other provision of law, the due dates for the determinations of the department or for the council of governments, respectively, regarding the regional housing need may be extended by the department by not more than 60 days if the extension will enable access to more recent critical population or housing data from a pending or recent release of the United States Census Bureau or the Department of Finance. If the due date for the determination of the department or the council of governments is extended for this reason, the department shall extend the corresponding

Attachment: Exhibit C - GOV_65584. (6th Cycle RHNA Appeals Procedures)

housing element revision deadline pursuant to Section 65588 by not more than 60 days.

(d) The regional housing needs allocation plan shall further all of the following objectives:

(1) Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households.

(2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.

(3) Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.

(4) Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.

(5) Affirmatively furthering fair housing.

(e) For purposes of this section, "affirmatively furthering fair housing" means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

(f) For purposes of this section, "household income levels" are as determined by the department as of the most recent American Community Survey pursuant to the following code sections:

(1) Very low incomes as defined by Section 50105 of the Health and Safety Code.

(2) Lower incomes, as defined by Section 50079.5 of the Health and Safety Code.

(3) Moderate incomes, as defined by Section 50093 of the Health and Safety Code.

(4) Above moderate incomes are those exceeding the moderate-income level of Section 50093 of the Health and Safety Code.

(g) Notwithstanding any other provision of law, determinations made by the department, a council of governments, or a city or county pursuant to this section or Section 65584.01, 65584.02, 65584.03, 65584.04, 65584.05, 65584.06, 65584.07, or

65584.08 are exempt from the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(Amended by Stats. 2018, Ch. 989, Sec. 1.5. (AB 1771) Effective January 1, 2019.)

Attachment: Exhibit C - GOV_65584. (6th Cycle RHNA Appeals Procedures)

State of California

GOVERNMENT CODE

Section 65584.04

65584.04. (a) At least two years before a scheduled revision required by Section 65588, each council of governments, or delegate subregion as applicable, shall develop, in consultation with the department, a proposed methodology for distributing the existing and projected regional housing need to cities, counties, and cities and counties within the region or within the subregion, where applicable pursuant to this section. The methodology shall further the objectives listed in subdivision (d) of Section 65584.

(b) (1) No more than six months before the development of a proposed methodology for distributing the existing and projected housing need, each council of governments shall survey each of its member jurisdictions to request, at a minimum, information regarding the factors listed in subdivision (e) that will allow the development of a methodology based upon the factors established in subdivision (e).

(2) With respect to the objective in paragraph (5) of subdivision (d) of Section 65584, the survey shall review and compile information that will allow the development of a methodology based upon the issues, strategies, and actions that are included, as available, in an Analysis of Impediments to Fair Housing Choice or an Assessment of Fair Housing completed by any city or county or the department that covers communities within the area served by the council of governments, and in housing elements adopted pursuant to this article by cities and counties within the area served by the council of governments.

(3) The council of governments shall seek to obtain the information in a manner and format that is comparable throughout the region and utilize readily available data to the extent possible.

(4) The information provided by a local government pursuant to this section shall be used, to the extent possible, by the council of governments, or delegate subregion as applicable, as source information for the methodology developed pursuant to this section. The survey shall state that none of the information received may be used as a basis for reducing the total housing need established for the region pursuant to Section 65584.01.

(5) If the council of governments fails to conduct a survey pursuant to this subdivision, a city, county, or city and county may submit information related to the items listed in subdivision (e) before the public comment period provided for in subdivision (d).

(c) The council of governments shall electronically report the results of the survey of fair housing issues, strategies, and actions compiled pursuant to paragraph (2) of subdivision (b). The report shall describe common themes and effective strategies

employed by cities and counties within the area served by the council of governments, including common themes and effective strategies around avoiding the displacement of lower income households. The council of governments shall also identify significant barriers to affirmatively furthering fair housing at the regional level and may recommend strategies or actions to overcome those barriers. A council of governments or metropolitan planning organization, as appropriate, may use this information for any other purpose, including publication within a regional transportation plan adopted pursuant to Section 65080 or to inform the land use assumptions that are applied in the development of a regional transportation plan.

(d) Public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs. Participation by organizations other than local jurisdictions and councils of governments shall be solicited in a diligent effort to achieve public participation of all economic segments of the community as well as members of protected classes under Section 12955. The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how information about local government conditions gathered pursuant to subdivision (b) has been used to develop the proposed methodology, how each of the factors listed in subdivision (e) is incorporated into the methodology, and how the proposed methodology furthers the objectives listed in subdivision (e) of Section 65584, shall be distributed to all cities, counties, any subregions, and members of the public who have made a written or electronic request for the proposed methodology and published on the council of governments', or delegate subregion's, internet website. The council of governments, or delegate subregion, as applicable, shall conduct at least one public hearing to receive oral and written comments on the proposed methodology.

(e) To the extent that sufficient data is available from local governments pursuant to subdivision (b) or other sources, each council of governments, or delegate subregion as applicable, shall include the following factors to develop the methodology that allocates regional housing needs:

(1) Each member jurisdiction's existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on the number of low-wage jobs within the jurisdiction and how many housing units within the jurisdiction are affordable to low-wage workers as well as an estimate based on readily available data, of projected job growth and projected household growth by income level within each member jurisdiction during the planning period.

(2) The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following:

(A) Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.

(B) The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill

development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.

(C) Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis, including land zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts conversion to nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts its conversion to nonagricultural uses.

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

(4) Agreements between a county and cities in a county to direct growth toward incorporated areas of the county and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of the jurisdiction that prohibits or restricts conversion to nonagricultural uses.

(5) The loss of units contained in assisted housing developments, as defined in paragraph (9) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.

(6) The percentage of existing households at each of the income levels listed in subdivision (e) of Section 65584 that are paying more than 30 percent and more than 50 percent of their income in rent.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

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

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the

development of methodologies for the seventh and subsequent revisions of the housing element.

(11) The loss of units during a state of emergency that was declared by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2), during the planning period immediately preceding the relevant revision pursuant to Section 65588 that have yet to be rebuilt or replaced at the time of the analysis.

(12) The region's greenhouse gas emissions targets provided by the State Air Resources Board pursuant to Section 65080.

(13) Any other factors adopted by the council of governments, that further the objectives listed in subdivision (d) of Section 65584, provided that the council of governments specifies which of the objectives each additional factor is necessary to further. The council of governments may include additional factors unrelated to furthering the objectives listed in subdivision (d) of Section 65584 so long as the additional factors do not undermine the objectives listed in subdivision (d) of Section 65584 and are applied equally across all household income levels as described in subdivision (f) of Section 65584 and the council of governments makes a finding that the factor is necessary to address significant health and safety conditions.

(f) The council of governments, or delegate subregion, as applicable, shall explain in writing how each of the factors described in subdivision (e) was incorporated into the methodology and how the methodology furthers the objectives listed in subdivision (d) of Section 65584. The methodology may include numerical weighting. This information, and any other supporting materials used in determining the methodology, shall be posted on the council of governments', or delegate subregion's, internet website.

(g) The following criteria shall not be a justification for a determination or a reduction in a jurisdiction's share of the regional housing need:

(1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.

(2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report submitted pursuant to subparagraph (H) of paragraph (2) of subdivision (a) of Section 65400.

(3) Stable population numbers in a city or county from the previous regional housing needs cycle.

(h) Following the conclusion of the public comment period described in subdivision (d) on the proposed allocation methodology, and after making any revisions deemed appropriate by the council of governments, or delegate subregion, as applicable, as a result of comments received during the public comment period, and as a result of consultation with the department, each council of governments, or delegate subregion, as applicable, shall publish a draft allocation methodology on its internet website and submit the draft allocation methodology, along with the information required pursuant to subdivision (e), to the department.

(i) Within 60 days, the department shall review the draft allocation methodology and report its written findings to the council of governments, or delegate subregion, as applicable. In its written findings the department shall determine whether the methodology furthers the objectives listed in subdivision (d) of Section 65584. If the department determines that the methodology is not consistent with subdivision (d) of Section 65584, the council of governments, or delegate subregion, as applicable, shall take one of the following actions:

(1) Revise the methodology to further the objectives listed in subdivision (d) of Section 65584 and adopt a final regional, or subregional, housing need allocation methodology.

(2) Adopt the regional, or subregional, housing need allocation methodology without revisions and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the objectives listed in subdivision (d) of Section 65584 despite the findings of the department.

(j) If the department's findings are not available within the time limits set by subdivision (i), the council of governments, or delegate subregion, may act without them.

(k) Upon either action pursuant to subdivision (i), the council of governments, or delegate subregion, shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to the department, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.

(l) The department may, within 90 days, review the adopted methodology and report its findings to the council of governments, or delegate subregion.

(m) (1) It is the intent of the Legislature that housing planning be coordinated and integrated with the regional transportation plan. To achieve this goal, the allocation plan shall allocate housing units within the region consistent with the development pattern included in the sustainable communities strategy.

(2) The final allocation plan shall ensure that the total regional housing need, by income category, as determined under Section 65584, is maintained, and that each jurisdiction in the region receive an allocation of units for low- and very low income households.

(3) The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the sustainable communities strategy in the regional transportation plan and furthers the objectives listed in subdivision (d) of Section 65584.

(Amended (as amended by Stats. 2018, Ch. 990, Sec. 3.7) by Stats. 2019, Ch. 335, Sec. 4. (AB 139) Effective January 1, 2020.)

State of California

GOVERNMENT CODE

Section 65584.05

65584.05. (a) At least one and one-half years before the scheduled revision required by Section 65588, each council of governments and delegate subregion, as applicable, shall distribute a draft allocation of regional housing needs to each local government in the region or subregion, where applicable, and the department, based on the methodology adopted pursuant to Section 65584.04 and shall publish the draft allocation on its internet website. The draft allocation shall include the underlying data and methodology on which the allocation is based, and a statement as to how it furthers the objectives listed in subdivision (d) of Section 65584. It is the intent of the Legislature that the draft allocation should be distributed before the completion of the update of the applicable regional transportation plan. The draft allocation shall distribute to localities and subregions, if any, within the region the entire regional housing need determined pursuant to Section 65584.01 or within subregions, as applicable, the subregion's entire share of the regional housing need determined pursuant to Section 65584.03.

(b) Within 45 days following receipt of the draft allocation, a local government within the region or the delegate subregion, as applicable, or the department may appeal to the council of governments or the delegate subregion for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

(1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.

(2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant

to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.

(c) At the close of the period for filing appeals pursuant to subdivision (b), the council of governments or delegate subregion, as applicable, shall notify all other local governments within the region or delegate subregion and the department of all appeals and shall make all materials submitted in support of each appeal available on a publicly available internet website. Local governments and the department may, within 45 days, comment on one or more appeals. If no appeals are filed, the draft allocation shall be issued as the proposed final allocation plan pursuant to paragraph (2) of subdivision (e).

(d) No later than 30 days after the close of the comment period, and after providing all local governments within the region or delegate subregion, as applicable, at least 21 days prior notice, the council of governments or delegate subregion shall conduct one public hearing to consider all appeals filed pursuant to subdivision (b) and all comments received pursuant to subdivision (c).

(e) No later than 45 days after the public hearing pursuant to subdivision (d), the council of governments or delegate subregion, as applicable, shall do both of the following:

(1) Make a final determination that either accepts, rejects, or modifies each appeal for a revised share filed pursuant to subdivision (b). Final determinations shall be based upon the information and methodology described in Section 65584.04 and whether the revision is necessary to further the objectives listed in subdivision (d) of Section 65584. The final determination shall be in writing and shall include written findings as to how the determination is consistent with this article. The final determination on an appeal may require the council of governments or delegate subregion, as applicable, to adjust the share of the regional housing need allocated to one or more local governments that are not the subject of an appeal.

(2) Issue a proposed final allocation plan.

(f) In the proposed final allocation plan, the council of governments or delegate subregion, as applicable, shall adjust allocations to local governments based upon the results of the appeals process. If the adjustments total 7 percent or less of the regional housing need determined pursuant to Section 65584.01, or, as applicable, total 7 percent or less of the subregion's share of the regional housing need as determined pursuant to Section 65584.03, then the council of governments or delegate subregion, as applicable, shall distribute the adjustments proportionally to all local governments. If the adjustments total more than 7 percent of the regional housing need, then the council of governments or delegate subregion, as applicable, shall develop a methodology to distribute the amount greater than the 7 percent to local governments. The total distribution of housing need shall not equal less than the regional housing need, as determined pursuant to Section 65584.01, nor shall the subregional distribution of housing need equal less than its share of the regional housing need as determined pursuant to Section 65584.03.

(g) Within 45 days after the issuance of the proposed final allocation plan by the council of governments and each delegate subregion, as applicable, the council of

governments shall hold a public hearing to adopt a final allocation plan. To the extent that the final allocation plan fully allocates the regional share of statewide housing need, as determined pursuant to Section 65584.01 and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region's existing and projected housing need as determined pursuant to Section 65584.01. The council of governments shall submit its final allocation plan to the department within three days of adoption. Within 30 days after the department's receipt of the final allocation plan adopted by the council of governments, the department shall determine if the final allocation plan is consistent with the existing and projected housing need for the region, as determined pursuant to Section 65584.01. The department may revise the determination of the council of governments if necessary to obtain this consistency.

(h) Any authority of the council of governments to review and revise the share of a city or county of the regional housing need under this section shall not constitute authority to revise, approve, or disapprove the manner in which the share of the city or county of the regional housing need is implemented through its housing program.

(i) Any time period in subdivision (d) or (e) may be extended by a council of governments or delegate subregion, as applicable, for up to 30 days.

(j) The San Diego Association of Governments may follow the process in this section for the draft and final allocation plan for the sixth revision of the housing element notwithstanding such actions being carried out before the adoption of an updated regional transportation plan and sustainable communities strategy.

(Amended by Stats. 2019, Ch. 634, Sec. 4. (AB 1730) Effective January 1, 2020.)

RHNA SUBCOMMITTEE CHARTER – 6th Cycle

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Purpose of the Subcommittee

The purpose of the RHNA Subcommittee is to review in-depth the various policy considerations necessary to the development of SCAG’s Regional Housing Needs Assessment (RHNA), and to make critical decisions throughout the RHNA process, including but not limited to the following: the RHNA methodology, the draft and final RHNA allocations, and appeals related to draft RHNA allocations. The decisions of the RHNA Subcommittee will serve as recommendations to SCAG’s Community, Economic and Human Development (CEHD) Committee and the Regional Council, except that the RHNA Subcommittee will make the final decisions regarding all appeals of draft RHNA allocations.

Authority

Authorized by the Regional Council, the RHNA Subcommittee serves as a subcommittee of the CEHD Committee, and will be reporting to the CEHD Committee. All actions by the RHNA Subcommittee, except for actions pertaining to appeals of draft RHNA allocations, are subject to the review and approval of the CEHD Committee and the Regional Council. Recognizing the significant amount of work undertaken by the RHNA Subcommittee, the CEHD Committee and the Regional Council will rely on the policy judgments of the RHNA Subcommittee. The RHNA Subcommittee shall be dissolved as of the date in which the final RHNA allocation is adopted by the Regional Council.

Composition

The RHNA Subcommittee will consist of twelve (12) members of the Regional Council or the CEHD Committee to represent the six (6) counties of the SCAG region. Each county shall have a primary member and an alternate member to serve on the RHNA Subcommittee. The SCAG President will appoint the members of the RHNA Subcommittee and will select one of the members to serve as the Chair of the RHNA Subcommittee. Membership of the RHNA Subcommittee may also include as non-voting members serving as stakeholder representatives appointed by the SCAG President.

Meetings and Voting

The meetings of the RHNA Subcommittee will occur during the applicable period when SCAG is developing the RHNA. The RHNA Subcommittee shall have the authority to convene meetings as circumstances require. A meeting quorum shall be established when there is attendance by at least one representative (either a primary member or an alternate member) from each of the six (6) counties. Stakeholder representatives serving as non-voting members of the RHNA Subcommittee are not counted for purposes of establishing a meeting quorum.

All RHNA Subcommittee members are expected to attend each meeting, to the extent feasible. RHNA Subcommittee members may attend meetings by teleconference or video-conference. All meetings of the RHNA Subcommittee are subject to the Brown Act. The Chair of the RHNA Subcommittee shall preside over all meetings and the Subcommittee may select another

RHNA SUBCOMMITTEE CHARTER – 6th Cycle

Page 2 of 2

Subcommittee member to serve as the Vice-Chair in the Chair's absence. The RHNA Subcommittee will invite SCAG staff or others to attend meetings and provide pertinent information, as necessary. Meeting agendas will be prepared and provided in advance to RHNA Subcommittee members, along with appropriate briefing materials and reports, in accordance with the Brown Act. Minutes of each meeting will be prepared.

For purposes of voting, each county shall be entitled to one (1) vote to be cast by either the primary member or alternate member representing the respective county. In the event of a tie vote, the Chair of the Subcommittee may vote to break the tie except if the Chair of the Subcommittee has casted a vote as a Subcommittee member. In that exception, the Vice Chair of the Subcommittee may break the tie vote. In the case of an appeal submitted on behalf of a Subcommittee member's individual local jurisdiction, the Subcommittee member may elect not to participate in the discussion and vote by the RHNA Subcommittee regarding such appeal.

Responsibilities

The RHNA Subcommittee will carry out the following responsibilities:

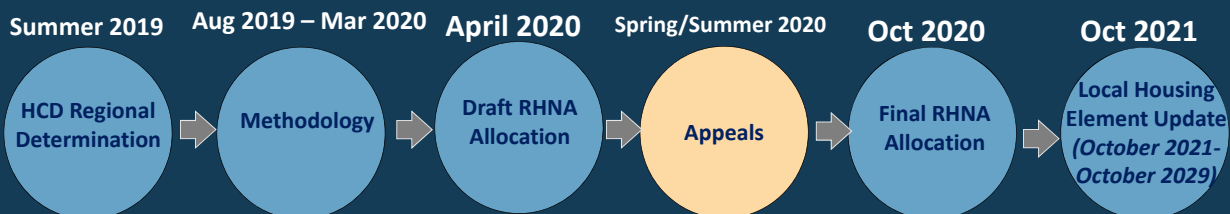
- Review information useful to the development of the RHNA Plan;
- Review and make policy decisions related to the RHNA process including policies for the RHNA methodology, the RHNA methodology, and the draft and final RHNA allocations, and forward such decisions to the CEHD Committee for review and approval. In making its policy decisions, the RHNA Subcommittee should consider the integration of the RHNA with the Regional Transportation Plan/Sustainable Communities Strategy;
- Review and make decisions regarding guidelines for the RHNA process including guidelines related to subregional delegation, and forward such decisions to the CEHD Committee for review and approval; and
- Review and make the final decisions regarding appeals related to the jurisdiction's draft RHNA allocation. In this capacity, the RHNA Subcommittee shall be known as the "RHNA Appeals Board." These final decisions by the RHNA Appeals Board shall not be reviewable by the CEHD Committee or by the Regional Council.

RHNA Appeals Procedures

Ma'Ayn Johnson, AICP
Compliance & Performance
Monitoring




RHNA Process Timeline



Changes to the 6th Cycle RHNA Appeals Procedures





 New!	5 th cycle	6 th cycle
Appeals procedures	Two separate processes – revision request and appeals processes	Only one appeal process
Who can appeal	<ul style="list-style-type: none"> • Jurisdiction 	<ul style="list-style-type: none"> • Jurisdiction • Other jurisdictions • HCD
Bases for appeal	Cannot be based on: <ul style="list-style-type: none"> • Local ordinances 	Cannot be based on: <ul style="list-style-type: none"> • Local ordinances • Underproduction of housing based on last RHNA • Stable population growth

RHNA Appeals Timeline



Who Can File an Appeal?



- Jurisdiction
-  • Other jurisdictions
-  • California Department of Housing and Community Development (HCD)

Bases for Appeal



From Government Code Section 65584.05(b):

1. Local planning factors and information on affirmatively furthering fair housing (AFFH)
2. Application of final methodology
3. Change in circumstance

Must include statement why the revision is necessary to further the objectives of RHNA law

- See Government Code Section 65584

Government Code Section 65584: Objectives of RHNA

- 1) To increase the housing supply and mix of housing types, tenure and affordability within each region in an equitable manner
- 2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns




Government Code Section 65584: Objectives of RHNA

- 3) Promoting an improved intraregional relationship between jobs and housing
- 4) Allocating a lower proportion of housing need in income categories in jurisdictions that have a disproportionately high share in comparison to the county distribution
- 5) Affirmatively furthering fair housing



Bases for Appeal: Local Planning Factors and AFFH



1. Planning opportunities and constraints, including:
 - Existing and projected jobs and housing relationship
 - Water/sewer service based on decisions by provider other than the jurisdiction
 - Open space protected by federal or State programs
 - Rate of overcrowding
 - Presence of a four-year college or university
-  • Affirmatively furthering fair housing
 - Full listing in Government Code Section 65584.04(b) and (e)



Bases for Appeal: Methodology and Change in Circumstance



2. Application of methodology
3. Change in circumstance
 - Can only be used by jurisdiction where change occurred

Bases for Appeal



- Appeals cannot be based on:
 - Any local ordinance, policy, voter-approved measure, or standard limiting residential development
-  • Prior underproduction of housing from the previous RHNA
-  • Stable population numbers

Appeals Comment Period



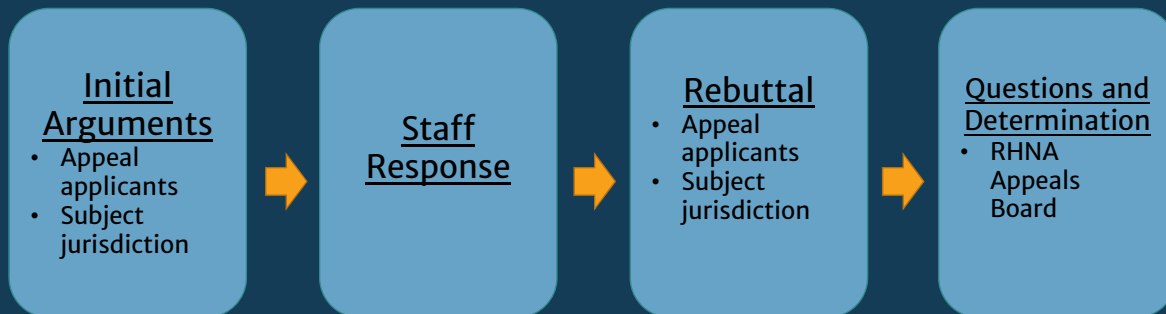
- 45-day comment period after appeals filing due date
- Mid-May to end of June 2020
- SCAG will notify all jurisdictions and HCD of all filed appeals
 - Webpage posting of filed appeals
- Local jurisdictions and HCD can comment on filed appeals

Appeals Public Hearing



- July 2020 (30 day period)
- All filed appeals will be reviewed and determined by the RHNA Appeals Board (RHNA Subcommittee)
- Hearings will be organized by jurisdictions that are subjects of appeals

Appeals Public Hearing: Day-of Procedure



Appeals



- Successful appeals must be reallocated back to the region
- If fewer than 93,928 units are granted, they will be reallocated back proportionally to all jurisdictions
- If more than 93,928 units are granted, SCAG will apply a methodology similar to final methodology existing need formula (pending adoption) above that amount
 - Proportional to county origination
 - 50% based on transit access
 - 50% based on job access
 - Disadvantaged jurisdictions exempt from reallocation above ~94,000

Final RHNA Allocation



- Appeal decisions by the RHNA Appeals Board are final and not subject to review by CEHD and Regional Council
- Reallocation of successful units cannot be appealed
- All appeals will be included in the proposed final RHNA allocation
- Public Hearing to adopt final RHNA allocation
 - October 2020

Next Steps



February 24, 2020

- RHNA Subcommittee
- Final RHNA methodology
 - Appeals procedures

March 5, 2020

- CEHD
- Final RHNA methodology
 - Appeals procedures

- Regional Council
- Final RHNA methodology
 - Appeals procedures

April 2, 2020

- Regional Council
- Release of draft RHNA allocation

Early April, 2020

- Start of RHNA appeal filing period

POST-APPEAL REALLOCATION



Post-appeal reallocation of regional housing need



- Regional Determination is 1,341,827 total units
- Regionally, this is greater than 20% the current housing stock*
- HCD's determination did **not** provide a range. Units from successful appeals would have to go somewhere else.
- Post-appeal redistribution must still further RHNA's statutory objectives
 - HCD can appeal
 - HCD can comment on appeals
 - HCD reviews the Final Allocation Plan (post-appeals)

*Per CA DOF E-5 estimates, as of 1/1/2019

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For more information

www.scag.ca.gov/rhna

Email: housing@scag.ca.gov





Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
March 5, 2020

**NO. 618
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL COUNCIL
MINUTES OF THE MEETING
THURSDAY, FEBRUARY 6, 2020**

THE FOLLOWING MINUTES IS A SUMMARY OF ACTIONS TAKEN BY THE REGIONAL COUNCIL. A VIDEO RECORDING OF THE ACTUAL MEETING IS AVAILABLE ON THE SCAG WEBSITE AT: <http://scag.iqm2.com/Citizens/>

The Regional Council of the Southern California Association of Governments (SCAG) held its regular meeting at the SCAG main office, 900 Wilshire Boulevard, Suite 1700, Los Angeles, CA 90017.

Members Present

Hon. Bill Jahn, President

Hon. Clint Lorimore

Hon. Alan D. Wapner, Imm. Past President

Supervisor Karen Spiegel

Supervisor Don Wagner

Supervisor Linda Parks

Hon. Jan Harnik

Hon. Peggy Huang

Hon. James Predmore

Hon. Mike T. Judge

Hon. Ben Benoit

Hon. Cheryl Viegas-Walker

Hon. Kathleen Kelly

Hon. Rey Santos

Hon. Zak Schwank

Hon. Frank Navarro

Hon. Larry McCallon

Hon. Deborah Robertson

Hon. L. Dennis Michael

Hon. Ray Marquez

Big Bear Lake

Eastvale

El Centro

Palm Desert

Beaumont

Temecula

Colton

Highland

Rialto

Rancho Cucamonga

Chino Hills

District 11

District 4

SBCTA

Riverside County

Orange County

Ventura County

RCTC

TCA

ICTC

VCTC

Air District Representative

District 1

District 2

District 3

District 5

District 6

District 7

District 8

District 9

District 10

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous



Members Present - continued

Hon. Fred Minagar	<i>Laguna Niguel</i>	District 12
Hon. Wendy Bucknum	<i>Mission Viejo</i>	District 13
Hon. Michael Carroll	<i>Irvine</i>	District 14
Hon. Steve Nagel	<i>Fountain Valley</i>	District 15
Hon. Charles Puckett	<i>Tustin</i>	District 17
Hon. Stacy Berry	<i>Cypress</i>	District 18
Hon. Trevor O’Neill	<i>Anaheim</i>	District 19
Hon. Art Brown	<i>Buena Park</i>	District 21
Hon. Marty Simonoff	<i>Brea</i>	District 22
Hon. Frank Yokoyama	<i>Cerritos</i>	District 23
Hon. Sean Ashton	<i>Downey</i>	District 25
Hon. Emma Sharif	<i>Compton</i>	District 26
Hon. Ali Saleh	<i>Bell</i>	District 27
Hon. Dan Medina	<i>Gardena</i>	District 28
Hon. Jeanne Pearce	<i>Long Beach</i>	District 30
Hon. Margaret Clark	<i>Rosemead</i>	District 32
Hon. Jorge Marquez	<i>Covina</i>	District 33
Hon. Margaret E. Finlay	<i>Duarte</i>	District 35
Hon. Jonathan Curtis	<i>La Cañada Flintridge</i>	District 36
Hon. Steve Tye	<i>Diamond Bar</i>	District 37
Hon. Tim Sandoval	<i>Pomona</i>	District 38
Hon. James Gazeley	<i>Lomita</i>	District 39
Hon. Judy Mitchell	<i>Rolling Hills Estates</i>	District 40
Hon. Meghan Sahli-Wells	<i>Culver City</i>	District 41
Hon. Jess Talamantes	<i>Burbank</i>	District 42
Hon. Steven Hofbauer	<i>Palmdale</i>	District 43
Hon. Carmen Ramirez	<i>Oxnard</i>	District 45
Hon. David Pollock	<i>Moorpark</i>	District 46
Hon. Tim Holmgren	<i>Fillmore</i>	District 47
Hon. Lyn Semeta	<i>Huntington Beach</i>	District 64
Hon. Hector Pacheco	<i>San Fernando</i>	District 67
Hon. Rusty Bailey	<i>Riverside</i>	District 68

Members Not Present

Hon. Rex Richardson, 2nd Vice President	<i>Long Beach</i>	District 29
Supervisor Luis Plancarte		Imperial County
Supervisor Kathryn Barger		Los Angeles County



Members Not Present - continued

Supervisor Hilda Solis		Los Angeles County
Supervisor Curt Hagman		San Bernardino County
Hon. Cecilia Iglesias	<i>Santa Ana</i>	District 16
Hon. Tri Ta	<i>Westminster</i>	District 20
Hon. Sonny Santa Ines	<i>Bellflower</i>	District 24
Hon. Steve De Ruse	<i>La Mirada</i>	District 31
Hon. Teresa Real Sebastian	<i>Monterey Park</i>	District 34
Hon. David Shapiro	<i>Calabasas</i>	District 44
Hon. Gilbert Cedillo	<i>Los Angeles</i>	District 48
Hon. Paul Krekorian	<i>Los Angeles</i>	District 49/Public Transit Rep.
Hon. Bob Blumenfield	<i>Los Angeles</i>	District 50
Hon. David Ryu	<i>Los Angeles</i>	District 51
Hon. Paul Koretz	<i>Los Angeles</i>	District 52
Hon. Nury Martinez	<i>Los Angeles</i>	District 53
Hon. Monica Rodriguez	<i>Los Angeles</i>	District 54
Hon. Herb Wesson, Jr.	<i>Los Angeles</i>	District 57
Hon. Mike Bonin	<i>Los Angeles</i>	District 58
Hon. John Lee	<i>Los Angeles</i>	District 59
Hon. Mitch O'Farrell	<i>Los Angeles</i>	District 60
Hon. Steve Manos	<i>Lake Elsinore</i>	District 63
Hon. Rita Ramirez	<i>Victorville</i>	District 65
Hon. Megan Beaman Jacinto	<i>Coachella</i>	District 66
Hon. Marqueece Harris-Dawson	<i>Los Angeles</i>	District 55
Hon. Curren D. Price, Jr.	<i>Los Angeles</i>	District 56
Hon. José Huizar	<i>Los Angeles</i>	District 61
Hon. Joe Buscaino	<i>Los Angeles</i>	District 62
Hon. Marisela Magana	<i>Perris</i>	District 69
Mr. Randall Lewis	<i>Lewis Group of Companies</i>	Business Representative
Hon. Eric Garcetti	<i>Los Angeles</i>	Member-at-Large

Staff Present

Kome Ajise, Executive Director
Darin Chidsey, Chief Operating Officer
Debbie Dillon, Chief Strategy Officer
Ruben Duran, Board Counsel
Justine Block, Acting Chief Counsel/Acting Director of Legal Services

Art Yoon, Director of Policy and Public Affairs
Sarah Jepson, Director of Planning
Basil Panas, Chief Financial Officer
Julie Loats, Chief Information Officer
Tess Rey-Chaput, Office of Regional Council Support

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

President Bill Jahn called the meeting to order at 12:15PM and asked City of Riverside Mayor Rusty Bailey to lead the Pledge of Allegiance.

PRESENTATION

1. California High-Speed Rail Authority (CHSRA) – Update

President Bill Jahn introduced CHSRA's Chief Executive Officer Brian Kelly who provided an update regarding the California High Speed Train Project.

Mr. Kelly introduced his colleague, Melissa Figueroa, Chief of Strategic Communications of CHSRA and stated he will be providing a preview of the Business Plan; the status of the high-speed train in California; and will welcome questions from the Regional Council after his presentation. Mr. Kelly reported that every two (2) years, the Authority provides an update of the Business Plan to the legislature which goes through a public process for adoption by May 1st. He began his presentation by providing background information of the project initiated by a law that was approved by California voters in the November 2008 state elections. It was a ballot proposition and bond measure that allocated funds for CHSRA. Mr. Kelly discussed the project's 2020 status; progress in 2022; Virgin Trains MOU between CalSTA, Caltrans, CHSRA and XpressWest (Virgin Trains). He also discussed the project's environmental schedules; and investing in all regions with \$1.3 billion for Southern California. He also discussed Proposition 1A's early investments, whereby funds are used to help modernize the historic Union Station; the Rosecrans/Marquardt Grade Separation; environmental review work for shared corridor improvements for HSR, Metrolink, LOSSAN and others including four (4) project sections of Bakersfield to Palmdale; Palmdale to Burbank; Burbank to Los Angeles; and Los Angeles to Anaheim. Further, for a broader effort to invest in transit in Southern California, Mr. Kelly stated that a \$4.4 billion in state funding and \$1.3 billion are coming directly from HSR. In closing, Mr. Kelly provided the timeline of the Draft 2020 Business Plan due to the public in February 2020; the Final 2020 Business Plan due to the legislature in May 2020; RFP for Track and Systems Proposals due in June 2020; and the Final ROD for 171-mile Merced-Fresno-Bakersfield line due in the summer of 2020.

President Bill Jahn thanked Mr. Brian Kelly for his presentation and expressed appreciation for Mr.

Kelly's time with answering questions from the Regional Council members.

Councilmember Peggy Huang, TCA, asked a question in reference to the staff report regarding the 119 mile-Central Valley segment and 171 mile-Merced to Bakersfield segment. Mr. Brian Kelly responded that the federal government gave California \$3.5 billion in 2009 to begin the construction in Central Valley; however, the 119 miles was not enough of an operating segment, and was extended to 171 miles for connectivity of the three fastest growing cities in the region while pursuing additional funding to close the gaps.

As a follow-up, Councilmember Huang asked whether a private-public partnership (P3) is being considered for some components of the project. Mr. Kelly responded that private-public partnership is the objective and there will be segments appropriate for a P3 opportunity.

Councilmember Judy Mitchell, Rolling Hills Estates, District 40, asked a question regarding the challenges with obtaining right-of-way (ROW), particularly for the Burbank-Los Angeles segment. Mr. Kelly responded that an environmental impact report is yet to be completed and study the alignment, ROW and utility relocation; and complete all advance work before beginning the construction.

Councilmember Dan Medina, Gardena, District 28, asked a question regarding the purchasing properties for completing the project and whether there are concerns with meeting the travel time when the rail is traversing through mountains or around it. Mr. Kelly responded that environmental documents have not yet been completed and there is no concern with projected travel times. Further, he stated adoption of an alignment enables the project to meet travel speed and time requirements.

Councilmember Steve Hofbauer, Palmdale, District 43, asked a question regarding the total budget that is needed for the project. Mr. Kelly responded that from SFO-LA and Anaheim, the budget is \$79-80 billion.

As a follow-up, Councilmember Hofbauer asked a question regarding closing the gaps and extending the commuter rail as a bookend to Tehachapi. Mr. Kelly responded the commuter rail extension is driven regionally and work is underway from Palmdale to the north while the Bakersfield to Palmdale segment is being planned for completion.

Councilmember Art Brown, Buena Park, asked a question regarding the completion date for the Anaheim to Los Angeles segment. Mr. Kelly responded the environmental document will need to be completed within the next 18-24 months and identify funding either through Cap-and-Trade or additional federal funding.

Supervisor Linda Parks, Ventura County, expressed appreciation and complimented Mr. Brian Kelly for the work he has done for CHSRA thus far. She asked about the potential costs for grade crossings for the project. Mr. Kelly responded there will be strategic grade crossing that will need to be done while considering the corridor, speed requirement, etc.

Supervisor Don Wagner, Orange County, asked a question as to why there is a need to continue to support the prioritization of the funding on a “19th century technology” given the issues that were identified by the federal government for years and why we cannot “pull the plug” and use the funding in the region in a useful manner. Mr. Brian Kelly responded the bond bill which cost \$9 billion for a project that was estimated at the time now costs \$45 billion and the bond bill indicates needing more state, federal and local funding to build this project. As a transportation policymaker for 25 years, Mr. Kelly expressed his belief in and dedication to this project, as there is no other project that will cut travel time, attain mobility and environmental benefits, utilize renewable energy system, etc.

Councilmember Margaret Finlay, Duarte, District 35, asked a question regarding the Merced to Bakersfield segment of the project and its economic impacts. Mr. Brian Kelly responded there is evidence of economic and employment impacts in the Central Valley due to the construction project that is currently underway with an estimated completion in 2028.

On behalf of the Regional Council, President Bill Jahn again thanked Mr. Brian Kelly for his presentation.

PUBLIC COMMENT PERIOD

President Jahn opened the Public Comment period and asked Acting Chief Counsel, Justine Block, to read and acknowledge receipt of the public comment letters received for Agenda Item Nos. 16 and 17. Acting Chief Counsel Justine Block acknowledged the written comments received by SCAG from the following: Gateway Cities Council of Governments (GCCOG); City of Huntington Beach; City of Tustin; City of Fountain Valley; City of Cerritos; and the City of Downey. Additionally, SCAG received letters in the form of emails from a resident in Riverside, Holly Osborn; residents from Yorba Linda, Karen Farley; Steve Stowell and Janet Chang. All comment letters were posted on the SCAG website while paper copies have been made available at the table at the back of the Board Room. Finally, Ms. Block also noted that a link to the website containing the comment letters were transmitted to the members of the Regional Council.

Kristin Aguila, staff from the City of Cerritos, reported the city submitted two (2) letters to SCAG and commented the city was not afforded to speak at the November 7, 2019 Regional Council meeting. On behalf of the city, she requested an amendment to the proposed RHNA Methodology before its final adoption and proposed reinstating the household growth component of the

methodology with 33.3%; job accessibility 33.3%; and HQTAs 33.3%. By doing so, this will not only demonstrate consideration of member cities; input over the course of the two year process but also design a RHNA methodology that is fair with attainable housing numbers.

There being no other public comment speakers, President Jahn closed the Public Comment period.

REVIEW AND PRIORITIZE AGENDA ITEMS

There was no prioritization of the agenda

ACTION/DISCUSSION ITEM

2. Resolution No. 20-618-1 Regarding Regional Funding For Housing

President Jahn introduced the item and asked Executive Director Kome Ajise to provide a report. As background information, Mr. Ajise referenced the California Budget Act of 2019-20, also known as AB 101, which appropriated two (2) new one-time programs to provide regions and jurisdictions with grants for planning activities to enable jurisdictions to increase housing planning and accelerate housing production in order to meet the housing needs as determined by the Sixth Cycle RHNA. Mr. Ajise remarked that SCAG is eligible to apply for \$47.5 million for housing across the region, a portion of which SCAG can apply for in advance. These early resources will help SCAG to begin the planning work and further complete the framework with our partner agencies and initiate educating the communities. Mr. Ajise asked Director of Planning Sarah Jepson to provide further information. Ms. Jepson stated SCAG is excited to apply for advance funding of twenty-five percent (25%) and explained that in putting together an application, SCAG developed a program framework. She remarked that it is important to note that all funds administered under AB 101 must be expended within three (3) years [December 31, 2023].

Supervisor Linda Parks, Ventura County, asked a question whether a portion of the funds will be allocated for homelessness. Ms. Jepson responded that SCAG is working with the State while exploring program guidelines and planning for housing-supportive infrastructure.

A MOTION was made (Michael) to adopt Resolution No. 20-618-1 authorizing SCAG to apply for advance funding of twenty-five (25) percent, or \$11,867,77 of its maximum eligible funding allowed under the Regional Early Action Program (REAP). Motion was SECONDED (Navarro) and passed by the following votes:

FOR: ASHTON, BAILEY, BENOIT, BERRY, BROWN, BUCKNUM, CLARK, CURTIS, FINLAY, GAZELEY, HARNIK, HOFBAUER, HOMLGREM, HUANG, JAHN, JUDGE, KELLY, LORIMORE, J. MARQUEZ, R. MARQUEZ, MCCALLON, MEDINA, MICHAEL, MINAGAR, MITCHELL, NAGEL, NAVARRO, O'NEIL, PARKS, PEARCE, POLLOCK, PREDMORE,

PUCKETT, C. RAMIREZ, ROBERTSON, SAHLI-WELLS, SALEH; SANDOVAL; SANTOS; SCHWANK; SEMETA; SHARIF; SIMONOFF; SPIEGEL; TALAMANTES; TYE; WAGNER; WALKER; and WAPNER (49).

AGAINST: NONE (0)

ABSTAIN: NONE (0)

CONSENT CALENDAR

Approval Items

3. Minutes of the Meeting - November 7, 2019*
4. SCAG Staff Participation in the POCACITO in Germany 2020 Program
5. 2020 State and Federal Legislative Platform
6. ACA 1 (Aguiar-Curry) – Voter Approval Threshold
7. SB 45 (Allen) - Climate Change Resiliency Bond Act of 2020*
8. SB 795 (Beall, McGuire, Portantino) - Affordable Housing & Community Development Investment Program*
9. Regional Safety Targets 2020*
10. SCAG Memberships and Sponsorships
11. Contract Amendment: Contract 20-002-C01, Board Counsel Services*
12. Contracts \$200,000 or Greater: 20-043-C01, to Laptops, Associated
13. Contracts \$200,000 or Greater: 20-016-C01, City of Ojai Maricopa
14. Contracts \$200,000 or Greater: 19-062-C01, North Paramount Gateway
15. Contract Amendment: 19-002-C01, Disadvantaged Communities

Receive and File

16. Supplemental Analysis of Adopted Draft RHNA Methodology*
17. State HCD Review Findings of SCAG's Draft RHNA Methodology*
18. Fiscal Year (FY) 2018-19 External Audit
19. February State and Federal Legislative Update

20. Advancement of the Growth Vision for Connect SoCal

21. Purchase Orders; Contracts; Amendments

22. CFO Monthly Report

President Jahn announced that SCAG staff requested to pull Agenda Item No. 11, *“Contract Amendment: Contract 20-002-C01, Board Counsel Services”* which will be agendized at a future meeting.

Councilmember Lyn Semeta, Huntington Beach, District 64, asked to pull Agenda Item No. 3, *“Minutes of the Meeting – November 7, 2019.”*

CEHD Committee Chair Peggy Huang asked to record her vote as “No” for Agenda Item Nos. 7 and 8 related to *“SB 45”* and *“SB 795,”* respectively.

Transportation Committee Chair Cheryl Walker asked to pull Agenda Item No. 9, *“Regional Safety Targets 2020.”*

CEHD Committee Chair Peggy Huang also asked to pull Agenda Item Nos. 16 and 17, *“Supplemental Analysis of Adopted Draft RHNA Methodology”* and *“State HCD Review Findings of SCAG’s Draft RHNA Methodology,”* respectively.

A MOTION was made (Pollock) to approve the Consent Calendar, except for Agenda Item Nos. 3, 7, 8, 9, 11, 16 and 17. Motion was SECONDED (Ashton). The motion passed by the following votes:

FOR: ASHTON, BAILEY, BENOIT, BERRY, BROWN, BUCKNUM, CLARK, CURTIS, FINLAY, GAZELEY, HARNIK, HOFBAUER, HOMLGREM, HUANG, JAHN, JUDGE, KELLY, LORIMORE, J. MARQUEZ, R. MARQUEZ, MCCALLON, MEDINA, MICHAEL, MINAGAR, MITCHELL, NAGEL, NAVARRO, O’NEIL, PEARCE, POLLOCK, PREDMORE, PUCKETT, C. RAMIREZ, ROBERTSON, SAHLI-WELLS, SALEH, SANDOVAL, SANTOS, SCHWANK, SEMETA, SHARIF, SIMONOFF, SPIEGEL, TALAMANTES, TYE, WAGNER, WALKER and WAPNER (48)

AGAINST: NONE (0)

ABSTAIN: NONE (0)

PULLED AGENDA ITEMS

3. Minutes of the Meeting – November 7, 2019

Councilmember Lyn Semeta, Huntington Beach, District 64, requested the Minutes be amended to reflect the following changes: (1) on page 45, it failed to mention that the motion by Bailey was *“stopped by the Chair who asked that a motion be made to approve the staff’s recommendation first,”* and asked that this language be added to the Minutes of the Meeting; and (2) a couple of times as noted on the Minutes that the *“Chair announced there would be a fair opportunity for everyone to be heard including the members of the public and that all information and comments would be provided by the Regional Council before any decision will be made or any motion be considered.”* However, on page 44 she noted, *“...there were only six more members who were called to speak and the vote was called after that when in fact, only a limited amount of members of the Regional Council who were able to speak”* and asked that this should be reflected on the record as well.

A MOTION was made (Semeta) to approve Agenda Item No. 3 as amended, to include the two (2) noted changes. Motion was SECONDED (Bucknum).

Board Counsel Ruben Duran addressed Councilmember Semeta’s concern on page 45 and recommended to view the video of the meeting that is made available for any member to further review what transpired during a meeting and noted that the transcribed records of the meetings are action minutes.

Councilmember Semeta asked that an additional language be reflected on the minutes to read, *“There was only a limited amount of speakers who were able to speak.”*

President Jahn acknowledged Councilmember Semeta’s request and directed staff to reflect the additional language for today’s meeting minutes.

A SUBSTITUTE MOTION was made (Finlay) to approve Agenda Item No. 3 as presented. Motion was SECONDED (Walker) and passed by the following votes:

FOR: ASHTON, BAILEY, BENOIT, BERRY, BROWN, CURTIS, FINLAY, GAZELEY, HARNIK, HOMLGREM, HUANG, JAHN, JUDGE, KELLY, LORIMORE, J. MARQUEZ, R. MARQUEZ, MCCALLON, MEDINA, MICHAEL, MITCHELL, NAGEL, NAVARRO, PEARCE, POLLOCK, PREDMORE, PUCKETT, C. RAMIREZ, ROBERTSON, SAHLI-WELLS, SALEH, SANDOVAL, SANTOS, SCHWANK, SHARIF, SIMONOFF, SPIEGEL, TALAMANTES, TYE, WALKER and WAPNER (41)

AGAINST: MINAGAR and SEMETA (2)

ABSTAIN: BUCKNUM, CLARK, HOFBAUER, O’NEIL, PARKS and WAGNER (6)

7. SB 45 (Allen) - Climate Change Resiliency Bond Act of 2020*

CEHD Committee Chair Peggy Huang asked to record her vote as “No” for Agenda Item No. 7.

A MOTION was made (Robertson) to approve a “Watch and Work with Author” position on SB 45. Motion was SECONDED (Finlay) and passed by the following votes:

FOR: ASHTON, BAILEY, BENOIT, BERRY, BROWN, BUCKNUM, CLARK, CURTIS, FINLAY, GAZELEY, HARNIK, HOFBAUER, JAHN, KELLY, J. MARQUEZ, R. MARQUEZ, MEDINA, MICHAEL, MITCHELL, NAGEL, NAVARRO, O'NEIL, PARKS, PEARCE, POLLOCK, PREDMORE, PUCKETT, C. RAMIREZ, SAHLI-WELLS, SALEH, SANDOVAL, SANTOS, SCHWANK, SEMETA, SHARIF, SIMONOFF, TALAMANTES, TYE, WAGNER, WALKER and WAPNER (41)

AGAINST: HOLMGREN, HUANG, JUDGE, LORIMORE and MCCALLON (5)

ABSTAIN: NONE (0)

8. SB 795 (Beall, McGuire, Portantino) - Affordable Housing & Community Development Investment Program*

A MOTION was made (Huang) to approve Agenda Item No. 8, SB 795. Motion was SECONDED (Bucknum) and passed by the following votes:

FOR: ASHTON, BAILEY, BENOIT, BERRY, BROWN, BUCKNUM, CLARK, CURTIS, FINLAY, GAZELEY, HARNIK, HOFBAUER, JAHN, KELLY, LORIMORE, J. MARQUEZ, R. MARQUEZ, MCCALLON, MEDINA, MICHAEL, MITCHELL, NAGEL, NAVARRO, O'NEIL, PARKS, POLLOCK, PREDMORE, PUCKETT, RAMIREZ, ROBERTSON, SAHLI-WELLS, SALEH, SANDOVAL, SANTOS, SCHWANK, SIMONOFF, TALAMANTES, TYE, WAGNER, WALKER and WAPNER (41)

AGAINST: HOLMGREN, HUANG and JUDGE (3)

ABSTAIN: SEMETA (1)

9. Regional Safety Targets 2020*

Transportation Committee Chair Cheryl Walker reported that the committee voted to amend staff recommendation to read as follows, *“Approve a recommendation that the Regional Council adopt SCAG’s 2020 transportation safety targets, which are supportive of the adopted statewide safety*

targets; specifically, the region will reduce fatalities by a minimum of 3.03 percent in serious injuries and by a minimum of 1.5 percent on an annual basis and achieve a goal towards zero fatalities.”

A MOTION was made (Walker) to approve the Regional Safety Targets 2020, as amended. Motion was SECONDED (Harnik) and passed by the following votes:

FOR: ASHTON, BAILEY, BENOIT, BERRY, BROWN, BUCKNUM, CLARK, CURTIS, FINLAY, GAZELEY, HARNIK, HOFBAUER, HOMLGREM, HUANG, JAHN, JUDGE, KELLY, LORIMORE, J. MARQUEZ, R. MARQUEZ, MCCALLON, MEDINA, MICHAEL, MINAGAR, MITCHELL, NAGEL, NAVARRO, O'NEIL, PARKS, POLLOCK, PREDMORE, PUCKETT, RAMIREZ, ROBERTSON, SAHLI-WELLS, SANDOVAL, SANTOS, SCHWANK, SEMETA, SHARIF, SIMONOFF, TALAMANTES, TYE, WALKER and WAPNER (45)

AGAINST: NONE (0)

ABSTAIN: NONE (0)

16. Supplemental Analysis of Adopted Draft RHNA Methodology*

CEHD Committee Chair Peggy Huang asked that the Regional Council consider the correspondences that were received relative to local household growth input in light of the Governor’s statement regarding overstretching the 1.3 million household units. She also echoed the City of Cerritos’ comments and concerns regarding building homes in commercial sites under the current methodology. Further, Councilmember Huang emphasized that removing the local jurisdictions’ input will allow building in a space of theory and not reality and encouraged the Regional Council amend the draft RHNA Methodology.

Executive Director Kome Ajise stated that at the November 7, 2019 Regional Council meeting, the City of Los Angeles’ position packet offered four (4) items for consideration; whereby one was adopted by the Regional Council with a proviso that SCAG staff review and study the three (3) remaining items and report back to the Regional Council. The three (3) items for review are: how to address low-wage jobs; modify transit access; and social equity across jurisdictions. Mr. Ajise emphasized that Agenda Item No. 16 is simply a report back to the Regional Council.

A MOTION was made (Finlay) to Receive and File Agenda Item No. 16, “Supplemental Analysis of Adopted Draft RHNA Methodology.” Motion was SECONDED (Robertson).

Discussion ensued regarding request for a full list of correspondences that were received be included on the staff report’s attachment regarding RHNA Timeline of Key Activities and Milestones (Berry); to also include the unanimous vote resulting from the 10/21/19 Special Meeting of the

CEHD; and concerns regarding the process including the removal of the projected household growth from the methodology (Berry, Carroll and O'Neil).

After expressing concerns, Regional Councilmember Trevor O'Neil, Anaheim, District 19, stated he will be voting in opposition on this item and encouraged members of the Regional Council from Orange County to do the same.

Supervisor Don Wagner, Orange County, stated that although the report is a Receive and File item, the matter is still on the agenda and does not preclude the Regional Council from taking into consideration the issues raised by CEHD Committee Chair Peggy Huang and by Councilmember Trevor O'Neil, especially in light of the Governor's most recent comments. Supervisor Wagner remarked the Regional Council has the discretion to take action on this matter.

President Jahn asked Board Counsel Ruben Duran to provide the Regional Council advice regarding this matter. Board Counsel Duran explained the implications of this agenda item relative to the Brown Act, whereby the Regional Council will be reconsidering its initial action. Further, as described on the staff report, the matter before the Regional Council is to receive and File a report with additional information.

Immediate Past President Alan Wapner, SBCTA, asked if the appropriate motion for this item is to reject the report and not Receive and File.

A SUBSTITUTE MOTION was made (Wagner) to reject and not Receive and File Agenda Item No. 16 regarding the Supplemental Analysis of Adopted Draft RHNA Methodology and that the Regional Council will decide at a later date on how to properly handle this matter. Motion was SECONDED (Minagar).

Executive Director Kome Ajise reiterated that the matter before the Regional Council is a report back as part of the November 7, 2019 Board action, which summarizes the findings of the supplemental analysis.

With respect to Agenda Item No. 17, Mr. Ajise explained the matter is simply sharing and distributing a correspondence to the Regional Council regarding a letter received by SCAG from the California Housing and Community Development (HCD) in response to the November 7, 2019 action taken by the Board. Further, Mr. Ajise reminded the Regional Council that under state law, a methodology must be adopted by March 2020.

President Jahn consulted Board Counsel Ruben Duran to provide guidance regarding the pending Substitute Motion on the floor. Board Counsel Duran advised and read the language from the Regional Council Policy Manual [RC-approved 06/09/2019] Article VII, Section H, which reads,

“...However, a substitute motion that simply proposes the opposite of the main motion may cause unnecessary delay and confusion and may be ruled to be out of order by the presiding officer.”

At this point in time, the maker of the Substitute Motion (Wagner) offered to withdraw his motion. President Jahn announced that the Regional Council will vote on the Original Motion (Finlay, seconded by Robertson), which was to Receive and File Agenda Item No. 16 regarding the Supplemental Analysis of Adopted Draft RHNA Methodology. The motion passed by the following votes:

FOR: BAILEY, BENOIT, FINLAY, HARNIK, JAHN, JUDGE, KELLY, LORIMORE, J. MARQUEZ, R. MARQUEZ, MCCALLON, MICHAEL, MITCHELL, NAVARRO, POLLOCK, ROBERTSON, SANDOVAL, SANTOS, SCHWANK, SPIEGEL, TYE, WALKER and WAPNER (23)

AGAINST: BERRY, BROWN, BUCKNUM, CARROLL, CLARK, CURTIS, GAZELEY, HOLMGREN, HUANG, MEDINA, MINAGAR*, NAGEL, O’NEIL, PREDMORE, SEMETA, SHARIF, SIMONOFF and WAGNER (18)*

ABSTAIN: ASHTON (1)

While the voting results were being reviewed, Councilmember Frank Minagar, Laguna Niguel, District 12, stated he inadvertently voted an “Abstention” and indicated that he intended to vote “No” for Agenda Item 16. President Jahn directed staff to correct Councilmember Minagar’s vote as a “No” vote and is annotated* above.

17. State HCD Review Findings of SCAG's Draft RHNA Methodology*

CEHD Committee Chair Peggy Huang stated that she pulled this item for discussion due to the number of concerns she and the other members have expressed earlier including the complexity of the RHNA process. While CEHD Chair Huang stated fully understanding the timeline, she urged the Regional Council to reject the letter from HCD which does not prevent the committee from reconsidering another action for final recommendation to HCD.

Executive Director Kome Ajise offered a clarification and emphasized that according to the requirements of the state law, he cited California Government Code Section 65584.04 whereby it identifies only one scenario under which a COG would adopt a final methodology that changes the draft methodology. This scenario would occur when HCD did not find the draft methodology to be consistent with the state objectives identified in the statute, which is contrary to the current fact. In order to continue these discussions, Mr. Ajise stated the matter will be brought back before Regional Council at the upcoming meeting.

Regional Councilmember Cheryl Walker, El Centro, District 1, offered a suggestion that the members meet with the legislators and HCD and collectively explain their concerns including the complexity of the “broken” RHNA process since the agency is now under time constraints with fulfilling our obligation in meeting state law requirements.

President Jahn reminded the Regional Council that Agenda Item No. 17 is a Receive and File item regarding distributing a correspondence to the Regional Council received by SCAG from the California Housing and Community Development (HCD).

Regional Councilmember Mike Carroll, Irvine, District 14, echoed the comments and concerns that were expressed regarding the flawed mechanics of the RHNA process and remarked that members from Orange County unanimously objected to the proposed methodology and stated that he will be voting in opposition as a reflection of support for the unanimous vote of the CEHD Committee regarding the proposed draft methodology.

A MOTION was made (Robertson) to Receive and File Agenda Item No. 17, “State HCD Review Findings of SCAG's Draft RHNA Methodology.” Motion was SECONDED (Walker) and passed by the following votes.

FOR: BAILEY, BENOIT, BROWN, CURTIS, FINLAY, GAZELEY, HARNIK, JAHN, JUDGE, KELLY, LORIMORE, J. MARQUEZ, R. MARQUEZ, MCCALLON, MEDINA, MICHAEL, MITCHELL, NAVARRO, POLLOCK, PREDMORE, ROBERTSON, SANDOVAL, SANTOS, SCHWANK, SPIEGEL, TYE, WALKER and WAPNER (28)

AGAINST: BERRY, CARROLL, CLARK, HOLMGREN, HUANG, MINAGAR, NAGEL, O’NEIL, SEMETA and WAGNER (10)

ABSTAIN: ASHTON (1)

BUSINESS REPORT

President Jahn announced that Business Representative, Randall Lewis, is currently in Harvard due to a Strategic Planning Session and therefore, unable to provide a business report at this time.

PRESIDENT’S REPORT

President Jahn reported that he, along with First Vice President Rex Richardson, Immediate Past President Alan Wapner, Regional Councilmembers Margaret Finlay, Cheryl Walker and Dennis Michael, travelled and collaborated with the Ministry of Transport of New Zealand and Australia as part of the beginning phases of exploratory work to conduct a regional/local study and further

assess the various policy questions regarding user fees, travel behavior, privacy and equity issues regarding Road Usage Charges (RUC). President Jahn stated that a full report will be presented at the March 5 meeting of the Transportation Committee and the Regional Council. He asked the leadership to share some information and practical lessons-learned from the travel. Immediate Past President Wapner commented regarding the meeting with Transurban and the benefits of how a private-public partnership works in many countries and the United States. In the interest of time, Regional Councilmember Cheryl Viegas-Walker, El Centro, District 1, encouraged the members to visit <https://changedconditionsahead.com/the-study/> to learn more about Transurban's Road Usage Study in Australia and see the transition from gas tax to VMT. Regional Councilmember Dennis Michael commented on Transurban's advanced technology and praised its efficient work and collaboration with the government including usage of CMP in the city of Melbourne to mitigate traffic congestion.

President Jahn announced and welcomed new member to the Regional Council, Mayor Miguel Pulido of Santa Ana representing OCTA; and subregional appointment to CEHD Committee is Mayor Acquanetta Warren of Fontana.

Finally, President Jahn announced that the SCAG Scholarship Committee is now accepting applications and the deadline to apply is Friday, April 3; and to visit the SCAG website for more information.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Kome Ajise announced that SCAG was contacted by staff from Paul Volcker of The Volcker Alliance and former President of the Federal Reserve Bank of New York, regarding its Government-to-University Initiative (G2U), an innovative approach to addressing critical governance challenges by building structured regional networks of governments and universities. The initiative aims to catalyze a robust local marketplace that can sustainably connect governments' hiring and research needs with local university capacity. Mr. Ajise stated that SCAG, as a regional convener, allows the agency to develop a pipeline of talents from university students who might be interested in government jobs. Mr. Ajise invited the members or their city representatives to G2U's first meeting at SCAG scheduled for February 18, 2020.

Finally, Mr. Ajise expressed thanks and appreciation for Regional Councilmember Meghan Sahli-Wells, Culver City, District 41, a member of the Zero Traffic Fatalities Taskforce. The taskforce just completed its Zero Traffic Fatalities report. A web link to access the report is available on SCAG's website.

FUTURE AGENDA ITEM

Regional Councilmember Trevor O'Neil, Anaheim, District 19, requested to add to a future agenda item a discussion on the RHNA Methodology and the letter received from HCD and to take action as necessary. President Jahn acknowledged the request.

ANNOUNCEMENTS

Regional Councilmember Cheryl Viegas-Walker, El Centro, District 1, announced and invited the members to CALCOG Regional Leadership Forum scheduled from April 5 – 7, 2020 at the Riverside Convention Center.

Second Vice President Clint Lorimore and Chair of the GA Host Committee invited the members to register for SCAG's Regional Conference and General Assembly scheduled for May 6-8, 2020 at the JW Marriott Resort and Spa in Palm Desert with this year's theme, *"Collaboration, Community, Connection."* The GA Host Committee seeks sponsorships with a goal of raising \$364,000. Vice President Lorimore encouraged the members to attend this great opportunity and invite their City Council as registration is free for elected officials.

ADJOURNMENT

There being no further business, President Jahn adjourned the Regional Council meeting at 2:15PM.

[MINUTES ARE UNOFFICIAL UNTIL APPROVED BY THE REGIONAL COUNCIL]

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AGENDA ITEM 4
REPORT

Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
March 5, 2020

To: Executive/Administration Committee (EAC)
Community
Economic & Human Development Committee (CEHD)
Regional Council (RC)
From: Kome Ajise, Executive Director, Executive Management, 213-
236-1835, Ajise@scag.ca.gov
Subject: Regional Early Action Planning (REAP) Grant Subregional
Partnership Program & Funding Allocation

**EXECUTIVE DIRECTOR'S
APPROVAL**

RECOMMENDED ACTION FOR EAC:

Recommend Regional Council authorize staff to develop a process and formula to make up to 50 percent, or \$23,736,000 of REAP funds available to SCAG to: 1) incentivize and support local partnerships implementing eligible activities, leveraging SB 2 Planning Grants and Local Early Action Planning (LEAP) grant funds where appropriate; and 2) make funds available relative to each subregion's total share of regional housing need, as determined by the adopted Regional Housing Needs Assessment (RHNA) allocation.

RECOMMENDED ACTION FOR CEHD:

Receive and File

RECOMMENDED ACTION FOR REGIONAL COUNCIL:

Authorize staff to develop a process and formula to make up to 50 percent, or \$23,736,000 of REAP funds available to SCAG to: 1) incentivize and support local partnerships implementing eligible activities, leveraging SB 2 Planning Grants and local LEAP funds where appropriate; and 2) make funds available relative to each subregion's total share of regional housing need, as determined by the adopted Regional Housing Needs Assessment (RHNA) allocation.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

EXECUTIVE SUMMARY:

The California 2019-20 Budget Act, also known as Assembly Bill (AB) 101, appropriated one-time programs to provide regions with grants for planning activities to enable jurisdictions to increase housing planning and accelerate housing production in order to meet housing needs as determined by the Sixth Cycle Regional Housing Needs Assessment (RHNA). Local governments

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are separately eligible for formula-based planning grants under the Local Early Action Program (LEAP) and regional governments are eligible for grants supporting the RHNA process and support of LEAP activities under the Regional Early Action Planning Program (REAP.) Up to \$47.5 million is available for SCAG under the REAP for eligible activities.

Consistent with the Draft Regional Housing Program Framework of February 6, 2020, SCAG staff recommends authorizing staff to develop a process and formula to make up to 50 percent, or \$23,735,500 of REAP funds available to SCAG to: 1) incentivize and support local partnerships implementing eligible activities, leveraging SB 2 Planning Grants and local LEAP funds where appropriate; and 2) make funds available relative to each subregion's total share of regional housing need, as determined by the adopted Regional Housing Needs Assessment (RHNA) allocation.

BACKGROUND:

The California 2019-20 Budget Act, also known as Assembly Bill (AB) 101, appropriated one-time programs to provide regions with grants for planning activities to enable jurisdictions to increase housing planning and accelerate housing production in order to meet housing needs as determined by the sixth Cycle Regional Housing Needs Assessment (RHNA). Up to \$47,471,023 is available for SCAG under the Regional Early Action Planning (REAP) grants for eligible activities.

On February 6, 2020 the Executive/Administration Committee and Regional Council reviewed **information about the REAP and LEAP funds, including a Draft Regional Housing Framework and early survey indications of needs of SCAG jurisdictions**, and authorized SCAG staff to apply for up to twenty-five (25) percent of the \$47.5 million for early program funding. Information related to the early application was also shared at the February 6, 2020 CEHD Committee meeting. At the time of this report, SCAG staff is putting together an application to submit to the California Department of Housing & Community Development (HCD) based on this authorization.

As part of its regional commitment in assisting jurisdictions plan for and accelerate housing production while coordinating regional planning efforts, SCAG staff recommends setting aside up to fifty (50) percent of its total eligible REAP funding, or \$23,736,000 (rounded), for availability based on the aggregate share of regional housing need of jurisdictions within each subregion, or its final RHNA allocation.

Applications for LEAP funds by local governments are due to HCD by July 1, 2020. Due to the comparatively short time for expenditure of both the LEAP and REAP funds (2023) and the comparatively small amount of LEAP funds many of our jurisdictions are eligible for, partnerships addressing common activities within subregions are desirable. It will be desirable to minimize the amount of separate individual contracts, with associated contract management and reporting requirements. REAP funds can support local governments in accessing the eligible LEAP funds and

leverage those as well as related SB 2 Planning grant activities. Beyond the twenty-five percent advance funds, the REAP funds are available on a reimbursement, rather than an advance basis. Because the final RHNA allocation is planned for adoption on October 1, 2020, funds based on this formula will not be available until after this date. The intention of this funding will be to assist jurisdictions in speeding up the production of housing and a variety of activities eligible for funding, such as updating housing elements and streamlining permitting processes.

To maximize resources, SCAG also recommends that allocations to assist jurisdictions be made available on a subregional basis. Below is a table of each SCAG subregion's share of funding set aside for assisting jurisdictions based on the February 13, 2020 estimate of the draft RHNA allocation based on the staff recommended final RHNA methodology. Because the County of Los Angeles and County of Riverside span multiple subregions, they will be listed as individual subregional partners for this program's purposes. Likewise, the City of Los Angeles will be also listed as a subregional partner.

Subregion	Subregional share of funding based on estimated draft RHNA allocation ¹	Subregional funding based on estimated draft RHNA allocation (rounded) ¹
Arroyo Verdugo	1.7%	\$392,000.00
CVAG	2.4%	\$558,000.00
Gateway	5.5%	\$1,316,000.00
Imperial	1.2%	\$282,000.00
Las Virgenes-Malibu	0.1%	\$16,000.00
City of Los Angeles	34.0%	\$8,058,000.00
County of Los Angeles (Unincorporated Portion)	6.7%	\$1,589,000.00
North LA County	2.0%	\$485,000.00
OCCOG	13.7%	\$3,245,000.00
County of Riverside (Unincorporated Portion)	3.0%	\$721,000.00
SBCTA/SBCOG	10.3%	\$2,437,000.00
SGVCOG	6.7%	\$1,582,000.00
South Bay Cities	2.5%	\$603,000.00
Ventura	1.8%	\$432,000.00
Westside Cities	1.4%	\$340,000.00
WRCOG	7.1%	\$1,678,000.00
Total	100.0%	\$23,736,000.00

SCAG will be using some of the Advance REAP funding to further develop the Regional Housing Program framework on the remaining 50 percent of its eligible REAP funding, including a RHNA-based formula benefiting intended recipients. SCAG will be collaborating with technical assistance to be available by HCD for LEAP and REAP to coordinate availability with direct jurisdictional funding from programs such as SB 2 and LEAP grants in order to maximize all funding sources available to jurisdictions. SCAG will continue to update the EAC, CEHD Committee, and Regional Council on program progress, as needed.

FISCAL IMPACT:

¹ This allocation is based on the February 13, 2020 draft RHNA allocation estimate tool, which is based on the staff recommended final RHNA methodology. The final RHNA allocation plan is anticipated for adoption by the SCAG Regional Council on October 1, 2020.



Current work on the Regional Housing Needs Assessment is included in the current FY 19-20 General Fund Budget (800.0160.03: RHNA). There is no immediate fiscal impact for the tasks proposed under these funds. When awarded, the AB 101 REAP funds will be programmed in the Overall Work Program (OWP).



AGENDA ITEM 5
REPORT

Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
March 5, 2020

To: Executive/Administration Committee (EAC)
Community
Economic & Human Development Committee (CEHD)
Regional Council (RC)

From: Kome Ajise, Executive Director, Executive Management,
213-236-1835, Ajise@scag.ca.gov

Subject: Resolution No. 20-619-1 : Preserving Naturally Occurring
Affordable Housing Project Regulatory Agreement

**EXECUTIVE DIRECTOR'S
APPROVAL**

RECOMMENDED ACTION FOR EAC:

Recommend that the Regional Council adopt Resolution No. 20-619-1 to grant the SCAG Executive Director or his designee the authority to negotiate and execute up to eight (8) regulatory agreements with the National CORE/Watt Investment partners-related property owners for a pilot project that aims to preserve naturally occurring affordable housing.

RECOMMENDED ACTION FOR CEHD:

Receive and file

RECOMMENDED ACTION FOR REGIONAL COUNCIL:

Adopt Resolution No. 20-619-1 to grant the SCAG Executive Director or his designee the authority to negotiate and execute up to eight (8) regulatory agreements with the National CORE/Watt Investment partners-related property owners for a pilot project that aims to preserve naturally occurring affordable housing.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians.

EXECUTIVE SUMMARY:

The preservation of naturally occurring affordable housing (NOAH) is one of many important tools available to local jurisdictions in increasing the supply of affordable housing and alleviating the housing crisis. National Community Renaissance of California (National CORE) and Watt Investment Partners requested SCAG's participation in an affordable housing model pilot project, also known as the NOAH Venture Project. National CORE and Watt Investment Partners are proposing to implement their NOAH Venture Project with properties they have already acquired, and have requested that SCAG assist with obtaining funding (\$500.00 per unit/620 units) to conduct outreach and education activities related to property management, to retain low-income

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tenants and preserve unit affordability. A draft regulatory agreement, attached, has been proposed that would involve SCAG providing funding for education and outreach related to operation of properties, to retain low-income tenants and preserve unit affordability. Staff recommends Regional Council approval of Resolution No. 20-619-1 to grant the SCAG Executive Director or his designee authority to negotiate and execute eight (8) regulatory agreements with the National CORE/Watt Investment partners-related property owners, subject to funding availability.

BACKGROUND:

The preservation of naturally occurring affordable housing (NOAH) is one of many important tools available to local jurisdictions in increasing the supply of affordable housing and alleviating the housing crisis. At the February 5, 2020 Community, Economic & Human Development (CEHD) Committee meeting, representatives from National CORE and Watt Investment Partners presented the NOAH Venture Project. The NOAH Venture Project focuses on preserving housing units at-risk for losing their affordability status through providing education and resources to tenants that remove barriers for retention. This model cannot be implemented unilaterally and requires the participation of current residents. Activities to engage residents may include assistance with income verification, resources for new management transition, and workshops to educate tenants and the general community on affordable housing.

In return for retaining unit affordability, the new property owner can obtain a property tax exemption proportionate to the overall percentage of affordable units within the property. The proposed regulatory agreement would require that National CORE and Watt Investment Partners maintain an affordable ratio of not less than 51% of the total number of property units.

Additionally, to receive this tax exemption, the project must meet several criteria, including receiving financing from a public source related to the operation of property, and having the financing tied to a regulatory agreement with a public agency, with all or a portion of the units at or below 80% of the area median income. A jurisdiction may use preservation of affordable housing units, provided that they meet certain criteria, as a way to meet up to twenty-five (25) percent of their housing need as measured by their Regional Housing Needs Assessment (RHNA) allocation.

National CORE and Watt Investment Partners are proposing to implement their NOAH Venture Project to properties they have already acquired, and have requested that SCAG provide funding (\$500.00 per unit/620 units) to conduct outreach and education activities related to the operation of the properties to retain low-income tenants and preserve unit affordability.

At its February 5, 2020 meeting, the Regional Council authorized SCAG staff to apply for advance funding of up to twenty-five (25) percent of its eligible available funding under the statewide Regional Early Action Planning (REAP) grants program. Created under the California 2019-20 Budget

Act, also known as Assembly Bill (AB) 101, REAP grants provide funding to councils of governments such as SCAG to accelerate and promote housing production based on eligible activities, including education, engagement, and outreach. At the time of this report, SCAG is developing its advance funding application and will be including activities related to education and outreach on housing production and preservation. To maintain the momentum of this funding, SCAG is also seeking to develop partnerships that can help match funding and identify gaps in housing crisis strategies between the public, private, and non-profit sectors. SCAG is eligible for a total of \$47.5 million, which must be fully expended by December 31, 2023.

Because this pilot project has the potential for replication of preservation efforts throughout the region, SCAG staff recommends approving a resolution for granting the SCAG Executive Director or his designee authority to negotiate and execute regulatory agreements with the National CORE/Watt Investment partners-related property owners, subject to available funding sources. SCAG staff will continue to update the EAC, CEHD Committee, and Regional Council on this project and REAP funding activities, as needed.

FISCAL IMPACT:

Work associated with this item is included in the current FY 19-20 General Fund Budget (800.0160.04).

ATTACHMENT(S):

1. Resolution 20-619-1 NOAH Venture Project
2. NOAH-SCAG Venture Regulatory Agreement (2020-02-27)draft



RESOLUTION NO. 20-619-1

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS 900 Wilshire Blvd., Ste. 1700 Los Angeles, CA 90017 T: (213) 236-1800 www.scag.ca.gov

A RESOLUTION OF THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) GRANTING THE SCAG EXECUTIVE DIRECTOR THE AUTHORITY TO NEGOTIATE AND SIGN REGULATORY AGREEMENTS FOR A PILOT PROJECT ON THE PRESERVATION OF NATURALLY OCCURRING AFFORDABLE HOUSING

A NECESSARY QUORUM AND MAJORITY OF THE REGIONAL COUNCIL OF SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS ("APPLICANT") HEREBY CONSENTS TO, ADOPTS AND RATIFIES THE FOLLOWING RESOLUTION:

REGIONAL COUNCIL OFFICERS

- President Bill Jahn, Big Bear Lake
First Vice President Rex Richardson, Long Beach
Second Vice President Clint Lorimore, Eastvale
Immediate Past President Alan D. Wapner, San Bernardino County Transportation Authority

WHEREAS, the Southern California Association of Governments (SCAG) is the Metropolitan Planning Organization, for the six county region consisting of Los Angeles, Orange, San Bernardino, Riverside, Ventura, and Imperial counties;

WHEREAS, the preservation of naturally occurring affordable housing (NOAH) units at-risk of losing their affordability status can be an important tool in helping to increase the supply of affordable housing region wide;

WHEREAS, National Community Renaissance of California (National CORE) and Watt Investment Partners have developed an affordable housing model pilot project ("NOAH Venture Project") centered around the concept of NOAH to preserve at-risk affordable units and help residents remain in their affordable units through education and outreach efforts;

WHEREAS, funding for region wide housing education and outreach efforts is a priority for SCAG as part of its program to expend funds received pursuant to Health and Safety Code section 50515.02, also known as the Regional Early Action Planning (REAP) grant program;

WHEREAS, the NOAH Venture Project developed by National CORE and Watt Investment Partners requires financing from a public source related to the operation of property, financing tied to a regulatory agreement with a public agency, and regulatory agreement recorded against the property deed to qualify for a tax exemption under California Revenue and Taxation Code Section 214(g);

WHEREAS, National CORE and Watt Investment Partners have proposed to implement their NOAH Venture Project with properties they have already acquired, and have requested that SCAG assist with obtaining funding (\$500.00 per unit/620 units) to conduct outreach and education activities related to property management, to retain low-income tenants and preserve unit affordability and to enter into regulatory agreements with the National CORE/Watt Investment partners-related property owners; and

WHEREAS, the proposed regulatory agreement between SCAG and National CORE/Watt Investment Partners will require that National CORE and Watt Investment Partners maintain an affordable ratio of not less than 51% of the total number of property units.

COMMITTEE CHAIRS

- Executive/Administration Bill Jahn, Big Bear Lake
Community, Economic & Human Development Peggy Huang, Transportation Corridor Agencies
Energy & Environment Linda Parks, Ventura County
Transportation Cheryl Viegas-Walker, El Centro

Attachment: Resolution 20-619-1 NOAH Venture Project (Resolution No. 20-619-1: Preserving Naturally Occurring Affordable Housing t)

NOW, THEREFORE, BE IT RESOLVED, THAT the SCAG Executive Director or his designee is hereby authorized to negotiate and execute up to eight (8) regulatory agreements with the National CORE/Watt Investment partners-related property owners, as part of the NOAH Venture Project, subject to available funding.

BE IT FURTHER RESOLVED THAT:

1. The SCAG Executive Director or his designee is hereby authorized to review, consider and apply for available sources of funding that are eligible to expend funds related to the NOAH Venture Project; and

2. In the event available funding is secured, the SCAG Executive Director may negotiate and execute up to eight (8) regulatory agreements with the National CORE/Watt Investment partners-related property owners, in accordance with all applicable state and federal statutes, rules, regulations, and the regulatory agreements executed by and between the Southern California Association of Governments and such property owners.

PASSED, APPROVED AND ADOPTED by the Regional Council of the Southern California Association of Governments at its regular meeting this 5th day of March, 2020.

William "Bill" Jahn
President, SCAG

Attested by:

Kome Ajise
Executive Director

Approved as to Form:

Justine Block
Acting Chief Counsel

**FREE RECORDING IN
ACCORDANCE WITH
CALIFORNIA GOVERNMENT
CODE SECTION 27383**

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Southern California Association
of Governments
900 Wilshire Blvd., Ste. 1700
Los Angeles, CA 90017

REGULATORY AGREEMENT

This Regulatory Agreement (the “*Agreement*”) dated as of [_____], 20[___] (the “*Effective Date*”), is made and entered into by and between [_____], a California limited partnership, or its successors and assigns (the “*Grantee*”), and the Southern California Association of Governments (“*SCAG*”), a Joint Powers Authority pursuant to California Government Code Section 6500 *et seq.*, collectively referred to herein as the “*Parties.*”

RECITALS

- A. On January 29, 2020 Grantee acquired and now operates, and manages one or more naturally occurring affordable housing buildings comprising _____ dwelling units (the “*Development*”) located in the City of Los Angeles as more particularly described in Exhibit A (the “*Property*”).
- B. In order to support the long-term preservation of the Development, Grantee has requested that SCAG apply for a grant on behalf of Grantee, in the approximate amount of Five Hundred Dollars and 00/100 (\$500.00) per unit (the “*Grant*”). Contingent upon approval and receipt of such Grant (“*Grant Funds*”) from the awarding state agency and execution of related funding agreements, including an agreement between SCAG and Grantee (“*Grant Agreement*”), as described herein, SCAG agrees to provide the Grant for the operation of the Development with a focus on (i) furthering efforts to preserve the affordable nature of the Development and (ii) providing support to educational efforts aimed at informing current and future residents regarding the transition of the Development to an affordable housing community operated within the requirements of this Agreement (“*Project*”).
- C. Grantee intends to restrict all or a portion of the Development for rental to households with incomes at or below 80% of the area median income, as defined in Section 50079.5 of the California Health and Safety Code, or such higher income level as may be treated as qualifying for the California property tax welfare exemption pursuant to Section 214(g) of the California Revenue and Taxation Code as it may be amended (“*Lower Income Households*”).

D. Grantee intends to apply for the California property tax welfare exemption in an amount that corresponds to the percentage of eligible units at the Development.

E. Grantee's managing general partner is a limited liability company that is wholly owned by National Community Renaissance of California, a California nonprofit public benefit corporation ("**CORE**"). CORE is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.

F. SCAG's jurisdiction encompasses six counties, including the county in which the Property is situated. SCAG's role is to address regional issues, and, given the high demand for affordable housing in the southern California region, the preservation of affordable housing is critical for the region.

NOW, THEREFORE, Grantee and SCAG hereby establish and agree as follows:

1. Recitals. The foregoing recitals are a part of this Agreement.
2. Property. Grantee is the fee owner of the Property and all improvements now and hereafter located thereon.
3. Development. Grantee will operate and maintain the Development exclusively as rental housing and related facilities.
4. Qualifying Units. At least fifty-one percent (51%) of the dwelling units in the Development will be continuously available to or occupied by 1) Lower Income Households paying Qualifying Rents (the "**Qualifying Units**"), or 2) households residing at the Property and paying rents in effect as of the Effective Date plus increases implemented over time with the objective of achieving Qualifying Rents, but only as permitted by applicable state or local rent control laws or ordinances, and not to exceed Qualifying Rents ("**Phase-In Rents**"). The households described in clauses (1) and (2) above are referred to as "**Qualified Households**."
5. Rents.
 - a. Rents charged to households occupying Qualifying Units will substantially equal 30% of 80% of the area median income (except as may be restricted by applicable state or local rent control laws or ordinances) ("**Qualifying Rents**"). Qualifying Rents shall be net of, and shall not include, (i) any allowance for utility costs, or (ii) any fees, surcharges and the like imposed by government authorities and permitted to be passed through to tenants, including without limitation permissible amounts relating to the Los Angeles Rent Stabilization Ordinance or Systemic Code Enforcement Program. Qualifying Rents shall be established and updated by Grantee on a regular basis, based on area median income as most recently determined in accordance with Health and Safety Code Section 50079.5, not less than thirty (30) days prior to such establishment or updating. A rental amount shall not be deemed not to constitute a

Qualifying Rent if and to the extent that it is discounted as a result of policies that may be adopted by Grantee to avoid unreasonable hardship to tenants of the Development, which may include, in Grantee's sole discretion, (a) temporary reductions in the event of income loss or other household hardship, or (b) other management practices customary for non-profit operators of affordable housing.

- b. Rents charged to households residing at the Property as of the Effective Date will substantially equal Phase-In Rents.
 - c. The rents prescribed by this Section 5 (Qualifying Rents and Phase-In Rents) are explicitly intended to supersede the rent levels described in Section 50053 of the California Health and Safety Code, as contemplated by California Revenue & Taxation Code Section 214(g)(2)(A)(iii)(I).
6. Grant of Public Funds. SCAG warrants that it is an instrumentality of government and that a Grant awarded to Grantee under this agreement would be made out of public funds.
7. Term of Agreement.
- a. This Agreement will commence on the date hereof, remain in full force and effect, and apply to the Development through and including the tenth (10th) anniversary of the date of recordation of this Agreement ("**Initial Term**"), regardless of any sale, assignment, transfer, or conveyance of the Development or the Property, unless terminated earlier as set forth in paragraph b or c, below, or by the mutual consent of SCAG and Grantee.
 - b. This Agreement shall automatically terminate without any further obligation of each Party, in the event that SCAG is unable to secure Grant Funds as described below in Section 8.
 - c. Notwithstanding the foregoing, Grantee may terminate this Agreement at any time during the Initial Term upon thirty (30) days' prior written notice to SCAG; provided, that if Grantee terminates the Agreement within the Initial Term, then Grantee shall repay to SCAG ninety-nine percent (99%) of the amount of the Grant, if awarded, within ninety (90) days of the date of such termination.
 - d. This Agreement shall automatically renew at the end of the Initial Term and each Renewal Term for an additional one (1) year term ("**Renewal Term**"; together with the Initial Term, the "**Term**"), unless either SCAG or Grantee has provided the other with a notice of its intent not to renew not later than thirty (30) days prior to the end of the then existing term.
8. Grant Application.
Grantee understands and agrees that receipt of Grant Funds under this agreement is contingent upon the following: 1) eligibility of the Grantee's project for receipt of state funds under the Regional Early Action Planning Grant Program ("**Grant Program**")

administered by the California Department of Housing and Community Development (“**Awarding Agency**”); 2) application by SCAG for funds under such Grant Program (“**Application**”); 3) approval by the Awarding Agency of such Application, and execution by SCAG and the Awarding Agency of a funding agreement and related documentation; and 4) execution of a Grant Agreement between the Parties. In the event that SCAG is unable to secure Grant Funds, the Parties agree that no further action will be required by SCAG, and this Agreement shall Terminate as set forth above in Section 7.b.

9. Non-Discrimination. Grantee shall not discriminate against any tenant or prospective tenant on the basis of any class or status prohibited by Government Code Section 12920 including: race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, genetic information, or any other arbitrary factor in violation of any state, federal, or local law governing discrimination in rental housing. Grantee further agrees to comply with all applicable provisions related to non-discrimination set forth in the Grant Agreement.
10. Management. Grantee shall be responsible for the operation and maintenance of the Development and the Property in a manner consistent with this Agreement.
11. Indemnification.
 - a. Grantee assumes all risk of injury to its employees, agents, contractors and tenants of the Property, including loss or damage to property.
 - b. Grantee shall indemnify, protect, defend and hold harmless SCAG, its members, officers, Regional Council Board members, employees and agents from and against any and all losses, liabilities, damages, costs and expenses, including attorney’s fees and costs to the extent caused in whole or in part by any intentional, negligent or wrongful act, error or omission, or non-compliance with Grant Agreement requirements, of the Grantee, its agents, employees, or contractors arising out of the performance of the Project under this Agreement.
12. Event of Default.
 - a. Notice and Time to Cure. In the event of a material breach, violation, or default by the Grantee in the performance of any covenant, agreement, or obligation of the Grantee set forth in this Agreement, SCAG shall provide the Grantee with at least sixty (60) days’ written notice of such breach, violation, or default, specifying the nature of the breach, violation, or default, the action needed to cure (to be determined in SCAG’s reasonable discretion), and a reasonable time period for Grantee to cure the breach, violation, or default (“**Cure Notice**”). If Grantee does not cure the breach, violation, or default in accordance with the Cure Notice, SCAG may declare an event of default

hereunder (“*Event of Default*”) by providing written notice of such Event of Default to Grantee (“*Default Notice*”). The parties acknowledge that the legal rights of tenants or other good cause may impede Grantee’s ability to speedily cure any violation hereof; accordingly, it shall not be an Event of Default and SCAG shall not issue a Default Notice so long as Grantee has commenced a cure (insofar as possible) within the time period stated in the Cure Notice and continues diligently to pursue such cure.

- b. Repayment. Following an Event of Default, Grantee may, as its sole and exclusive remedy, seek full or partial repayment of the Grant from the Grantee in accordance with the following schedule (“*Default Repayment Schedule*”):
- i. If the Event of Default occurs on or before the tenth (10th) anniversary of the date of recordation of this Agreement, Grantee shall repay to SCAG ninety-nine percent (99%) of the amount of the Grant within ninety (90) days after receipt by Grantee of the Default Notice.
 - ii. If the Event of Default occurs between the tenth (10th) and twenty-fifth (25th) anniversary of the date of recordation of this Agreement, Grantee shall repay to SCAG seventy-five percent (75%) of the amount of the Grant within ninety (90) days after receipt by Grantee of the Default Notice.
 - iii. If the Event of Default occurs between the twenty-fifth (25th) and fortieth (40th) anniversary of the date of recordation of this Agreement, Grantee shall repay to SCAG fifty percent (50%) of the amount of the Grant within ninety (90) days after receipt by Grantee of the Default Notice.
 - iv. If the Event of Default occurs between the fortieth (40th) and fifty-fifth (55th) anniversary of the date of recordation of this Agreement, Grantee shall repay to SCAG twenty-five percent (25%) of the amount of the Grant within ninety (90) days after receipt by Grantee of the Default Notice.

Even if an Event of Default occurs and Grantee repays the Grant in accordance with the Default Repayment Schedule, this Agreement shall remain in effect for the Term unless modified or terminated pursuant to the terms of Section 7 above.

13. Compliance with Agreement. Grantee agrees at all times to comply with the terms of this Agreement, and acknowledges that it has access to professional advice to the extent necessary to enable the Grantee to comply with the same.
14. Amendment. This Agreement shall not be altered or amended except in writing, as executed between SCAG and Grantee.

15. Partial Invalidity. If any provision of this Agreement shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.
16. Binding on Successors. This Agreement shall bind, and the benefits hereof shall inure to, the respective parties hereto, their legal representatives, executors, administrators, transferees, successors in interest and assigns. The term “Grantee” as used herein shall include and apply to any person or entity succeeding to the legal, equitable, proprietary, or possessory interest of Grantee in the Property and/or the Development. Grantee retains the right to assign this Agreement to another entity organized under the laws of the State of California, provided that the assignee agrees to comply with the terms of this Agreement and Grantee provides at least 30 days’ written notice of such assignment to SCAG.
17. Recording Agreement. This Agreement, or, where approved by SCAG in writing, a memorandum thereof, shall be recorded against the Property in the official records of the county in which the Property is situated. SCAG and Grantee agree to execute such instruments as may be required to subordinate this Agreement when required by other lenders pursuant to the terms of their financing.
18. Captions. The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope or the intent of this Agreement.
19. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California. All code references herein refer to the California Codes, unless specifically indicated otherwise.
20. Notice. Except for any notice required under applicable law to be given in another manner, any notices, demands, or communications between the parties hereto shall be sufficiently given if, and shall not be deemed given unless, dispatched by certified mail, postage prepaid, return receipt requested or delivered by express delivery service with delivery receipt, to the address of the respective party as set forth below, or to such other address as the respective party may have designated by written notice given to the other party in the manner provided herein. Such written notices, demands, and communications shall be effective on the date shown on the delivery receipt as the date delivered, the date on which delivery was refused, or the date on which delivery was attempted.

If to Grantee: [Owner Entity Name]
 c/o National Community Renaissance of California
 9421 Haven Avenue
 Rancho Cucamonga, CA 91730
 Attn: Chief Financial Officer
 Email Address: mfinn@nationalcore.org

With a copy to: National Community Renaissance of California
9421 Haven Avenue
Rancho Cucamonga, CA 91730
Attn: General Counsel
Email Address: rdiaz@nationalcore.org

If to SCAG: Southern California Association of Governments
900 Wilshire Blvd., Ste. 1700
Los Angeles, CA 90017
Attn: []

21. Attorneys' Fees. The prevailing party in any action to enforce this Agreement shall be entitled to reasonable attorneys' fees as determined by the trier of fact in that forum.
22. Construction. Each party hereto acknowledges and agrees that it has had independent counsel review and participate in the drafting of this Agreement, and it hereby fully waives the application of any law, statute, or rule of construction or interpretation, including without limitation California Civil Code Section 1654, to the effect that any ambiguities are to be construed against the drafting party.
23. Dispute Resolution.
 - a. Good Faith Negotiations. The Parties shall attempt in good faith to resolve any potential dispute between themselves under this Agreement (a "Dispute") informally and promptly. If a Dispute is not resolved informally either Party may submit to the other Party a written notice of Dispute (the "Notice of Dispute"). The Notice of Dispute shall: (i) state the specific matters on which the Notice of Dispute is based; (ii) include supporting documentation; (iii) if the Notice of Dispute involves a cost adjustment, state the exact amount of the cost adjustment accompanied by all records supporting the demand; and (iv) include a written statement signed by an authorized person indicating that the Notice of Dispute is made in good faith, that the supporting documentation is accurate and complete. The Party submitting the Notice of Dispute shall comply with reasonable requests for additional information; provided, a Party may elect to refrain from submitting information based on the advice of counsel. The Parties shall attempt to resolve the Dispute promptly.
 - b. Failure of Negotiations. If, after good faith negotiations pursuant to Subsection (a) above, the Parties have not resolved the Dispute, the Parties shall settle and resolve the Dispute by arbitration pursuant to the requirements set forth in Exhibit A attached hereto.

24. Insurance. For the duration of the term of this Agreement, Grantee shall procure and maintain insurance with insurance carrier(s) admitted to write insurance in the State of California and rated A, VIII or better by the current A.M. Best Rating Guide or equivalent, for general liability, automobile liability, and Workers' Compensation as required by the California Labor Code. If insurance is provided by a non-admitted insurance carrier, such insurance must be included in the most recent California List of Eligible Surplus Lines Insurer (LESLI List) and otherwise satisfy insurance requirements. SCAG shall be included as additional insureds pursuant to a separate endorsement on all insurance policies, except for Workers Compensation. Promptly following the execution and delivery of this Agreement, Grantee shall provide certificates of insurance, and all required endorsements, evidencing the required coverages.

Grantee shall provide not less than ten (10) days' prior written notice to SCAG before the non-renewal or cancelation of any the required insurance coverages.

[Signatures follow]

IN WITNESS WHEREOF, the parties hereby execute and enter into this Agreement as of the date first set forth above and agree to be bound hereby.

SCAG:

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS,
a public agency of the State of California

By: _____

Name: _____

Title: _____

GRANTEE:

[_____] ,
a California limited partnership

By: _____

Name: _____

Title: _____

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

DRAFT

EXHIBIT B
ARBITRATION OF DISPUTES.

Any claim, controversy, dispute or disagreement arising out of or related to this Agreement or the breach, enforcement, interpretation or performance thereof (“Dispute”) shall be submitted to final and binding arbitration, at the request of any party hereto, on the terms and conditions set forth in this Exhibit A (the “Arbitration”).

1. Venue. The Arbitration shall be held at the offices of Judicial Arbitration and Mediation Service (“Jams”), at its office located in Los Angeles, California.
2. Arbitration Rules. The Arbitration shall be conducted pursuant to JAMS’s Rules of Practice and Procedure in effect at the time a request for arbitration is filed (the “Arbitration Rules”).
3. Selection of Arbitrator. The Arbitration shall be conducted by a single arbitrator (“Arbitrator”) appointed pursuant to the procedures set forth in the Arbitration Rules. Notwithstanding the foregoing, if the amount of the Dispute exceeds \$1,000,000, then the Arbitration shall be conducted by a panel of three arbitrators appointed pursuant to the procedures set forth in the Arbitration Rules (the “Panel”), and references herein to the Arbitrator shall be deemed to refer to the Panel.
4. Commencement of Arbitration. The Arbitration shall commence at the earliest possible opportunity unless otherwise agreed in writing by the parties hereto.
5. Cooperation of Parties. All of the parties hereto shall promptly and diligently cooperate with one another and the Arbitrator, and shall perform such acts as may be reasonably necessary to obtain a prompt and expeditious resolution of the Dispute in accordance with the terms hereof.
6. Application of California Law. Notwithstanding anything to the contrary set forth herein with respect to substantive (as opposed to procedural) matters, the Arbitrator shall be required to apply the laws of the State of California when deciding the issues of the Arbitration and rendering his or her decision.
7. Powers of Arbitrator. The parties hereto agree that the Arbitrator shall have the power to decide all issues of fact and law and report his or her decision thereon and issue all legal and equitable relief appropriate under the circumstances of the Dispute. The Arbitrator shall try all issues, whether of fact or law, and record a finding and judgment thereon and shall hear and determine all pretrial issues and motions and post-trial motions related to the judgment filed or to be filed and to act on all matters related thereto which may be within the jurisdiction of the Superior Court of the State of California. Except as otherwise provided by the Arbitration Rules, all rules of evidence as set forth in the California Evidence Code, other statutory and decisional law of California and all local court rules and California Rules of Court shall be applicable to any proceeding before the Arbitrator. Depositions may be taken and other discovery obtained during the Arbitration to the same extent as authorized in a civil judicial proceeding in California. The Arbitrator shall have the power to grant all legal and equitable remedies and award compensatory economic damages provided by California law.

8. Issuance of Arbitrator’s Decision. The Arbitrator shall render his or her final decision in writing, stating the reasons for each component of that decision.
9. Binding Effect of Arbitrator’s Decision; Duties of Parties. The parties agree to be bound by the final decision of the Arbitrator and to promptly provide the Arbitrator and the other party with any and all documents, instructions or other information necessary to allow the Arbitrator to arrive at its decision and to give effect to that decision.
10. Entry of Judgment. Judgment on the Arbitrator’s award may be entered in any court having jurisdiction thereof.
11. Cost of Arbitration. If arbitration is commenced between the Parties, the prevailing party in that arbitration shall be entitled to recover from the non-prevailing party all reasonable attorneys’ fees and costs, witness fees, arbitrators’ fees, and arbitration costs. “Prevailing party” shall include, without limitation, the following: (a) a party who dismisses arbitration in exchange for sums allegedly due; (b) the party who receives performance from the other party for an alleged breach of contract or a desired remedy where the performance is substantially equal to the relief sought in an action; or (c) the party who receives any award for relief through arbitration.
12. Confidentiality. Each Party agrees that without the prior written consent of the other Party, neither party shall make any private disclosure, public announcement or other communication with respect to the subject of the Arbitration, the matters discussed therein, or the Arbitrator’s final decision, and that all such matters will be kept in strictest confidence and not revealed to any other person or entity. Notwithstanding the foregoing; each party may make such disclosures (a) to the extent necessary to enforce the provisions of this Exhibit A and the Arbitration Rules (b) to the extent necessary to enforce the Arbitrator’s final decision or otherwise put that final decision into effect, (c) to its attorneys, accountants and business advisors in the course of prosecuting or defending its claims in the Dispute and otherwise competently participate in the Arbitration, or (d) to the extent necessary to as required by applicable law or subpoena, court order or other legal process in connection with litigation involving the Arbitration or this Agreement.
13. NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE ‘ARBITRATION OF DISPUTES’ PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE ‘ARBITRATION OF DISPUTES’ PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE ‘ARBITRATION OF DISPUTES’ PROVISION TO NEUTRAL ARBITRATION.

SCAG’s Initials: _____ GRANTEE’s Initials: _____

DRAFT



Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
March 5, 2020

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

From: Basil Panas, Chief Financial Officer, Finance, 213-236-1817,
panas@scag.ca.gov

Subject: Approval of the Fiscal Year 2020-21 Draft Comprehensive
Budget

**EXECUTIVE DIRECTOR'S
APPROVAL**

RECOMMENDED ACTION:

It is recommended that the Regional Council: 1) Approve the Fiscal Year 2020-21 (FY 2020-21) Draft Comprehensive Budget, which includes the Draft Overall Work Program (OWP), the FTA Discretionary and Formula Grant Budget, the TDA Capital and Debt Service Budget, the General Fund Budget and Membership Assessment, the Indirect Cost Budget, and the Fringe Benefits Budget. 2) Authorize the release of the Draft OWP to initiate the 30-day public comment period, and transmit the General Fund Budget and Membership Assessment to the General Assembly on May 7, 2020.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 7: Secure funding to support agency priorities to effectively and efficiently deliver work products.

EXECUTIVE SUMMARY:

SCAG is required by federal and state law to develop the OWP Budget and the Indirect Cost Budget each year. Additionally, SCAG's Bylaws require the adoption of an annual budget. Staff has developed the FY 2020-21 Draft Comprehensive Budget that includes: the Draft Overall Work Program; FTA Discretionary and Formula Grant Budget; TDA Capital and Debt Service Budget; the General Fund Budget and Membership Assessment; the Indirect Cost Budget; and the Fringe Benefits Budget. The General Fund Budget and the Membership Assessment will be forwarded to the General Assembly for approval on May 7, 2020. After the 30-day public comment period, the OWP will also be submitted to the Regional Council for final approval on May 7, 2020. The proposed FY 2020-21 Comprehensive Budget is \$93.8 million, which is \$2.4 million or 2.6% more than the adopted FY 2019-20 Comprehensive Budget of \$91.4 million.

DISCUSSION:

The proposed FY 2020-21 Comprehensive Budget is \$93.8 million, which includes: the Draft OWP; the General Fund budget and Membership Assessment; the Indirect Cost budget; and the Fringe Benefits budget. Table 1 provides a summary of revenue sources and Table 2 provides a summary

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

of expenditures in the Comprehensive Budget.

REVENUES	DRAFT
FHWA PL - Metropolitan Planning	\$ 23,289,431
FTA 5303 - Metropolitan Planning	\$ 15,899,860
FHWA SPR - Strategic Partnerships Grants	\$ 729,747
FTA 5304 - Sustainable Communities Grants	\$ 518,123
FEDERAL OTHER	\$ 3,710,630
SB 1 - Sustainable Communities Formula Grants	\$ 13,796,616
SB 1 - Sustainable Communities Competitive Grants	\$ 54,003
SHA - Sustainable Communities Grants	\$ 893,635
AB 101 - Regional Early Action Planning Grants	\$ 10,543,568
STATE OTHER	\$ 6,581,885
TDA	\$ 7,797,295
IN-KIND COMMITMENTS	\$ 4,228,110
CASH/LOCAL OTHER	\$ 2,495,802
GENERAL FUND	\$ 2,683,973
INDIRECT COST CARRYFORWARD	\$ 555,465
TOTAL	\$ 93,778,143

EXPENDITURES	DRAFT
SALARIES & BENEFITS	\$ 29,541,869
CONSULTANTS	\$ 41,144,037
NON-PROFITS/IHL	\$ 460,000
PASS-THROUGH PAYMENTS	\$ 2,935,520
IN-KIND COMMITMENTS	\$ 4,228,110
CASH/LOCAL OTHER	\$ 1,991,431
OTHER COSTS	\$ 12,960,360
CAPITAL & DEBT SERVICE	\$ 516,816
Total	\$ 93,778,143

Draft OWP

As a Metropolitan Planning Organization (MPO), SCAG is required by the Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), and the California Department of Transportation (Caltrans) to develop an annual work program, or OWP. The OWP identifies the work that will be accomplished during the fiscal year of July 1, 2020 through June 30, 2021 (FY 2020-21). It discusses the planning priorities, the needs of the region, and the specific programs to meet those needs.

On January 22, 2020, SCAG held its annual OWP development and coordination meeting with Caltrans, FHWA and FTA representatives. SCAG staff presented the proposed work program for FY 2020-21 and reported accomplishments and progress on major projects in the current fiscal year.

The proposed OWP budget is \$86.1 million, and includes: \$39.2 million of FHWA and FTA Metropolitan Planning formula funds; \$13.9 million of Senate Bill (SB) 1 Sustainable Communities Grants; \$10.5 million of AB 101 Regional Early Action Planning Grants (described below); \$7.8 million of Transportation Development Act (TDA) funds; and \$14.7 million of other state and federal grants and third party contributions for transportation planning projects. The OWP expenditures are described beginning on page 19 of the Comprehensive Budget.

The Draft OWP will be released for a 30-day public comment period, beginning March 5, 2020 to April 6, 2020. Staff will receive and address comments in the Final OWP before it is submitted to the Regional Council for final approval on May 7, 2020.

Regional Early Action Planning Program (REAP)

The California 2019-20 Budget Act, also known as Assembly Bill (AB) 101, appropriated two new one-time programs to provide regions and jurisdictions with grants for planning activities to enable jurisdictions to increase housing planning and accelerate housing production in order to meet housing needs as determined by the sixth Regional Housing Needs Assessment (RHNA). Up to \$47.5 million is available for SCAG under the REAP for eligible activities. On February 6, 2020, the Regional Council adopted a resolution to authorize SCAG to apply for advance funding for up to twenty-five (25) percent, or \$11.9 million, the maximum allowed for initial early application. Approximately \$10.5 million is included in the Draft OWP and the remaining amount will be programmed in the Final OWP. The early advancement of funding is intended to cover the costs of the 6th cycle RHNA Methodology and Allocation process, as well as, to fund the program development costs and some initial work associated with refining and delivering the REAP draft program and framework.

FTA Discretionary and Formula Grant Budget

SCAG is the Designated Recipient of FTA Urbanized Area Formula Grants under 49 U.S.C. Section 5307 for the large urbanized areas (UZAs) with populations of 200,000 or more in the SCAG region. As the Designated Recipient, SCAG is responsible to apply for and pass-through Section 5339 and Section 5312 grant funds for specialized transportation programs and projects, which provide capital funding to replace, rehabilitate and purchase buses, vans, fixed guide-way, as well as to construct related facilities and purchase related equipment. The FTA Discretionary and Formula Grant Budget is \$3.9 million and provides support for projects with Riverside Transit Agency, Sunline Transit Agency, MTA and Foothill Transit (page 39 of the Comprehensive Budget).

TDA Capital and Debt Service Budget



The State Public Utilities Code Section 99233.2 authorizes the Transportation Commissions in Los Angeles, Orange, Riverside and San Bernardino counties to allocate up to $\frac{3}{4}$ of 1 percent of their local transportation funds to SCAG as the multi-county planning agency for the region. SCAG uses TDA to fund local initiatives and to provide cash match as needed for projects funded with state or federal funds. In FY 2020-21, the TDA budget includes \$7.3 million for SCAG consultants and staff related costs, and \$0.5 million for capital purchases and debt service payments for furniture/fixtures and audio visual equipment for SCAG offices (page 40 of the Comprehensive Budget).

General Fund and Membership Assessment

The proposed General Fund budget is \$2.7 million. It provides support to the Regional Council and its Subcommittees for the costs of stipends and travel; fund costs not eligible for grant reimbursement; provide a source of working capital; and finance program expenditures, which must be paid prior to sending requisitions to certain federal and state grantors. The revenue consists of membership dues for all members of SCAG in the amount of \$2.2 million and General Assembly sponsorships and registrations of \$0.5 million. The General Fund budget will be submitted to the General Assembly for approval on May 7, 2020. The General Fund expenditures are described beginning on page 42 and the membership assessment schedule is included on page 55 of the Comprehensive Budget.

Indirect Cost Budget

The Indirect Cost budget provides funding for staff salaries, fringe benefits and other non-labor costs that are not attributable to an individual direct program. The proposed Indirect Cost budget is \$22.9 million, which is \$6.5 million more than FY 2019-20 due to increases in staff costs, consultants, and other non-labor costs in support of agency priorities.

Staff develops the Indirect Cost Allocation Plan (ICAP) based on Caltrans guidelines. The proposed indirect cost rate for FY21 is 130.98% and the indirect costs are allocated to direct projects (with salaries and fringe costs) in the OWP and General Fund, pending approval of the indirect cost rate from Caltrans. The Indirect Cost expenditures are described beginning on page 48 of the Comprehensive Budget.

Fringe Benefits Budget

The Fringe Benefits budget provides funding for employee-associated costs such as vacation, holidays, sick leave, other leaves, health plan, retirement plan, workers' compensation insurance, unemployment insurance, transportation reimbursement, tuition reimbursement, deferred compensation, and other employee benefits.

The proposed Fringe Benefits budget is \$12.9 million, which is \$1.5 million more than FY 2019-20, primarily due to increases in the cost of health and retirement plans, and a new vacation cash-out

program for employees (described below). The proposed fringe benefits rate for FY 2020-21 is 79.80% and it is applied to all salaries in the OWP, General Fund and Indirect Cost budget. The employee-associated costs are described beginning on page 46 of the Comprehensive Budget.

Salary and Benefits Adjustments

One of the overarching goals of SCAG's Work Plan is to recruit, support, and develop a world-class workforce and be the workplace of choice. In 2001, the Regional Council adopted a compensation benchmark of the 75th percentile of SCAG's peer agencies. In October 2019, staff conducted a total compensation study to ensure SCAG's compensation practices are competitive and consistent with SCAG's compensation philosophy. The results indicated that on average SCAG is behind 25% in total compensation when compared to benchmark agencies in the region (City of LA, LA County, MTA and MWD). The last update to salary ranges was effective July 2017. It is important to note that SCAG employees receive only performance based merit increases. They do not receive step increases or cost of living adjustments. SCAG does not provide automatic changes to the salary ranges based on the Consumer Price Index or other factors which is typical in many of SCAG's comparison agencies.

Included in the proposed budget is an updated salary schedule reflecting market based increases to the salary ranges (page 61 of the Comprehensive Budget). The updated salary schedule affects 15 staff who will move to the new bottom of the salary range in July 2020 for a total fiscal impact of approximately \$80,000. Funds are included in the proposed staff salaries budget for adjusting the employees who would fall below the adjusted minimum salary range next fiscal year. All other employees will move in the range when they receive their next performance based merit increase.

Also included in the proposed budget are adjustments to the following employee benefits: parental leave, bereavement leave, and vacation accrual. Additionally, SCAG is implementing a vacation cash-out program at maximum cost of \$267,000 next fiscal year.

Staffing

The current number of budgeted positions in FY 2019-20 is 158. The proposed budget includes 16 new positions for a total of 174 positions in FY 2020-21. The new positions support implementation of agency work plan priorities: agile IT, staff development, stakeholder engagement, project management, and the housing program.

FISCAL IMPACT:

There is no immediate fiscal impact as a result of the recommended actions. Staff will return to the Regional Council on May 7, 2020 to recommend adoption of the FY 2020-21 Final Comprehensive Budget.

ATTACHMENT(S):



-
1. FY 2020-21 Draft Comprehensive Budget
 2. Link to FY 2020-21 Draft OWP and Public Comment Form
<http://scag.ca.gov/about/Pages/DraftFY2020-21OWP.aspx>



DRAFT
**Comprehensive
Budget**

Fiscal Year 2020–2021

March 2020

Attachment: FY 2020-21 Draft Comprehensive Budget (Approval of the Fiscal Year 2020-21 Draft Comprehensive Budget)

Southern California Association of Governments

Comprehensive Budget

Fiscal Year 2020-21

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DRAFT Comprehensive Budget

Fiscal Year 2020–2021

SECTION I Overview

Organization

Introduction

This document contains the Southern California Association of Governments (SCAG) or Association Comprehensive Budget for Fiscal Year (FY) 2020-21.

The annual budget for consists of:

- The Overall Work Program (OWP)
A federal, state and locally funded budget consisting of projects related to regional planning in the areas of transportation, housing and the environment.
- Federal Transit Administration (FTA) Discretionary & Formula Grant Budget
A budget for federal grant funds of which SCAG is the designated recipient and must pass through to eligible public agencies for specialized transportation programs and projects.
- Transportation Development Act (TDA) Capital & Debt Service Budget
A budget for the local transportation funds that the Transportation Commissions in Los Angeles, Orange, Riverside and San Bernardino counties allocate to SCAG as the multi-county planning agency for the region.
- The General Fund Budget (GF)
A budget that utilizes Association members' dues for activities not eligible for federal and state funding.
- The Indirect Cost Budget (IC)
The budget for the administrative and operations support of the Association.
- The Fringe Benefits Budget (FB)
The budget for the fringe benefits and leave time of Association employees.

Organization

SCAG Organization

SCAG, founded in 1965, is a Joint Powers Authority under California state law, established as an association of local governments and agencies that voluntarily convene as a forum to address regional issues. Under federal law, SCAG is designated as a Metropolitan Planning Organization (MPO) and under state law as the Multicounty Designated Transportation Planning Agency for the six (6) county Southern California region. Through SCAG, city and county governments throughout Southern California come together to develop solutions to common problems in transportation, housing, air quality, and other issues.

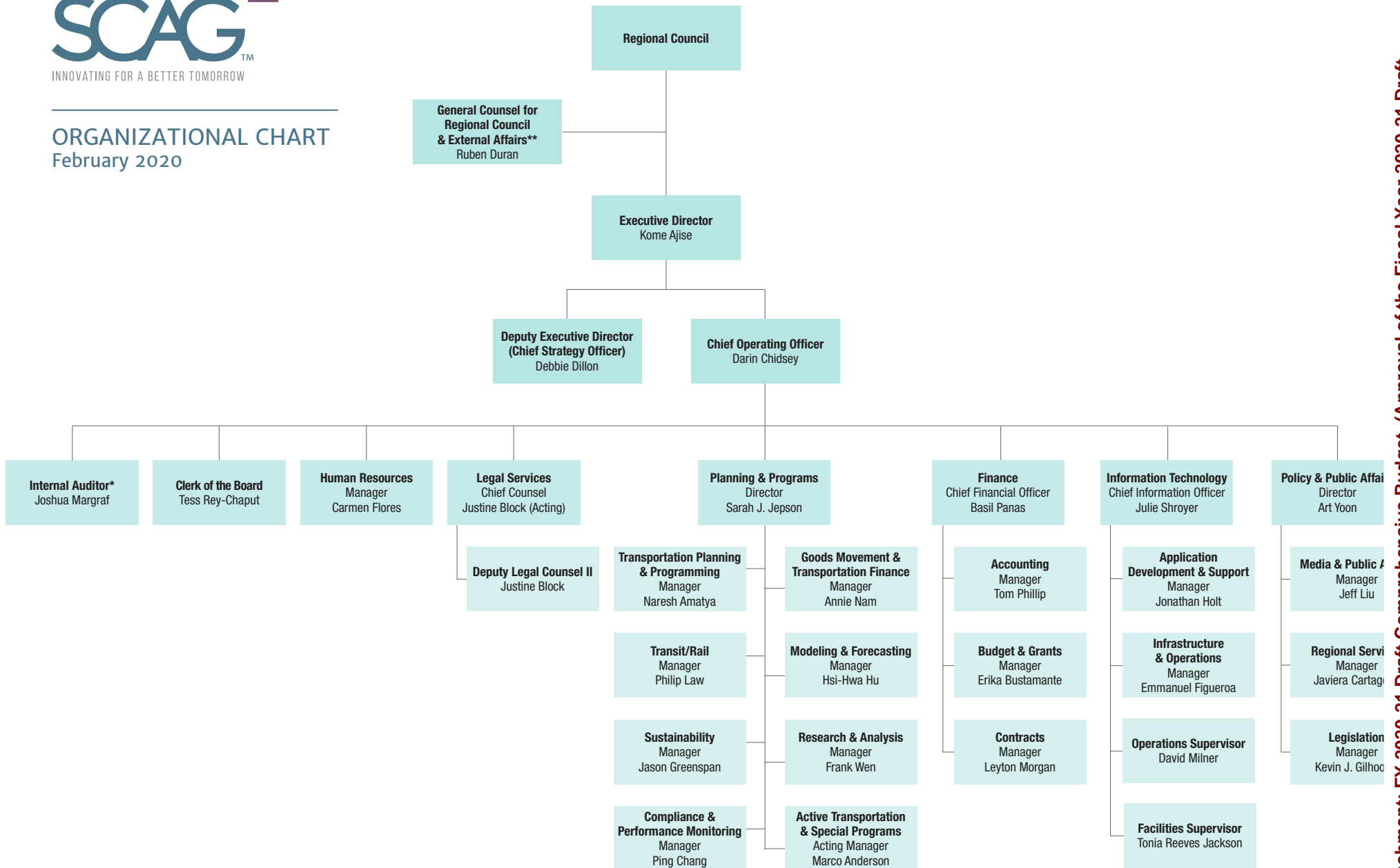
To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

SCAG's primary responsibilities include: the development of the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS); the Federal Transportation Improvement Program (FTIP); the annual OWP; and the transportation-related portions of local air quality management plans. Under the federal Clean Air Act, SCAG is responsible for determining if regional transportation plans and programs are in conformity with of applicable state air quality plans. SCAG's additional functions include the intergovernmental review of regionally significant development projects, and the periodic preparation of a Regional Housing Needs Assessment (RHNA).

In addition to the six (6) counties and 191 cities that make up SCAG's region, there are six (6) County Transportation Commissions (CTCs) that hold the primary responsibility for programming and implementing transportation projects, programs and services in their respective counties. The agency also operates via a number of critical partnerships at the local, state and federal levels. In addition to its federal and state funding partners (Federal Highway Administration (FHWA), FTA, Federal Aviation Administration, California Transportation Commission, California Department of Transportation (Caltrans), etc.), SCAG's planning efforts are closely coordinated with regional transit operators, Tribal Governments and fifteen sub-regional Councils of Governments (COGs) or joint power agencies that represent SCAG's cities and counties.

The framework for developing the FY 2020-21 Comprehensive Budget is SCAG's multi-year Strategic Plan that focuses on SCAG's vision and priorities and improves the organization and its operations. The FY 2020-21 Comprehensive Budget supports Strategic Plan Goal #7 - Secure funding to support agency priorities to effectively and efficiently deliver work products. All the work programs funded in the budget support at least one of the seven Strategic Plan Goals.

ORGANIZATIONAL CHART
February 2020



* Takes direction from the Audit Committee

** Takes direction from the Regional Council

Strategic Plan

Strategic Plan Components

Vision Statement

Southern California's Catalyst for a Brighter Future.

Mission Statement

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

Core Values

Be Open

Be accessible, candid, collaborative and transparent in the work we do.

Lead by Example

Commit to integrity and equity in working to meet the diverse needs of all people and communities in our region.

Make an Impact

In all endeavors, effect positive and sustained outcomes that make our region thrive.

Be Courageous

Have confidence that taking deliberate, bold and purposeful risks can yield new and valuable benefits.

Strategic Plan

Strategic Plan Goals

GOAL #1

Produce innovative solutions that improve the quality of life for Southern Californians.

Objectives

- A. Create plans that enhance the region's strength, economy, resilience and adaptability by reducing greenhouse gas (GHG) emissions and air pollution.
- B. Be the leading resource for best practices that lead to local implementation of sustainable and innovative projects.
- C. Ensure quality, effectiveness, and implementation of plans through collaboration, pilot testing, and objective, data-driven analysis.
- D. Identify partnership opportunities with the private sector yield public benefits.
- E. Facilitate inclusive and meaningful engagement with diverse stakeholders to produce plans that are effective and responsive to community needs.
- F. Partner with the broader research community to ensure plans are informed by the most recent research and technology.

GOAL #2

Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

Objectives

- A. Cultivate dynamic knowledge of the major challenges and opportunities relevant to sustainability and quality of life in the region.
- B. Develop and implement effective legislative strategies at both the state and federal level.
- C. Advocate for the allocation, distribution and expenditure of resources to meet the region's needs.
- D. Promote and engage partners in a cooperative regional approach to problem-solving.
- E. Act as the preeminent regional convener to shape regional, state and national policies.

GOAL #3

Be the foremost data information hub for the region.

Objectives

- A. Develop and maintain models, tools, and data sets that support innovative plan development, policy analysis and project implementation.
- B. Become the information hub of Southern California by improving access to current, historical, local, and regional data sets that reduce the costs of planning and increase the efficiency of public services.

Strategic Plan

- C. Allocate resources to accelerate public sector innovation related to big data, open data and smart communities with a focus on social equity in the deployment of new technologies across the region.
- D. Develop partnerships and provide guidance by sharing best practices and promoting collaborative research opportunities with universities, local communities and the private sector regionally, nationally, and internationally.
- E. Facilitate regional conversations to ensure data governance structures are in place at the local and regional level to standardize data sets, ensure timely updates of data, and protect the region's data systems and people.
- F. Model best practices by prioritizing continuous improvement and technical innovations through the adoption of interactive, automated, and state-of-the-art information tools and technologies.

GOAL #4

Provide innovative information and value-added services to enhance member agencies' planning and operations and promote regional collaboration.

Objectives

- A. Promote information-sharing and local cost savings with enhanced services to member agencies through networking events, educational and training opportunities, technical assistance, and funding opportunities.
- B. Provide resources and expertise to support local leaders and agencies in implementing regional plans.
- C. Expand SCAG's ability to address local and regional planning and information needs by prioritizing regular engagement with members to develop innovative, insight-driven, and interactive tools.
- D. Promote data-driven decision making, government transparency, and information as public engagement tools to increase opportunities for the public to inform local and regional policy.
- E. Identify, support, and partner with local champions to foster regional collaboration.

GOAL #5

Recruit, support, and develop a world-class workforce and be the workplace of choice.

Objectives

- A. Integrate the Strategic Plan into SCAG's day-to-day operations by defining roles and responsibilities across the agency.
- B. Prioritize a diverse and cooperative environment that supports innovation, allows for risk-taking, and provides opportunities for employees to succeed.
- C. Encourage interdepartmental collaboration through the use of formal and informal communication methods.

Strategic Plan

- D. Adopt and support enterprise-wide data tools to promote information sharing across the agency.
- E. Anticipate future organizational needs of the agency by developing a systematic approach to succession planning that ensures leadership continuity and cultivates talent.
- F. Invest in employee development by providing resources for training programs, internal mentorship opportunities, and partnerships with universities.
- G. Foster a culture of inclusion, trust, and respect that inspires relationship-building and employee engagement.

GOAL #6

Deploy strategic communications to further agency priorities and foster public understanding of long- range regional planning.

Objectives

- A. Leverage cutting-edge communication tools and strategies to maximize connectivity and sustain regional partnerships.
- B. Produce clear and consistent communications, media, and promotional campaigns that exemplify agency values and standards.
- C. Enhance the SCAG brand as a respected and influential voice for the region increasing awareness of agency's work and purpose.
- D. Practice robust public engagement, conducting proactive outreach to traditionally underrepresented communities as well as long-term stakeholders.

GOAL #7

Secure funding to support agency priorities to effectively and efficiently deliver work products.

Objectives

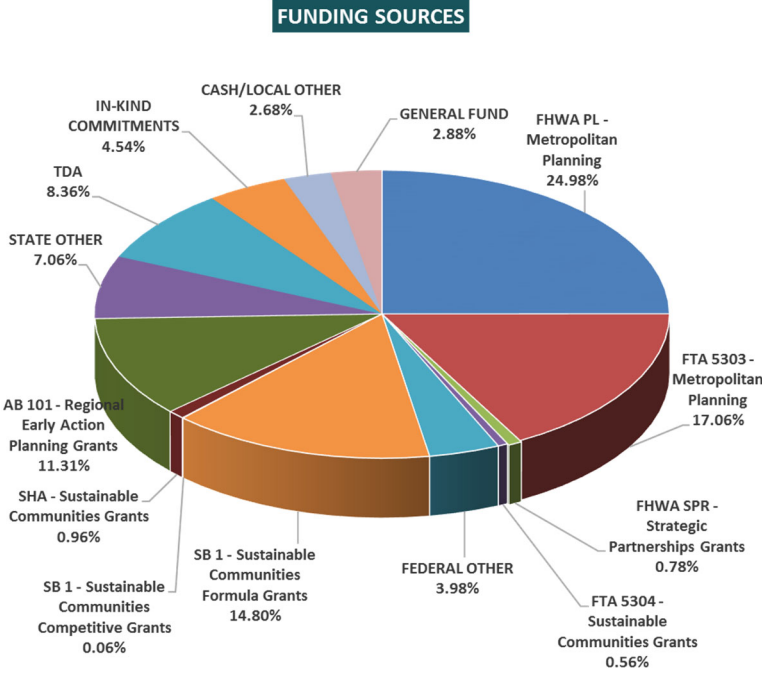
- A. Pursue innovative funding opportunities for planning and infrastructure investments.
- B. Maximize efficiency and effectiveness in resource allocation to maintain adequate working capital, appropriate reserves, and investments, and utilize resources in a timely and responsible fashion.
- C. Pioneer best practices and streamline administrative processes to better support agency activities.
- D. Focus resources to maintain and expand programs that are aligned with agency values.

Comprehensive Budget

FY 2020-21 Comprehensive Budget

Budget Funding Sources

SCAG receives most of its funding from the Federal Consolidated Planning Grant (CPG) which consists of Metropolitan Planning Funds from FHWA (FHWA PL) and FTA (FTA Section 5303). More information on CPG is detailed on page 14. The following chart illustrates the source and relative value of SCAG’s funding sources.



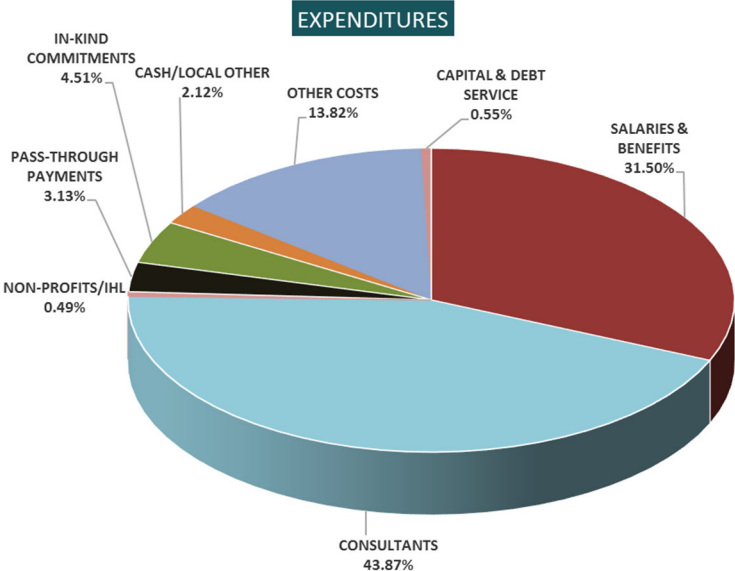
*May not total 100.00% due to rounding

Funding Sources	Amount
FHWA PL - Metropolitan Planning	23,289,431
FTA 5303 - Metropolitan Planning	15,899,860
FHWA SPR - Strategic Partnerships Grants	729,747
FTA 5304 - Sustainable Communities Grants	518,123
FEDERAL OTHER	3,710,630
SB 1 - Sustainable Communities Formula Grants	13,796,616
SB 1 - Sustainable Communities Competitive Grants	54,003
SHA - Sustainable Communities Grants	893,635
AB 101 - Regional Early Action Planning Grants	10,543,568
STATE OTHER	6,581,885
TDA	7,797,295
IN-KIND COMMITMENTS	4,228,110
CASH/LOCAL OTHER	2,495,802
GENERAL FUND	2,683,973
SUBTOTAL	93,222,678
INDIRECT COST CARRYFORWARD	555,465
TOTAL REVENUES	93,778,143

Comprehensive Budget

Budget Expenditures

SCAG allocates its budget into four major expenditure categories. The following chart illustrates the relative values of each category.



Expenditures	Amount
SALARIES & BENEFITS	\$ 29,541,869
CONSULTANTS	41,144,037
NON-PROFITS/IHL	460,000
PASS-THROUGH PAYMENTS	2,935,520
IN-KIND COMMITMENTS	4,228,110
CASH/LOCAL OTHER	1,991,431
OTHER COSTS	12,960,360
CAPITAL & DEBT SERVICE	516,816
TOTAL EXPENDITURES	\$ 93,778,143

*Other includes direct and indirect non-labor costs (see pages 12-13)

**Consultants includes the cost categories: Consultant, Consultant TC, and Cloud Services (see page 12)

Comprehensive Budget

Comprehensive Line Item Budget: FY18 through FY21

GL Account	Line Item	FY18 Actuals	FY19 Actuals	FY20 Adopted	FY21 Proposed	% Incr. (Decr)
500XX	Staff	\$ 14,275,871	\$ 14,964,261	\$ 17,144,874	\$ 19,255,337	12%
54300	Consultant	8,997,306	10,578,095	30,700,604	32,102,219	5%
54302	Non-Profits/IHL	-	82,664	485,000	460,000	-5%
54303	Consultant TC	-	-	6,265,889	6,919,788	10%
54305	Cloud Services	-	217,816	489,330	2,122,030	334%
54340	Legal	220,154	155,301	360,000	150,000	-58%
54360	Pass-Through Payments	8,424,962	2,124,650	4,480,619	2,935,520	-34%
55210	Software Support	519,697	549,754	769,400	1,606,300	109%
55220	Hardware Support	123,077	296,843	415,000	2,715,000	554%
55230	Computer Mainenance	-	-	250,000	-	-100%
55240	Repair-Maintenance	21,903	30,698	26,500	26,500	0%
5528X	3rd Party Contributions	2,918,831	3,326,903	5,739,013	5,521,745	-4%
55284	Toll Credits	-	-	718,703	-	-100%
55310	Furniture & Fixture Principal	97,023	228,569	239,928	251,852	5%
55315	Furniture & Fixture Interest	19,464	50,598	39,239	27,315	-30%
55320	Audio-Visual Equipment Principal	33,766	126,639	133,703	141,160	6%
55325	Audio-Visual Equipment Interest	6,193	33,198	26,135	18,678	-29%
55400	Office Rent / Operating Expense	877,112	816,099	1,538,000	2,192,805	43%
55410	Office Rent Satellite	152,668	171,470	260,000	260,000	0%
55415	Off-Site Storage	2,947	3,866	5,000	5,000	0%
55420	Equipment Leases	114,674	61,180	100,000	100,000	0%
55425	Lease Obligation Payment	1,555,787	-	-	-	-
55430	Equipment Repair-Maintenance	40,551	38,090	1,000	1,000	0%
55435	Security Services	64,218	58,139	100,000	100,000	0%
55440	Insurance	150,011	226,247	238,385	285,931	20%
55441	Payroll / Bank Fees	25,593	27,536	27,500	30,000	9%
55445	Taxes	5,659	2,523	5,000	5,000	0%
55460	Materials & Equipment < \$5,000	1,440,975	37,173	64,000	64,000	0%
55510	Office Supplies	84,206	59,810	73,800	78,800	7%
55520	Graphic Supplies	5,119	13,333	7,500	9,000	20%
55530	Telephone	177,299	136,091	195,000	195,000	0%
55540	Postage	305	9,998	12,000	10,000	-17%
55550	Delivery Services	3,587	4,088	5,000	5,000	0%
55580	Outreach/Advertisement	74,156	93,808	50,000	50,000	0%
55600	SCAG Memberships	151,396	206,919	192,200	208,200	8%
55610	Professional Memberships	11,514	9,130	15,500	13,000	-16%
55611	Professional Dues	-	600	1,350	1,350	0%
55620	Resource Materials/Subscriptions	451,350	320,250	1,007,255	672,300	-33%
55700	Depreciation - Furniture & Fixture	80,790	170,183	185,000	185,000	0%
55715	Amortization - Software	161,873	91,018	1,684	-	-100%
55720	Amortization - Lease	35,007	70,623	62,500	75,000	20%
55725	Fixed Asset Write-Down	15,548	-	-	-	-
55730	Capital Outlay	1,656,202	141,433	300,000	100,000	-67%
55800	Recruitment - Advertising	12,937	7,645	25,000	25,000	0%
55801	Recruitment - Other	20,676	17,930	45,000	45,000	0%
55810	Public Notices	5,894	59,136	59,500	97,500	64%
55820	Staff Training	70	1,973	30,000	30,000	0%
55830	Networking Meetings/Special Events	18,942	12,603	27,000	24,000	-11%
55840	Training Registration	-	53,890	65,000	65,000	0%
55860	Scholarships	36,000	32,000	32,000	36,000	13%
55910	RC/Committee Meetings	22,032	9,469	25,000	15,000	-40%
55912	RC Retreat	9,734	-	10,000	13,000	30%
55914	RC General Assembly	557,488	640,155	672,000	611,500	-9%

Attachment: FY 2020-21 Draft Comprehensive Budget (Approval of the Fiscal Year 2020-21 Draft Comprehensive Budget)

Comprehensive Budget

Comprehensive Line Item Budget: FY18 thru FY21 (continued)

GL Account	Line Item	FY18 Actuals	FY19 Actuals	FY20 Adopted	FY21 Proposed	% Incr. (Decr)
55915	Demographic Workshop	26,785	27,423	28,000	28,000	0%
55916	Economic Summit	108,378	84,937	100,000	85,000	-15%
55918	Housing Summit	-	-	20,000	20,000	0%
55920	Other Meeting Expense	127,825	108,558	131,500	111,000	-16%
55925	RHNA Subregional Delegation	-	-	500,000	-	-100%
55930	Miscellaneous Other	192,421	185,868	405,694	1,569,915	287%
55936	Engagement Committee	-	-	-	20,000	
55937	Employee Recognition	-	-	-	15,000	
55938	Department Allowances	-	-	-	15,000	
55940	Stipend-RC Meetings	191,350	194,130	210,485	195,000	-7%
55950	Temporary Help	177,077	40,718	105,000	106,000	1%
55980	Contingency - General Fund	907,338	(5,428,815)	-	270	
55995	Disallowed Grant Costs	-	4,832,192	-	-	0%
56100	Printing	29,713	54,410	68,000	50,000	-26%
58100	Travel	232,040	197,669	427,590	399,800	-6%
58101	Travel - Local	72,254	69,800	73,500	75,000	2%
58110	Mileage	88,011	69,983	76,000	79,000	4%
58150	Staff Lodging Expense	13,294	12,880	13,500	13,000	-4%
58200	Travel-Registration Fees	53,445	-	-	-	
58800	RC Sponsorships	184,596	251,433	200,000	150,000	-25%
59090	Expense - Local Other	1,592,130	465,138	6,268,529	697,796	-89%
60041	Vacation Cash Out	-	-	-	266,967	
60110	Retirement-PERS	3,737,123	4,203,649	5,389,857	6,018,361	12%
60120	Retirement-PARS	73,867	75,344	75,094	76,595	2%
60200	Health Insurance - Active Employees	1,212,326	1,247,798	1,478,400	1,670,400	13%
60201	Health Insurance - Retirees PAYGO	537,875	560,022	636,009	698,772	10%
60202	Health Insurance - Retirees GASB 45	317,727	320,067	242,805	-	-100%
60210	Dental Insurance	180,804	181,403	235,826	277,049	17%
60220	Vision Insurance	50,173	50,027	65,501	74,275	13%
60225	Life Insurance	86,181	86,869	78,190	92,345	18%
60240	Medicare Tax Employers Share	204,226	197,770	240,279	270,866	13%
60245	Social Security Tax Employers	19,210	-	-	-	
60250	Medicare Tax ER - Interns	-	3,438	6,917	6,931	0%
60255	Social Security ER - Interns	-	14,699	36,491	36,567	0%
60300	Tuition Reimbursement	39,836	24,986	43,776	43,776	0%
60310	Transit Passes	140,382	123,557	137,749	212,795	54%
60315	Bus Passes NT - Interns	-	15,395	38,093	38,174	0%
60320	Carpool Reimbursement	420	420	420	420	0%
60400	Workers Compensation Insurance	132,586	205,585	170,048	205,585	21%
60405	Unemployment Compensation Insurance	34,585	40,469	35,000	35,000	0%
60410	Miscellaneous Employee Benefits	80,273	74,427	66,954	91,254	36%
60415	SCAG 457 Match	81,129	102,915	96,500	109,000	13%
60450	Benefits Administrative Fees	3,204	3,474	3,508	43,400	1137%
60500	Automobile Allowance	18,420	26,412	14,400	18,000	25%
	Total	54,627,570	45,095,447	91,441,726	93,778,143	3%

*Totals may not add due to rounding



DRAFT
**Comprehensive
Budget**

Fiscal Year 2020–2021

SECTION II
Budget Components

Overall Work Program

Overall Work Program (OWP)

The Flow of Funds

Traditionally, the majority of OWP funding has come to SCAG via the Federal appropriations process. Some funding has been directly allocated to SCAG, and some has “passed through” via Caltrans.

Summary of Revenue Sources

Consolidated Planning Grant (CPG)

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

1. FHWA Metropolitan Planning (FHWA PL)

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

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

2. FTA Metropolitan Planning, Section 5303 (FTA §5303)

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

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

3. FHWA State Planning and Research Part I – Strategic Partnership Grants (SP&R)

Funds transportation planning studies in partnership with Caltrans that address the regional, interregional and statewide need of the State highway system, and assist in achieving other State goals. Caltrans awards these grants through an annual, competitive selection process.

Overall Work Program

4. FTA State Planning and Research, Section 5304 Strategic Partnerships – Transit (FTA §5304)

Funds local and regional multimodal transportation and land use planning projects that further the region’s RTP/SCS, contribute to the State’s GHG reduction targets, and assist in achieving other State goals. Caltrans awards these grants through an annual, competitive selection process.

Sustainable Communities Competitive Grants

Beginning in FY 2017-18, the Sustainable Communities Competitive Grants reside under the Sustainable Transportation Planning Grant Program and include the traditional State Highway Account (SHA) funds and Senate Bill (SB) 1 funds that are deposited into the Road Maintenance and Rehabilitation Account (RMRA). Caltrans awards these grants through an annual, competitive selection process.

SHA, Sustainable Communities Grants

Funds local and regional multimodal transportation and land use planning projects that further the region’s RTP/SCS, contribute to the State’s GHG reduction targets, and assist in achieving other State goals.

Sustainable Communities Formula Grants

Beginning in FY 2017-18, approximately \$12.5 million in Sustainable Communities Formula Grants from SB 1 reside under the Sustainable Transportation Planning Grant Program and are allocated via formula (consistent with the FHWA PL formula) to the 18 MPOs. These funds are for local and regional multimodal transportation and land use planning projects that further the region’s RTP/SCS, contribute to the State’s GHG reduction targets, and assist in achieving other State goals.

Local Funds

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

TDA

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

Overall Work Program

Cash Match/Local Funds

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

In-Kind Match

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

FTA Pass-Through Funds

As the Designated Recipient of Section 5339 and Section 5312 FTA funds, SCAG is required to pass them through to eligible public agencies. SCAG administers these grant programs which provide capital funding to replace, rehabilitate and purchase buses, vans, and fixed guide-way, as well as to construct related facilities and to purchase related equipment.

Special Grant Funds

SCAG receives various discretionary grant funds to carry out a wide array of planning programs such as Go Human Campaign, Pedestrian and Bicycle Safety Program, Clean Cities Coalition, Future Communities Pilot Program, and Caltrans Local Assistance Active Transportation Program.

AB2766/Mobile Source Air Pollution Reduction Review Committee (MSRC) Funds

State Health & Safety Code Section 44225 (AB2766) established MSRC to develop a work program to fund projects which help reduce air pollution from motor vehicles within the South Coast Air District. MSRC provides to SCAG the financial assistance which primarily supports Go Human Campaign and Future Communities Pilot Program.

Office of Traffic Safety (OTS) Pedestrian and Bicycle Safety Funds

California OTS competitively award to various agencies for projects that increase awareness of traffic rules, rights, and responsibilities among different age groups.

Overall Work Program

Department of Energy/National Energy Tech Lab Funds

The Department of Energy/National Energy Tech Lab provides financial assistance to fund projects which provide technical aid and targeted outreach, within the coalition's territory, to raise awareness and foster a greater understanding of alternative fuels and advanced vehicle technologies in order to increase the market and decrease petroleum dependence.

Active Transportation Program (ATP) Funds

ATP was created by Senate Bill 99 (Chapter 359, Statutes of 2013) and Assembly Bill 101 (Chapter 354, Statutes of 2013) to encourage increased use of active modes of transportation, such as biking and walking. The ATP program is funded from various federal and state funds appropriated in the annual Budget Act. Caltrans provides the administrative oversight for the Programs and ensures that the terms and conditions of the California Transportation Commission's guidelines.

Regional Early Action Planning Program (REAP)

The California 2019-20 Budget Act, also known as Assembly Bill (AB) 101, appropriated two new one-time programs to provide regions and jurisdictions with grants for planning activities to enable jurisdictions to increase housing planning and accelerate housing production in order to meet housing needs as determined by the sixth Regional Housing Needs Assessment (RHNA). Up to \$47.5 million is available for SCAG under the REAP for eligible activities.

Overall Work Program

OWP Budget Document

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

- Introduces the agency
- Provides users with an overview of the region
- Focuses on the SCAG regional planning goals and objectives

The OWP serves as the planning structure that SCAG must adhere to for the state fiscal year, which is July 1 through June 30 of the following calendar year. The OWP includes three component pieces:

1. Regional Prospectus

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

- The region's regional planning approach
- The agency's organizational structure and interagency arrangements
- An overview of governmental and public involvement
- The progress made towards implementing the RTP/SCS

2. Work Elements

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

3. Budget Revenue & Expenditure Reports

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

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

Overall Work Program

OWP Line Item Budget

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

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

Cost Category	FY20 Adopted	FY21 Proposed	Incr (Decr)
500XX Staff	\$ 8,651,727	9,434,098	\$ 782,371
54300 Consultant	29,075,454	29,688,919	613,465
54302 Non-Profits/IHL	485,000	460,000	(25,000)
54303 Consultant TC	6,265,889	6,919,788	653,899
55305 Cloud Services	489,330	2,122,030	1,632,700
54340 Legal	200,000	10,000	(190,000)
55210 Software support	250,000	250,000	-
5528X Third party contribution	5,739,013	5,521,745	(217,268)
55284 Toll Credits	718,703	-	(718,703)
55510 Office Supplies	-	5,000	5,000
55520 Graphic supplies	5,000	5,000	-
55540 Postage	2,000	-	(2,000)
55580 Outreach/Advertisement	50,000	50,000	-
55610 Professional membership	2,500	-	(2,500)
55620 Resource materials/subscriptions	934,455	610,000	(324,455)
55810 Public notices	57,000	95,000	38,000
55830 Networking Meetings/Special Events	3,500	4,000	500
55920 Other meeting expense	54,000	22,000	(32,000)
55930 Miscellaneous other	184,828	1,416,751	1,231,923
56100 Printing	15,000	17,000	2,000
58100 Travel	252,250	239,000	(13,250)
58101 Travel-local	17,500	7,500	(10,000)
58110 Mileage	24,000	24,000	-
Sub-total	\$ 53,477,149	56,901,831	\$ 3,424,682
51000 Fringe benefits	\$ 6,641,021	7,290,962	\$ 649,941
51001 Indirect costs	\$ 19,069,577	21,907,079	\$ 2,837,502
Total	\$ 79,187,747	86,099,872	\$ 6,912,125

*Totals may not add due to rounding

Overall Work Program

This table shows the same budget by program and major budget category.

Program		FY21 Proposed Budget			
		Total *	Other Costs	Consultant	Consultant TC
010	System Planning	2,300,817	1,425,817	-	875,000
015	Transportation Finance	586,074	486,074	-	100,000
020	Environmental Planning	1,183,435	983,435	-	200,000
025	Air Quality and Conformity	728,395	678,395	-	50,000
030	Federal Transportation Improvement Program (FTIP)	2,547,127	2,547,127	-	-
045	Geographic Information Systems (GIS)	4,774,195	3,557,407	-	1,216,788
050	Active Transportation Planning	2,635,043	2,360,043	150,000	125,000
055	Regional Forecasting, Socioeconomic Technical & Policy Analysis	2,955,057	2,135,557	144,500	675,000
060	Corridor Planning	92,909	92,909	-	-
065	Sustainability Program	2,238,034	1,653,034	475,000	110,000
070	Modeling	8,700,396	7,253,866	586,530	860,000
080	Performance Assessment & Monitoring	716,609	716,609	-	-
090	Public Information and Communications	3,502,365	3,094,365	-	408,000
095	Regional Outreach and Public Participation	4,496,009	4,171,009	-	325,000
100	Intelligent Transportation Systems (ITS)	390,972	140,972	-	250,000
120	OWP Development and Administration	1,209,718	1,209,718	-	-
130	Goods Movement	2,974,981	1,849,981	-	1,125,000
140	Transit and Rail Planning	1,602,604	1,102,604	-	500,000
145	Sustainable Communities, Strategic Partnerships and Adaption Planning Grant Program	1,823,484	272,038	1,551,446	-
155	Sustainable Communities Planning Grant Program - State Highway Account	1,031,136	115,030	916,106	-
225	Special Grant Projects	5,978,809	864,388	5,114,421	-
230	Regional Aviation and Airport Ground Access Planning	396,952	396,952	-	-
265	Express Travel Choices Phase III	217,592	117,592	-	100,000
267	Clean Cities Program	107,307	107,307	-	-
275	Sustainable Communities Program	5,857,716	962,715	4,895,001	-
280	Future Communities Initiative	10,847,064	2,729,119	8,117,945	-
290	Research, Planning and Engagement for Sustainable Communities	5,661,504	3,851,504	1,810,000	-
300	Regional Early Action Planning Grants Program (AB 101)	10,543,568	2,493,568	8,050,000	-
Total Costs		86,099,872	47,369,135	31,810,949	6,919,788

*Totals may not add due to rounding

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

Attachment: FY 2020-21 Draft Comprehensive Budget (Approval of the Fiscal Year 2020-21 Draft Comprehensive Budget)

Overall Work Program

OWP Programs

The following section provides a summary of the OWP Programs and the Strategic Plan goal(s) each program supports.

010 System Planning

Manager: Naresh Amatya

Program Objective:

Transportation System Planning involves long-term planning for system preservation, system maintenance, optimization of system utilization, system safety, and strategic system expansion of all modes of transportation for people and goods in the six-county region, including Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura. The RTP/SCS is the primary vehicle SCAG uses to achieve our transportation system planning goals and objectives. As the MPO for this region, one of SCAG's major responsibilities is to develop, administer, and update the RTP/SCS. The primary objective of this work element is to ensure SCAG is fulfilling its roles and responsibilities in this area as the designated MPO and RTPA for this region. The focus of FY 2020-21 will be to develop a framework and work with our partners towards implementation of the adopted 2020 RTP/SCS (Connect SoCal). SCAG will ensure that Connect SoCal is consistent with state and federal requirements while addressing the region's transportation needs.

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of life for Southern Californians.

Supports Goal #2 – Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

015 Transportation Finance

Manager: Annie Nam

Program Objective:

This work program is critical to addressing some of SCAG's core activities—specifically, satisfying federal planning requirements on financial constraint; ensuring a reasonably available revenue forecast through the RTP/SCS planning horizon, and addressing system level operation and

Overall Work Program

maintenance cost analyses along with capital cost evaluation of transportation investments. In FY 2020-21, this work program will continue development of the Connect SoCal financial plan.

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of life for Southern Californians.

Supports Goal #7 – Secure funding to support agency priorities to effectively and efficiently deliver work products.

020 Environmental Planning

Manager: Ping Chang

Program Objective:

Prepare environmental documentation to ensure regulatory compliance with applicable federal and state laws. Review environmental plans, programs and projects of regional significance. Monitor changes in environmental compliance requirements such as OPR's update to the State California Environmental Quality Act (CEQA) Guidelines and recent case laws regarding CEQA litigation. The focus of FY 2020-21 will be developing Addendums to the Connect SoCal Programmatic Environmental Impact Report (PEIR), as needed, pursuant to CEQA. SCAG will initiate a CEQA Program that provides services to SCAG and local jurisdictions. Work efforts would include assisting with CEQA streamlining, AB 52 consultation, strategies for regional mitigation, implementing SCAG mitigation measures, serve in an advisory capacity for updates to the State CEQA Guidelines, coordination with sister agencies (CARB, SCAQMD, Etc.) to develop a cohesive and regionally consistent way to evaluate environmental impacts. Under this program, SCAG will also develop and disseminate strategies related to Planning and Environment Linkages (PEL), utilizing resources from the U.S. Department of Transportation (DOT) and Federal Highway Administration (FHWA). On environmental justice, SCAG staff will also monitor potential changes to EJ requirements and related policies (i.e. SB1000, AB617), provide support services to member agencies, as needed, to ensure regulatory compliance, and provide on-going outreach opportunities with local jurisdictions and EJ stakeholders to discuss and collect input on environmental justice issues relevant to the region by means of the Environmental Justice Working Group. And SCAG staff will use these outreach opportunities to monitor implementation of EJ policies and assist local jurisdictions that may benefit from SCAG's wide range of EJ analysis and data.

Overall Work Program

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of life for Southern Californians.

Supports Goal #2 – Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

025 Air Quality and Conformity

Manager: Ping Chang

Program Objective:

Oversee and/or perform regional transportation conformity and GHG emission analyses. Ensure that the RTP/SCS, FTIP and their amendments meet federal transportation Conformity requirements and state SB 375 regional GHG emission reduction targets. Oversee and/or provide support for SCAG air quality planning, analysis, documentation and policy implementation. This includes collaboration with the California Air Resources Board (ARB) and local air districts in the SCAG region in developing air quality management plans/state implementation plans (AQMPs/SIPs), including new transportation conformity emission budgets to meet federal transportation conformity requirements. Facilitate federally required interagency consultation via SCAG’s Transportation Conformity Working Group (TCWG), including the processing and acting as clearinghouse for the particulate matter (PM) hot spot analysis for transportation projects within the region. Continue the process to ensure the timely implementation of transportation control measures (TCMs). Continue to track and participate in relevant air quality rulemaking. Collaborate with six County Transportation Commissions in the SCAG region to compile, review, and upload federally required information for projects funded by the Congestion Mitigation and Air Quality Improvement Program (CMAQ).

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of life for Southern Californians.

Supports Goal #2 - Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

Overall Work Program

030 Federal Transportation Improvement Program (FTIP)

Manager: Naresh Amatya

Program Objective:

The Federal Transportation Improvement Program (FTIP) is a multimodal list of capital improvement projects programmed over a six-year period. The FTIP is the program that implements the RTP. The currently approved FTIP is the 2019 FTIP and was federally approved and found to conform on December 17, 2019. The program contains approximately \$34.6 billion worth of projects beginning FY 2018-19 to FY 2023-24. The FTIP must include all federally funded transportation projects in the region, as well as all regionally significant transportation projects and projects for which approval from a federal agency is required regardless of funding source. The FTIP is developed to incrementally implement the programs and projects in the RTP/SCS in accordance with federal and state requirements. The FTIP is amended on an on-going basis, as necessary, thereby allowing projects consistent with the RTP/SCS to move forward toward implementation. While the 2019 FTIP continues to be amended, SCAG has begun the development of the 2021 FTIP which will be approved by our federal partners in December 2020. SCAG will also continue work to enhance the functionality of programming and performance monitoring databases that support the program.

Strategic Plan:

Supports Goal #2 – Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

045 Geographic Information Systems (GIS)

Manager: Frank Wen & Jonathan Holt

Program Objective:

To support SCAG’s ongoing role as a Regional Information Center and manager for all data and information related to Southern California and to provide data support and mapping capabilities to better serve the needs of the agency and our partner agencies. This program will also provide data and information to stakeholders to promote economic development and enhance the effectiveness of decision-makers. Additional goals include discovering and developing cutting edge web-GIS applications and tools for data sharing and innovative planning; providing advanced spatial analytics and visualization for insights of data and information; providing an interconnected platform for integrated planning and regional collaboration.

Overall Work Program

A top priority will be to develop a Regional Data Platform (RDP) in support of Goals 3, 4 and 6 of SCAG Strategic Plan; continue on the implementation and development of an Enterprise GIS system (including GIS hardware/software, GIS database, GIS analysis, and GIS applications) that will serve as the guide for meeting Objective #4 of the SCAG Strategic Plan; keep to provide GIS training, data cleanup/updating/sharing/standardizing and other value-added GIS services and products to our local jurisdictions. The program will play essential and critical roles to Connect SoCal development and other SCAG plans and programs.

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of live for Southern Californians.

Supports Goal #2 – Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

Supports Goal #3 – Be the foremost data information hub for the region.

Supports Goal #4 – Provide innovative information and value-added services to enhance member agencies’ planning and operations and promote regional collaboration.

Supports Goal #6 - Deploy strategic communications to further agency priorities and foster public understanding of long-range regional planning.

050 Active Transportation Planning

Acting Manager: Marco Anderson

Program Objective:

Staff will continue to research and explore opportunities and partnerships to implement the core regional active transportation strategies. In addition, staff will develop partnerships and strategies that are coordinated with the rapid deployment of micro-mobility services to advance complete streets goals and reduce the use of SOVs for short trips. Staff will also work with Caltrans, counties and individual cities to fund local active transportation plans and multi-jurisdictional active transportation projects that are part of Connect SoCal, the 2020 RTP/SCS. Staff will begin engaging with Community Based Organizations in laying a strong foundation for development of the 2024 RTP/SCS.

Overall Work Program

Staff will also continue to manage the Regional Active Transportation Program, including providing technical assistance to project sponsors, managing planning and program grants, tracking project delivery, and preparing program amendments, as necessary. Staff will provide leadership and input at the state and regional level to ensure future funding cycles align with regional planning goals. Through continued collaboration with the California Transportation Commission, Caltrans and the Southern California Regional Transportation Planning Agencies, SCAG will also work to improve the application and allocation procedures.

Efforts will also be continued to expand regional capability to measure the impact of active transportation investments, including through better data collection, modeling and co-benefit analysis (focusing on greenhouse gas emissions, public health and the economy).

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of life for Southern Californians.

Supports Goal #2 – Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

Supports Goal #4 – Provide innovative information and value-added services to enhance member agencies’ planning and operations and promote regional collaboration.

055 Regional Forecasting, Socioeconomic Technical & Policy Analysis

Manager: Frank Wen

Program Objective:

The key focus of this work element is to collect, compile, assess, analyze, and research socioeconomic, technology advancement, and demographic data and their trends, develop value-added information products, including but not limited to regional and county-level population, household and employment estimates and projections to inform regional planning and policy development.

Overall Work Program

This program also addresses the following: promote and advance in-house research and capacity with trainings and teaching research methodology, data, analytical tools—GIS, statistics, programming across the agency. Collaboration with universities, research institutes and international planning partners and peer agencies jointly conduct research and data sharing on important and emerging regional challenges and issues. Serve as the regional data and information hub, promote data and information driven decision making process and outcome. Additional program objectives include actively promote and advocate SCAG’s innovative planning practices and experiences across the nation and internationally by organizing and conducting summits, workshops, symposiums, participation, presentation at key conferences, and publications in the peer-reviewed journals.

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of live for Southern Californians.

Supports Goal #2 – Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

Supports Goal #3 – Be the foremost data information hub for the region.

Supports Goal #4 – Provide innovative information and value-added services to enhance member agencies’ planning and operations and promote regional collaboration.

Supports Goal #6 - Deploy strategic communications to further agency priorities and foster public understanding of long-range regional planning.

060 Corridor Planning

Manager: Naresh Amatya

Program Objective:

Provide input to the RTP/SCS on the design concept and scope of major transportation corridor investments, as identified upon the completion of corridor planning studies conducted under this work element and in partnership with other agencies. Initiate and/or support our partners in developing comprehensive, multi-modal and sustainable corridor plans that will meet the needs of the region, including mobility choices, well maintained, sustainable and safer transportation system. Ensure that corridor planning studies are completed in accordance with federal transportation planning requirements as identified in 23 CFR 450.

Overall Work Program

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of life for Southern Californians.

Supports Goal #2 – Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

065 Sustainability Program

Manager: Jason Greenspan

Program Objective:

SCAG’s Sustainability Program is a core effort for implementing the Connect SoCal, the 2020 RTP/SCS. The program demonstrates that the region can achieve both mobility, air quality, and public health goals through local land use and policy changes along with targeted transportation investments. The program also focuses on developing regional resiliency strategies; explores pressing issues and possible challenges Southern California’s residents may face in the coming decades, including climate change impacts to public health; furthers the region’s ability to model the impacts of transportation and land use changes on public health; and considers ways to address potential disruptions to anticipated regional development patterns and transportation investments.

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of life for Southern Californians.

070 Modeling

Manager: Hsi-Hwa Hu & Emmanuel Figueroa

Program Objective:

Provide data and modeling services for the development and implementation of the RTP/SCS, FTIP, and other major land use and transportation planning initiatives. Analyze socioeconomic data and build analytical foundations for planning activities. Develop demographic and employment growth forecast through collaborating with local jurisdictions and peer planning agencies and building consensus. Continue to provide small area socioeconomic data for scenario planning and transportation modeling. Provide member agencies tools to analyze the impacts of their land use

Overall Work Program

and planning decisions. Develop, maintain and improve SCAG's modeling tools to more effectively forecast travel demand and estimate resulting air quality. Maintain a leadership role in the Southern California modeling community by coordinating the Region's modeling activities and by providing technical assistance and data services to member agencies and other public institutions. Promote model consistency through an active subregional modeling program. Continue ongoing modeling collaboration with SCAG's partners to advance the region's modeling practices.

Strategic Plan:

Supports Goal #3 – Be the Foremost Data Information Hub for the Region.

080 Performance Assessment & Monitoring

Manager: Ping Chang

Program Objective:

Provide performance assessment and monitoring of the SCAG region that is consistent with federal performance-based planning, monitoring, and reporting guidance. Ensure the region is on track toward achieving the goals of the 2020 RTP/SCS (Connect SoCal) and in the implementation of Connect SoCal. Performance Assessment & Monitoring tasks include the collection and analysis of data needed to identify and evaluate regional growth and development trends, transportation system performance, environmental quality, regional sustainability and climate resilience, public health, and the socioeconomic well-being of the SCAG population, including household income and housing affordability. The results of the monitoring and assessment program provide the basis for informed policy-making and support plan implementation, particularly in relation to regional transportation planning and required federal performance monitoring and reporting. The provision of assistance to our local jurisdictions in the implementation of the new CEQA transportation impact assessment requirements per SB 743 is also included in this task item. This program also works with the California Department of Transportation in the coordination and data collection mandated under the Highway Performance Monitoring System (HPMS).

Strategic Plan:

Supports Goal #4 – Provide innovative information and value-added services to enhance member agencies' planning and operations and promote regional collaboration.

Overall Work Program

090 Public Information & Communications

Manager: Jeff Liu

Program Objective:

Develop and execute a comprehensive external communications program that informs the region's diverse audiences about SCAG programs, plans, initiatives and services. SCAG's communications strategies facilitates the agency's transportation planning activities by helping to inform the general public, media, agency stakeholders and partners about the existence, purpose and potential impact of these activities, and to convey this information in ways that are engaging and easy to understand for general audiences. SCAG communicates through various email and social media channels, engagement with local media, video production, websites, print collateral and workshops/events.

Strategic Plan:

Supports Goal #2 – Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

Supports Goal #6 – Deploy strategic communications to further agency priorities and foster public understanding of long-range regional planning.

095 Regional Outreach & Public Participation

Manager: Javiera Cartagena

Program Objective:

Provide support for federal and state mandated public outreach for SCAG's planning activities. Engage regional stakeholders in the SCAG planning and programming process through the support, assessment and enhancement of outreach efforts to local governments, Tribal Governments, and members of the various stakeholder entities, including community, environmental, business, and academic groups, as well as other interested parties. The SCAG Regional Offices are critical components in these efforts, with SCAG staff assigned to an office in each county in the SCAG region.

Strategic Plan:

Supports Goal #2 – Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

Overall Work Program

Supports Goal #4 – Provide innovative information and value-added services to enhance member agencies’ planning and operations and promote regional collaboration.

100 Intelligent Transportation Systems (ITS)

Manager: Philip Law

Program Objective:

Continue engaging with regional stakeholders on ITS and ITS related matters, including use and maintenance of the updated Regional ITS Architecture. Maintain the web-accessible Architecture and provide documentation to maximize usability of the Architecture and ensure on-going maintenance. Seek to provide training and educational opportunities to stakeholders on ITS related topics in partnership with FHWA/Caltrans as opportunities become available.

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of life for Southern Californians.

120 OWP Development & Administration

Manager: Erika Bustamante

Program Objective:

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

Strategic Plan:

Supports Goal #7 – Secure funding to support agency priorities to effectively and efficiently deliver work products.

Overall Work Program

130 Goods Movement

Manager: Annie Nam

Program Objective:

This work program focuses on integrating freight related transportation initiatives into the regional transportation planning process, including efforts to refine and support the implementation of the Comprehensive Regional Goods Movement Plan and Implementation Strategy. This strategy includes proposals set forth in Connect SoCal, the 2020 RTP/SCS.

Strategic Plan:

Supports Goal #2 – Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

Supports Goal #7 – Secure funding to support agency priorities to effectively and efficiently deliver work products.

140 Transit and Rail Planning

Manager: Philip Law

Program Objective:

Support and engage transit and rail operations in corridor and regional planning efforts and in further refining the transit and rail strategies for inclusion in future updates to Connect SoCal. Monitor FTA rulemaking and guidance related to new provisions for performance based planning and coordinate with transit operators to address specific requirements related to transit safety and transit asset management (TAM), as they relate to metropolitan transportation planning. Assess and monitor regional transit system performance. Work with transit operators through the Regional Transit Technical Advisory Committee to ensure stakeholder input and participation in the metropolitan transportation planning process, consistent with the SCAG MOUs with the transit operators.

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of life for Southern Californians.

Overall Work Program

145 Sustainable Communities, Strategic Partnerships and Adaptation Planning Grant Program

Manager: Erika Bustamante

Program Objective:

To encourage local and regional planning that furthers state goals; to identify and address statewide, interregional, or regional transportation deficiencies on the State highway system; and to support planning actions at the local and regional levels that advance climate change efforts on the transportation system.

Strategic Plan:

Supports Goal #2 – Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

Supports Goal #4 – Provide innovative information and value-added services to enhance member agencies’ planning and operations and promote regional collaboration.

155 Sustainable Communities Planning Grant Program – State Highway Account

Manager: Erika Bustamante

Program Objective:

To encourage local and regional planning that furthers state goals; to identify and address statewide, interregional, or regional transportation deficiencies on the State highway system; and to support planning actions at the local and regional levels that advance climate change efforts on the transportation system.

Strategic Plan:

Supports Goal #2 – Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

Supports Goal #4 – Provide innovative information and value-added services to enhance member agencies’ planning and operations and promote regional collaboration.

Overall Work Program

225 Special Grant Projects

Acting Manager: Marco Anderson

Program Objective:

To fund and participate in environmental and transportation specialized projects with funding from discretionary grants and/or local funds contributed by local jurisdictions. Grants assist the region and local agencies to better integrate land use, technology and transportation planning to develop alternatives for addressing growth, sustainability and to assess efficient infrastructure investments that meet community needs. In addition, staff has secured multiple grants to support Go Human, a Regional Active Transportation Safety and Encouragement Campaign. The Campaign will be implemented in partnership with the six county health departments and six county transportation commissions and aims to increase levels of active transportation while reducing collisions. The multi-faceted campaign will include partnering with local agencies on demonstration projects, coordinating safety trainings and workshops, and increasing public awareness of the rules of the road through outreach and advertising partnerships,

SCAG will also administer an ATP grant to develop a regional template for active transportation plans in disadvantaged communities. The template will be used to partner with at least six cities to prepare active transportation plans.

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of life for Southern Californians;

Supports Goal #2 – Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy;

Supports Goal #4 – Provide innovative information and value-added services to enhance member agencies’ planning and operations and promote regional collaboration.

Overall Work Program

230 Regional Aviation & Airport Ground Access Planning

Manager: Naresh Amatya

Program Objective:

Monitor progress of the 2020 RTP/SCS Aviation Program, continue ongoing regional airport and airport ground access planning work and explore new areas of research on aviation systems planning, and begin long-term planning and data collection for updating the Aviation Element in the 2024 RTP/SCS.

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of life for Southern Californians.

Supports Goal #2 – Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

265 Express Travel Choices Phase III

Manager: Annie Nam

Program Objective:

Develop an implementation strategy for mobility innovations and incentives.

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of life for Southern Californians.

Supports Goal #7 – Secure funding to support agency priorities to effectively and efficiently deliver.

267 Clean Cities Program

Manager: Jason Greenspan

Program Objective:

Administer the U.S. Department of Energy (DOE) Clean Cities Program for the SCAG Clean Cities Coalition, including performing outreach and marketing in support of expanding alternative fuels in the SCAG region through on going funds from DOE and funds from the California Energy

Overall Work Program

Commission (CEC). Partner with public and private entities to displace petroleum gasoline use by encouraging purchase of alternative vehicles, increasing efficiency of existing fleet vehicles, and reduction of vehicle miles traveled (VMT).

Strategic Plan:

Supports Goal #4 – Provide innovative information and value-added services to enhance member agencies' planning and operations and promote regional collaboration.

275 Sustainable Communities Program

Manager: Jason Greenspan

Program Objective:

The Sustainable Communities Program (SCP) is a proven, recognized and effective framework for deploying essential planning resources throughout the SCAG region. This collaborative initiative provides assistance to member local jurisdictions to coordinate sustainable transportation, land use and regional policies and issues in local planning. The SCP seeks to provide needed planning resources to local jurisdictions for sustainability planning efforts; develop local plans that support the implementation of the Connect SoCal, the 2020 RTP/SCS; and increase the region's competitiveness for federal and state funds. The program seeks planning solutions to local growth challenges and results in strategies that promote local and regional sustainability through the integration of transportation and land use, with particular focus on developing and practical strategies to reduce greenhouse gases. It will continue to be a critical tool in achieving SB 375 targets and other State goals aimed at reducing GHG emissions.

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of live for Southern Californians.

Supports Goal #2 – Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

Supports Goal #4 – Provide innovative information and value-added services to enhance member agencies' planning and operations and promote regional collaboration.

Overall Work Program

280 Future Communities Initiative

Manager: Frank Wen & Philip Law

Program Objective:

The Future Communities Initiative, guided by the Emerging Technologies Committee, includes early action items aimed at harnessing the power of new technologies, big data, open data as well as enhanced analytics to promote innovation in regional and local planning and reduce transportation demand. Tools and resources provided through the initiative will enable more informed regional and local policy making, increase the efficiency of public service delivery, and ensure the financial sustainability of future cities. The Future Communities Initiative will play a key role in reducing VMT and GHG emissions by modernizing regional land-use and transportation planning tools, fostering data-driven collaboration with SCAG's partner agencies, and providing local agencies with planning resources to pilot new technologies and initiatives to reduce travel demand.

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of life for Southern Californians.

Supports Goal #3 – Be the foremost data information hub for the region.

Supports Goal #4 – Provide innovative information and value-added services to enhance member agencies' planning and operations and promote regional collaboration.

290 Research, Planning and Engagement for Sustainable Communities

Manager: Jason Greenspan & Annie Nam

Program Objective:

SCAG staff initiated implementation of the 2016 RTP/SCS immediately after its adoption, and has since launched research, planning and studies in preparation for the 2020 SCS. Much of SCAG's research and planning is focused on reducing single occupancy vehicle trips and transportation related GHG through: advancing mode shift; transportation demand management; operational efficiency; system accessibility; and integration of future transportation, employment and land use.

Overall Work Program

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of live for Southern Californians.

Supports Goal #2 – Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

300 Regional Early Action Planning (REAP) Grants Program – AB 101

Manager: Ping Chang

Program Objective:

To accelerate housing production region-wide, SCAG staff will develop a variety of programs to assist local jurisdictions, subregional partners, and stakeholders. The REAP grants program is intended to promote housing through planning, strategies, and best practices and SCAG staff will encourage the coordination of REAP funding directed toward jurisdictions with other Statewide funding sources directly provided to jurisdictions. The REAP grants program will provide education and technical assistance throughout the region to meet housing need.

Strategic Plan:

Supports Goal #1 – Produce innovative solutions that improve the quality of live for Southern Californians.

Supports Goal #2 – Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

FTA Discretionary and Formula

FTA Discretionary and Formula Grant Budget

Program Overview

SCAG is the Designated Recipient of FTA Urbanized Area Formula Grants under 49 U.S.C. Section 5307 for the large urbanized areas (UZAs) with populations of 200,000 or more (according to the latest U.S. Census) in the SCAG region. Pursuant to the two-year transportation reauthorization bill that was signed into Law on July 6, 2012, the Moving Ahead for Progress in the 21st Century Act (MAP-21; P.L. 112-131), funding is authorized for 49 U.S.C. Section 5339 Bus and Bus Facilities Formula Grants Program and U.S.C. Section 5312 National Research & Technology Program to SCAG due to being the Section 5307 Designated Recipient.

As the Designated Recipient, SCAG is responsible to apply for and pass through Section 5339 and Section 5312 grant funds for specialized transportation programs and projects, which provide capital funding to replace, rehabilitate and purchase buses, vans, fixed guide-way, as well as to construct related facilities and purchase related equipment.

Line Item Budget

The following table shows the FTA Discretionary and Formula Grant line item budget.

Cost Category	FY20 Adopted	FY21 Proposed	Incr (Decr)
500XX Staff	\$ 50,282	\$ 43,832	\$ (6,450)
54360 Pass Through Payments			
Riverside Transit Agency	640,755	1,492,532	851,777
SunLine Transit Agency	1,309,864	1,132,988	(176,876)
Metro-Foothill	2,530,000	310,000	(2,220,000)
54360 Total	\$ 4,480,619	\$ 2,935,520	\$ (1,545,099)
55930 Miscellaneous Other	\$ 78,051	\$ 106,664	\$ 28,613
59090 Exp Local Other			
Riverside Transit Agency	160,289	372,901	212,612
SunLine Transit Agency	245,240	208,941	(36,299)
Metro-Foothill	5,863,000	115,954	(5,747,046)
59090 Total	\$ 6,268,529	\$ 697,796	\$ (5,570,733)
Sub-total	\$ 10,877,481	\$ 3,783,812	\$ (7,093,669)
51000 Fringe Benefits	\$ 39,976	\$ 34,979	\$ (4,997)
51001 Indirect Costs	\$ 112,546	\$ 103,226	\$ (9,320)
Total	\$ 11,030,003	\$ 3,922,017	\$ (7,107,986)

TDA Budget

TDA Budget

Program Overview

State of California Public Utilities Code Section 99233.2 authorizes the Transportation Commissions in Los Angeles, Orange, Riverside and San Bernardino counties to allocate up to ¾ of 1 percent of their local transportation funds to SCAG as the multi-county planning agency for the region. SCAG uses TDA to fund local initiatives and to provide cash match as needed for projects funded with state or federal funds.

Line Item Budget

In FY 2020-21, the TDA budget includes \$7,280,479 for SCAG consultants and staff related costs, and \$516,816 for capital purchases and debt service payments for furniture/fixtures and audio visual equipment for the new SCAG offices.

The following table shows the TDA line item budget.

	FY20 Adopted	FY21 Proposed	Incr (Decr)
REVENUES:			
TDA Revenue	\$ 6,106,496	\$ 6,312,424	\$ 205,928
Transfer from Fund Balance	4,177,615	1,484,871	(2,692,744)
Total Revenues	10,284,111	7,797,295	(2,486,816)
EXPENDITURES:			
500XX Staff	\$ 1,510,825	\$ 1,048,979	\$ (461,846)
54300 SCAG consultant	3,800,114	2,492,359	(1,307,755)
54302 Non-Profits/IHL	55,629	52,762	(2,867)
55250 Cloud Services	56,127	331,927	275,800
55510 Office Supplies	-	574	574
55920 Other meeting expense	1,376	-	(1,376)
55930 Miscellaneous other	22,252	192,405	170,153
58100 Travel	34,598	26,147	(8,451)
Sub-total	5,480,921	4,145,153	(1,335,768)
51000 Fringe benefits - Reg Staff	881,605	724,835	(156,770)
51003 Fringe benefits - Intern	82,086	28,724	(53,362)
51001 Indirect Cost	3,100,494	2,381,767	(718,727)
Non-Capital	\$ 9,545,106	\$ 7,280,479	\$ (2,264,627)
55310 F&F Principal	239,928	251,852	11,924
55315 F&F Interest	27,635	19,237	(8,398)
55320 AV Principal	133,703	141,160	7,457
55325 AV Interest	6,390	4,567	(1,823)
55730 Capital Outlay	300,000	100,000	(200,000)
55930 Miscellaneous Other	31,349	-	(31,349)
Capital & Debt Service	\$ 739,005	\$ 516,816	\$ (222,189)
Total Expenditures	\$ 10,284,111	\$ 7,797,295	\$ (2,486,816)

General Fund Budget

General Fund Budget (GF)

Program Overview

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

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

Membership Dues Assessments

The By-Laws require the Executive Director to annually submit the GF budget to the RC. Upon its adoption, the GA fixes membership assessment for all members of SCAG in amounts sufficient to provide the funds required by the GF budget. Member dues are calculated in accordance with the guidelines of the By-Laws.

General Fund Budget

General Fund Line Item Budget

The following table shows General Fund revenues and expenditures by task.

		FY19 Actual	FY20 Adopted Budget	FY21 Proposed Budget	FY20 Adopted To FY21 Proposed Incr (Decr)
REVENUE:	Membership Dues:				
	Counties	307,523	315,132	320,872	5,740
	Cities	1,637,939	1,690,277	1,742,801	52,524
	Commissions	88,500	88,500	88,500	-
	Transportation Corridor Agency	10,000	10,000	10,000	-
	Air Districts	10,000	10,000	10,000	-
	Sub-total	2,053,962	\$ 2,113,909	\$ 2,172,173	\$ 58,264
	Interest	132,565	95,000	130,000	35,000
	Other	138,493	41,800	41,800	-
	General Assembly Sponsorships & Registrations	380,145	340,000	340,000	-
	Transfer from Fund Balance	-	1,354,625	-	(1,354,625)
	Sub-total	651,203	\$ 1,831,425	\$ 511,800	\$ (1,319,625)
Total Revenues		2,705,165	\$3,945,334	\$ 2,683,973	\$ (1,261,361)
EXPENDITURES:	Regional Council:				
	Staff Time	351	10,102	10,285	183
	Legal Services	139,127	120,000	100,000	(20,000)
	Miscellaneous Other	15,859	-	-	-
	Networking Mtgs/Special Events	-	1,000	-	(1,000)
	Other Meeting Expense	15,497	10,000	20,000	10,000
	RC/Committee Meeting	9,469	25,000	15,000	(10,000)
	RC Retreat	-	10,000	13,000	3,000
	Stipends	194,130	210,485	195,000	(15,485)
	Travel - Outside	48,458	60,000	50,000	(10,000)
	Travel - Local	46,224	35,000	46,000	11,000
	Mileage - Local	26,999	25,000	25,000	-
Task sub-total	496,114	\$ 506,587	\$ 474,285	\$ (32,302)	
Task .02 Legislative	External Legislative:				
	Staff Time	23,465	5,718	26,715	20,997
	Federal Lobbyist	-	115,000	120,000	5,000
	Other Meeting Expense	13,343	40,000	15,000	(25,000)
	Resource Materials / Subscriptions	1,876	2,000	2,000	-
	State Lobbyist	105,519	100,000	120,000	20,000
	Travel - Outside	7,028	-	10,000	10,000
	Travel - Local	17	-	-	-
	Mileage	83	-	500	500
Task sub-total	151,331	\$ 262,718	\$ 294,215	\$ 31,497	
Task .03 RHNA	RHNA:				
	Staff Time	163,222	211,886	-	(211,886)
	Other Meeting Expense	3,000	-	-	-
	RHNA Subregional Delegation	-	500,000	-	(500,000)
	SCAG Consultant	306	-	-	-
Travel - Outside	432	-	-	-	
Task sub-total	166,960	\$ 711,886	\$ -	\$ (711,886)	

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General Fund Budget

General Fund Line Item Budget (continued)

		FY19 Actual	FY20 Adopted Budget	FY21 Proposed Budget	FY20 Adopted To FY21 Proposed Incr (Decr)
Task .04 Other Non-Labor	Other Non-Labor:				
	Bank Fees	15,183	12,500	15,000	2,500
	Contingency	(5,428,815)	-	270	270
	Demographic Workshop	27,423	28,000	28,000	-
	Economic Summit	84,937	100,000	85,000	(15,000)
	Housing Summit	-	20,000	20,000	-
	Legal Services	863	-	-	-
	Miscellaneous Other	12,104	101,966	15,000	(86,966)
	Office Supplies	397	-	-	-
	Other Meeting Expense	61,304	25,000	50,000	25,000
	Professional Memberships	7,256	11,500	11,500	-
	SCAG Consultant	90,722	76,400	-	(76,400)
	SCAG Memberships	83,678	116,000	116,000	-
	Scholarships	32,000	32,000	36,000	4,000
	Software Support	36,647	-	76,400	76,400
	Sponsorships	247,938	200,000	150,000	(50,000)
	Travel	1,089	2,500	2,500	-
	Travel - Local	1,263	1,500	1,500	-
Staff Lodging Expense	12,880	13,500	13,000	(500)	
Mileage - Local	679	500	500	-	
	Task sub-total	(4,712,453)	\$ 741,366	\$ 620,670	\$ (120,696)
Task .06 General Assembly	General Assembly:				
	Staff Time	32,180	28,423	49,562	21,139
	General Assembly	640,155	672,000	611,500	(60,500)
	Miscellaneous Other	530	-	-	-
	Printing	8,056	25,000	10,000	(15,000)
	SCAG Consultant	26,602	-	87,000	87,000
	Travel - Local	490	-	-	-
Mileage	6,333	3,000	5,000	2,000	
	Task sub-total	714,345	\$ 728,423	\$ 763,062	\$ 34,639
Task .07 Leasehold Improvements	Leasehold Improvements:				
	Capital Outlay	5,956	-	-	-
	Task sub-total	5,956	\$ -	\$ -	\$ -
Task .11 Public Records Administration	Public Records Administration:				
	Staff Time	702	21,154	21,611	457
	Task sub-total	702	\$ 21,154	\$ 21,611	\$ 457
Task .13 Sustainability Project	Sustainability Project:				
	SCAG Consultant	50,000	-	-	-
	Task sub-total	50,000	\$ -	\$ -	\$ -
Task .14 International Collaboration	International Collaboration:				
	Staff Time	9,279	9,959	9,996	37
	Miscellaneous Other	673	-	2,000	2,000
	Other Meeting Expense	1,494	-	1,500	1,500
	Printing	-	5,000	-	(5,000)
	Travel	10,186	30,000	15,000	(15,000)
	Mileage	19	-	500	500
	Task sub-total	21,651	\$ 44,959	\$ 28,996	\$ (15,963)

Attachment: FY 2020-21 Draft Comprehensive Budget (Approval of the Fiscal Year 2020-21 Draft Comprehensive Budget)

General Fund Budget

General Fund Line Item Budget (continued)

		FY19 Actual	FY20 Adopted Budget	FY21 Proposed Budget	FY20 Adopted To FY21 Proposed Incr (Decr)
Task .20 Go Human Events	Go Human Events:				
	Go Human	67,262	-	-	-
	Outreach/Advertisement	5,554	-	-	-
	RC Sponsorships	3,495	-	-	-
	SCAG Consultant	70	-	-	-
	Task sub-total	76,381	\$ -	\$ -	\$ -
Task .23 Other Labor	Other Labor:				
	Staff Time	80,028	14,072	14,061	(11)
	Task sub-total	80,028	\$ 14,072	\$ 14,061	\$ (11)
Task .24 Randall Lewis Wellness Program	Randall Lewis Wellness Program:				
	Other Meeting Expense	84	-	-	-
	Resource Materials / Subscriptions	37	-	-	-
	Travel - Local	281	-	-	-
	Wellness	120	-	-	-
	Task sub-total	522	\$ -	\$ -	\$ -
Task .25 Caltrans Audit	Caltrans Audit:				
	Disallowed Grant Costs	4,832,192	-	-	-
	Task sub-total	4,832,192	\$ -	\$ -	\$ -
Task .26 Employee Engagement Program	Randall Lewis Wellness Program:				
	Engagement Committee	-	-	20,000	20,000
	Employee Recognition	-	-	15,000	15,000
	Department Allowance	-	-	15,000	15,000
	Task sub-total	-	\$ -	\$ 50,000	\$ 50,000
	Total for all tasks	1,883,729	\$3,031,165	\$ 2,266,900	\$ (814,265)
	Allocated Fringe Benefits	234,130	239,606	105,524	(134,082)
	Allocated Indirect Costs	508,311	674,563	311,549	(363,014)
	Total	2,626,170	\$3,945,334	\$ 2,683,973	\$ (1,261,361)

*Totals may not add due to rounding

Attachment: FY 2020-21 Draft Comprehensive Budget (Approval of the Fiscal Year 2020-21 Draft Comprehensive Budget)

Fringe Benefits Budget

Fringe Benefits Budget (FB)

Program Overview

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

To participate in SCAG's fringe benefits program, staff must hold benefits-eligible positions as regular, at-will or limited-term positions. Some of these programs provide staff and their families with financial protection if they become ill or disabled. Others are designed to aid them in preparing for retirement or in meeting educational costs they incur for themselves. Others are designed to allow staff and their family's time to recreate and spend time together.

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

A rate is applied to all OWP, GF and IC salaries, e.g., for every \$1,000 of salaries, the FB budget is \$798.01 (79.8008%).

Part-time staff, interns, and temporary employees may be eligible for SCAG's limited fringe benefits. Part-time staff, interns, and temporary employee benefits are calculated separately and are not part of the fringe benefits burden rate.

Fringe Benefits Budget

Line Item Budget

The following table shows the Fringe Benefits line item budget.

GL Account	Line Item	FY20 Adopted	FY21 Proposed	Incr (Decr)
60002	Sick leave	327,982	305,888	(22,094)
60004	PFH	294,351	355,494	61,143
60003	Holiday	655,580	754,169	98,589
60001	Vacation	1,042,023	1,199,707	157,684
60032	Sick - Interns	15,900	15,933	33
60041	Vacation Cash Out	-	266,967	266,967
60110	PERS	5,389,857	6,018,361	628,504
60120	PARS	75,094	76,595	1,501
60200	Health insurance - actives	1,478,400	1,670,400	192,000
60201	Health insurance - retirees PAYGO	636,009	698,772	62,763
60202	Health insurance - retirees GASB 45	242,805	-	(242,805)
60210	Dental insurance	235,826	277,049	41,223
60220	Vision insurance	65,501	74,275	8,774
60225	Life insurance	78,190	92,345	14,155
60240	Medicare tax employers - regular staff	240,279	270,866	30,587
60250	Medicare tax employers - interns	6,917	6,931	14
60255	Social security tax employers - interns	36,491	36,567	76
60300	Tuition reimbursement	43,776	43,776	-
60310	Bus passes - regular staff	137,749	212,795	75,046
60315	Bus passes - interns	38,093	38,174	81
60320	Carpool reimbursement	420	420	-
60400	Workers compensation	170,048	205,585	35,537
60405	Unemployment compensation Insurance	35,000	35,000	-
60410	Miscellaneous employee benefits	66,954	91,254	24,300
60415	SCAG 457 match	96,500	109,000	12,500
60450	Benefits administrative fees	3,508	43,400	39,892
60500	Automobile allowance	14,400	18,000	3,600
		11,427,653	12,917,723	1,490,070

*Totals may not add due to rounding

Attachment: FY 2020-21 Draft Comprehensive Budget (Approval of the Fiscal Year 2020-21 Draft Comprehensive Budget)

Indirect Cost Budget

Indirect Cost Budget (IC)

Program Overview

The Indirect Cost Budget is established to provide funding for staff salaries, fringe benefits and other non-labor costs that are not attributable to an individual direct program project, except on a pro-rata basis. The Indirect Cost Allocation Plan (ICAP) is based on Caltrans guidelines and requires their approval.

An IC rate, approved by Caltrans, is applied to all productive staff salaries and fringe costs. For example, for every \$1,000 of direct salaries and fringe, the IC budget is \$1,309.84 (130.9842%). A review of the comprehensive line item budget chart beginning on page 12 shows the impact of this concept. Notice that the OWP (pg. 19) and General Fund (pg. 41) budgets have each allocated funds for indirect costs which represents each budget component's share of funding the Indirect Cost program.

Indirect Cost Budget

Line Item Budget

The following table shows the Indirect Cost line item budget.

GL Account	Cost Category	FY20 Adopted	FY21 Proposed	Incr (Decr)
	Staff	\$ 5,805,706	\$ 7,013,986	\$ 1,208,280
54300	SCAG consultant	1,333,750	2,086,300	752,550
54340	Legal	40,000	40,000	-
55210	Software support	519,400	1,279,900	760,500
55220	Hardware support	415,000	2,715,000	2,300,000
55230	Computer maintenance	250,000	-	(250,000)
55240	Repair- maintenance	26,500	26,500	-
55315	Furniture & Fixture Interest	11,604	8,078	(3,526)
55325	Audio-visual Equipment Interest	19,745	14,111	(5,634)
55400	Office rent / Operating expense	1,538,000	2,192,805	654,805
55410	Office rent satellite	260,000	260,000	-
55415	Off-site Storage	5,000	5,000	-
55420	Equipment leases	100,000	100,000	-
55430	Equip repairs and maintenance	1,000	1,000	-
55435	Security Services	100,000	100,000	-
55440	Insurance	238,385	285,931	47,546
55441	Payroll / bank fees	15,000	15,000	-
55445	Taxes	5,000	5,000	-
55460	Materials & equipment < \$5K	64,000	64,000	-
55510	Office supplies	73,800	73,800	-
55520	Graphic Supplies	2,500	4,000	1,500
55530	Telephone	195,000	195,000	-
55540	Postage	10,000	10,000	-
55550	Delivery services	5,000	5,000	-
55600	SCAG memberships	76,200	92,200	16,000
55610	Professional memberships	1,500	1,500	-
55611	Professional dues	1,350	1,350	-
55620	Resource materials	70,800	60,300	(10,500)
55700	Depreciation - furniture & fixture	185,000	185,000	-
55715	Amortization - software	1,684	-	(1,684)
55720	Amortization - lease	62,500	75,000	12,500
55800	Recruitment adverting	25,000	25,000	-
55801	Recruitment - other	45,000	45,000	-
55810	Public notices	2,500	2,500	-
55820	In House Training	30,000	30,000	-
55830	Networking Meetings/Special Events	22,500	20,000	(2,500)
55840	Training Registration	65,000	65,000	-
55920	Other meeting expense	2,500	2,500	-
55930	Miscellaneous other	9,500	29,500	20,000
55950	Temporary help	105,000	106,000	1,000
56100	Printing	23,000	23,000	-
58100	Travel	82,800	83,300	500
58101	Travel - local	19,500	20,000	500
58110	Mileage	23,500	23,500	-
	Sub-total	\$ 11,889,224	\$ 17,391,061	\$ 5,501,837
51000	Fringe benefits - regular staff	4,491,785	5,470,331	978,546
51003	Fringe benefits - interns	15,315	15,927	613
	Total	\$ 16,396,323	\$ 22,877,319	\$ 6,480,996

*Totals may not add due to rounding

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Indirect Cost Budget

Indirect Cost Work Areas

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

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



DRAFT Comprehensive Budget

Fiscal Year 2020–2021

SECTION III Appendices

Budget Line Items

Description of Budget Line Item

The following chart provides a description of each budget account/line item.

Account/Line Item	Description
500XX Staff	Staff wages including non-worktime.
54300 Consultant	Outside experts retained to provide special expertise.
54302 Non-Profits/IHL	Partnerships with non-profit organizations and institutes of higher learning (IHL).
54303 Consultant TC	Same as 54300 above. Toll credits are used in lieu of local matching funds, which allows for work to be 100% funded with federal funds.
55305 Cloud Services	Monthly recurring costs for cloud compute and storage capacity.
54340 Legal	Outside legal experts retained to provide special expertise.
54360 Pass-Through Payments	Payments received by SCAG but passed through to other agencies.
55210 Software Support	Fees paid for telephone support and updates of SCAG's high end desktop and network software.
55220 Hardware Support	Fees paid for maintenance and repair contracts on SCAG's computer servers.
55230 Computer Maintenance	Fees paid for maintenance on SCAG computers.
55240 Repair - Maintenance	Processes that do not enhance function or extend the useful life of an asset are expensed as repairs.
5528X 3rd Party Contribution	Like-kind contribution from other agencies that are match for SCAG's grants.
55284 Toll Credits	Toll credits are earned when the state funds a capital transportation investment with toll revenues earned on existing toll facilities. Toll credits that can be used as a substitution for local matching funds, which allows for work to be 100% funded with federal funds.
55310 Furniture & Fixtures Principal	Principal portion of furniture and fixtures debt service payments.
55315 Furniture & Fixtures Interest	Interest portion of furniture and fixtures debt service payments.
55320 Audio-visual Equipment Principal	Principal portion of audio-visual equipment debt service payments.
55325 Audio-visual Equipment Interest	Interest portion of audio-visual equipment debt service payments.
55400 Office Rent / Operating Expense	Rent and operating expense paid for SCAG's main office.

Budget Line Items

Account/Line Item	Description
55410 Office Rent Satellite	Rent paid for SCAG's satellite offices.
55415 Off-site Storage	Fees paid for off-site storage.
55420 Equipment Leases	Fees paid for copier, telephone, postage, equipment, etc.
55425 Lease Obligation Payment	Lease obligation payable to the landlord of the Los Angeles office in FY18.
55430 Equipment Repairs - Maintenance	Fees paid to outside vendors to repair SCAG owned equipment.
55435 Security Services	The cost of physical security services at SCAG's locations.
55440 Insurance	SCAG's liability insurance premiums.
55441 Payroll / Bank Fees	Fees paid for payroll processing & bank services.
55445 Taxes	Personal property taxes levied on SCAG's assets.
55460 Materials & Equipment <\$5,000	Used to buy capital equipment with unit costs under \$5,000 (it's not necessary to capitalize and depreciate).
55510 Office Supplies	Routine office supplies and paper for copy machines.
55520 Graphic Supplies	Materials used in the production of documents for agency communications, presentations, etc.
55530 Telephone	SCAG's monthly telephone fees paid for both voice and data lines.
55540 Postage	Postage and delivery fees.
55550 Delivery Services	Cost of outside courier delivery and other non-USPS services.
55580 Outreach/Advertisement	Cost of advertising and public outreach for SCAG programs and services.
55600 SCAG Memberships	Pays for SCAG to belong to various organizations.
55610 Professional Memberships	Fees paid on behalf of SCAG employees to belong to certain professional organizations.
55611 Professional Dues	Dues paid on behalf of SCAG employees for professional licenses (Certified Public Accountant, Certified Internal Auditor or State Bar).
55620 Resource Materials / Subscriptions	Fees for book purchases, subscriptions and data acquisition.

Budget Line Items

Account/Line Item	Description
55700 Depreciation - Furniture & Fixtures	The general fund buys assets that have a cost greater than \$5,000 using account 55730, Capital Outlay. The cost is recovered when depreciation is charged to a grant using this account.
55715 Amortization - Software	To account for amortization of software.
55720 Amortization - Lease	To account for amortization of leasehold improvements.
55725 Fixed Asset Write-Down	Adjustments to the carrying cost of capitalized assets.
55730 Capital Outlay	Fixed asset purchases greater than \$5,000. The cost is recovered when depreciation is charged to a grant.
55800 Recruitment - Advertising	Advertising in certain journals and publications regarding job opportunities at SCAG.
55801 Recruitment - Other	Moving expenses and cost of sponsoring foreign employees (visas).
55810 Public Notices	Legal advertising that SCAG must undertake to support certain programs or grants.
55820 Staff Training	Used to provide access to outside training opportunities or to bring experts for in-house training.
55830 Networking Meetings / Special Events	Cost of informational events attended by SCAG staff and elected officials.
55840 Training Registration	Training registration cost for staff.
55860 Scholarships	Contributions by SCAG to offset the educational expense of selected students.
55910 RC/Committee Meetings	Pays for the food and other expenses associated with hosting RC and committee meetings.
55912 RC Retreat	The RC holds an annual off-site retreat. This budget pays for the actual meeting expenses such as meals and conference facilities.
55914 RC General Assembly	The by-laws require an annual meeting of the membership. This budget pays for the actual meeting expenses such as meals and conference facilities.
55915 Demographic Workshop	Pays for the meeting expenses of the annual workshop that addresses demographic issues.
55916 Economic Summit	Pays for the meeting expenses of the annual summit that addresses economic issues.
55918 Housing Summit	Pays for the expenses of the annual summit that addresses housing issues.
55920 Other Meeting Expense	Pays for other, non-food expenses related to meeting support.

Budget Line Items

Account/Line Item	Description
55925 RHNA Subregional Delegation	Financial assistance for subregional entities who accept delegation of the RHNA process.
55930 Miscellaneous Other	Pays for other, minor expenses not categorized elsewhere.
55936 Engagement Committee	Pays for employee engagement committee activities and projects.
55937 Employee Recognition	Pays for employee recognition activities.
55938 Department Allowances	Pays for employee recognition activities by department managers.
55940 Stipend-RC Meeting	Stipends paid to RC Members for attending meetings.
55950 Temporary Help	SCAG occasionally uses employment agencies to provide short term staffing.
55980 Contingency – General Fund	Funds available for unforeseen spending.
55995 Disallowed Grant Costs	Costs previously charged to a grant that have been disallowed by the grantor.
56100 Printing	Pays for outside printing costs of SCAG publications and brochures.
58100 Travel	Pays for staff and RC travel on behalf of SCAG projects.
58101 Travel – Local	Travel inside the SCAG region.
58110 Mileage	Cost of automobile travel at the IRS rate per mile.
58150 Staff Lodging Expense	General funds used to pay for staff lodging expenses, under certain conditions, greater than state or federal guidelines.
58200 Travel-Registration Fees	Pays for conference and seminar registration fees.
58800 RC Sponsorships	General funds allocated to events supported by RC actions.
59090 Expense-Local Other	Cash contributions from local agencies for projects funded with federal pass-through funds from SCAG.
60041 Vacation Cash Out	Vacation cash-out program for staff and management.
60110 Retirement-PERS	Pays for employee share of contributions to PERS.
60120 Retirement-PARS	SCAG contribution to the supplemental defined benefit retirement plan.
60200 Health Insurance – Active Employees	SCAG contribution for employee health insurance

Budget Line Items

Account/Line Item	Description
60201 Health Insurance – Retirees PAYGO	Retiree health insurance premiums paid to CalPERS.
60202 Health Insurance – Retirees GASB 45	Retiree health insurance premiums paid to the California Employers’ Retiree Benefit Trust, as computed by an actuary.
60210 Dental Insurance	SCAG contribution for employee dental insurance
60220 Vision Insurance	SCAG contribution for employee vision insurance
60225 Life Insurance	SCAG cost of life insurance for each benefit-eligible employee.
60240 Medicare Tax Employer Share	SCAG pays a percentage of 1.45% (of payroll) contribution to Medicare for all employees hired after 1986.
60245 Social Security Tax Employers	Employer’s share of social security on wages paid.
60250 Medicare Tax ER – Interns	SCAG pays a percentage of 1.45% (of payroll) contribution to Medicare for all employees hired after 1986.
60255 Social Security ER – Interns	Employer’s share of social security on wages paid.
60300 Tuition Reimbursement	All employees can participate in a tuition reimbursement program for work related classes.
60310 Transit Passes	All employees who utilize public transportation to commute are eligible to be reimbursed up to a specified maximum.
60315 Bus Passes NT – Interns	Interns who utilize public transportation to commute are eligible to be reimbursed up to a specified maximum.
60320 Carpool Reimbursement	Eligible employees who are members of a carpool receive a specified monthly allowance.
60400 Workers Compensation Insurance	This is mandated insurance for employees that provides a benefit for work-related injuries.
60405 Unemployment Comp Insurance	Payments for unemployment insurance claims filed by former employees.
60410 Miscellaneous Employee Benefits	The cost of SCAG’s Employee Assistance Program.
60415 SCAG 457 Match	SCAG managers and directors receive matching funds for 457 Plan deferred compensation contributions.
60450 Benefits Administrative Fees	These fees pay for third parties who administer SCAG’s cafeteria plan.
60500 Automobile Allowance	Allowances payable to executives in accordance with employment contracts.

Membership Assessment Schedule

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

Proposed Membership Assessment

Schedule Fiscal Year 2020-21

As of February 18, 2020

	UNINC POP COUNTIES/TOTAL POP CITIES	ASSESSMENTS 2020-21
<u>COUNTIES (6)</u>		
IMPERIAL	38,033	7,221
LOS ANGELES	1,046,858	137,427
ORANGE	129,128	37,634
RIVERSIDE	394,200	63,569
SAN BERNARDINO	312,654	55,591
VENTURA	96,377	19,430
SUB-TOTAL	2,017,250	320,872
<u>CITIES (189)</u>		
ADELANTO	35,136	3,938
AGOURA HILLS	20,842	2,289
ALHAMBRA	86,931	9,006
ALISO VIEJO	51,372	5,526
ANAHEIM	359,339	35,909
APPLE VALLEY	73,464	7,688
ARCADIA	58,891	6,262
ARTESIA	16,919	1,905
AVALON	3,845	476
AZUSA	51,313	5,521
BALDWIN PARK	77,286	8,062
BANNING	31,044	3,537
BARSTOW	24,150	2,613
BEAUMONT	48,401	5,236
BELL	36,556	4,077
BELLFLOWER	78,308	8,162
BELL GARDENS	42,972	4,704
BEVERLY HILLS	34,627	3,888
BIG BEAR LAKE	5,461	634
BLYTHE	19,428	2,151
BRADBURY	1,077	205
BRAWLEY	27,337	3,175
BREA	45,606	4,962
BUENA PARK	83,384	8,658
BURBANK	105,952	11,117
CALABASAS	24,239	2,622

Membership Assessment Schedule

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

Proposed Membership Assessment

Schedule Fiscal Year 2020-21

As of February 18, 2020

	UNINC POP COUNTIES/TOTAL POP CITIES	ASSESSMENTS 2020-21
CALEXICO	42,198	4,629
CALIMESA	9,159	996
CALIPATRIA	7,281	812
CAMARILLO	69,880	7,337
CANYON LAKE	11,285	1,354
CARSON	93,604	9,658
CATHEDRAL CITY	54,907	5,872
CERRITOS	50,711	5,462
CHINO	89,829	9,289
CHINO HILLS	84,364	8,754
CLAREMONT	36,511	4,072
COACHELLA	46,351	5,035
COLTON	54,391	5,822
COMMERCE	13,021	1,524
COMPTON	98,711	10,158
CORONA	168,101	17,197
COSTA MESA	115,830	12,083
COVINA	48,876	5,282
CUDAHY	24,264	2,624
CULVER CITY	40,173	4,431
CYPRESS	49,833	5,376
DANA POINT	34,249	3,851
DESERT HOT SPRINGS	29,251	3,362
DIAMOND BAR	57,495	6,125
DOWNEY	114,212	11,925
DUARTE	21,952	2,398
EASTVALE	66,078	6,965
EL CENTRO	46,248	5,025
EL MONTE	117,204	12,218
EL SEGUNDO	17,066	1,920
FILLMORE	15,925	1,808
FONTANA	212,078	21,500
FOUNTAIN VALLEY	56,652	6,043
FULLERTON	142,824	14,724
GARDEN GROVE	175,155	17,888
GARDENA	61,042	6,472
GLENDALE	206,283	20,933
GLENDORA	52,122	5,600
GRAND TERRACE	12,654	1,488
HAWAIIAN GARDENS	14,690	1,687

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As of February 18, 2020

	UNINC POP COUNTIES/TOTAL POP CITIES	ASSESSMENTS 2020-21
HAWTHORNE	87,854	9,096
HEMET	84,754	8,793
HERMOSA BEACH	19,847	2,192
HESPERIA	96,362	9,928
HIDDEN HILLS	1,885	284
HIGHLAND	55,778	5,957
HOLTVILLE	6,779	763
HUNTINGTON BEACH	203,761	20,686
HUNTINGTON PARK	59,350	6,307
IMPERIAL	19,929	2,200
INDIAN WELLS	5,445	633
INDIO	89,406	9,248
INDUSTRY	432	142
INGLEWOOD	112,549	11,762
IRVINE	280,202	28,166
IRWINDALE	1,506	247
JURUPA VALLEY	106,318	11,152
LA CANADA FLINTRIDGE	20,602	2,266
LA HABRA	63,542	6,717
LA HABRA HEIGHTS	5,485	637
LA MIRADA	49,558	5,349
LA PALMA	15,820	1,798
LA PUENTE	40,795	4,491
LA QUINTA	42,098	4,619
LA VERNE	33,201	3,748
LAGUNA BEACH	23,358	2,535
LAGUNA HILLS	31,572	3,589
LAGUNA NIGUEL	66,748	7,031
LAGUNA WOODS	16,518	1,866
LAKE ELSINORE	62,949	6,659
LAKE FOREST	86,346	8,948
LAKESWOOD	81,352	8,460
LANCASTER	161,604	16,562
LAWNDALE	33,436	3,771
LOMA LINDA	24,335	2,631
LOMITA	20,763	2,281
LONG BEACH	475,013	47,226
LOS ALAMITOS	11,721	1,397
LOS ANGELES	4,040,079	396,540
LYNWOOD	71,343	7,480
MALIBU	12,046	1,429

Membership Assessment Schedule

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

Proposed Membership Assessment

Schedule Fiscal Year 2020-21

As of February 18, 2020

	UNINC POP COUNTIES/TOTAL POP CITIES	ASSESSMENTS 2020-21
MAYWOOD	27,971	3,237
MENIFEE	93,452	9,644
MISSION VIEJO	96,434	9,935
MONROVIA	38,529	4,270
MONTCLAIR	39,563	4,371
MONTEBELLO	64,247	6,786
MONTEREY PARK	61,828	6,549
MOORPARK	37,020	4,122
MORENO VALLEY	208,297	21,130
MURRIETA	118,125	12,308
NEEDLES	5,085	598
NEWPORT BEACH	87,180	9,030
NORCO	26,386	3,082
NORWALK	106,744	11,194
OJAI	7,769	860
ONTARIO	178,268	18,192
OXNARD	209,879	21,285
PALM DESERT	53,625	5,747
PALM SPRINGS	48,733	5,268
PALMDALE	157,854	16,195
PALOS VERDES ESTATES	13,544	1,575
PARAMOUNT	55,497	5,930
PASADENA	146,312	15,065
PERRIS	76,971	8,031
PICO RIVERA	64,033	6,765
PLACENTIA	52,333	5,620
POMONA	154,310	15,848
PORT HUENEME	23,526	2,552
RANCHO CUCAMONGA	179,412	18,304
RANCHO MIRAGE	18,489	2,059
RANCHO PALOS VERDES	42,560	4,664
REDLANDS	71,839	7,529
REDONDO BEACH	68,473	7,200
RIALTO	107,271	11,246
RIVERSIDE	328,101	32,852

Attachment: FY 2020-21 Draft Comprehensive Budget (Approval of the Fiscal Year 2020-21 Draft Comprehensive Budget)

Membership Assessment Schedule

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

Proposed Membership Assessment

Schedule Fiscal Year 2020-21

As of February 18, 2020

	UNINC POP COUNTIES/TOTAL POP CITIES	ASSESSMENTS 2020-21
ROLLING HILLS	1,892	285
ROLLING HILLS ESTATES	8,247	907
ROSEMEAD	55,097	5,891
SAN BERNARDINO	219,233	22,200
SAN BUENAVENTURA	108,170	11,334
SAN CLEMENTE	65,405	6,899
SAN DIMAS	34,584	3,884
SAN FERNANDO	24,918	2,688
SAN GABRIEL	41,178	4,529
SAN JACINTO	48,878	5,282
SAN JUAN CAPISTRANO	36,821	4,103
SAN MANUEL BAND OF MISSION INDIANS	200	120
SAN MARINO	13,352	1,556
SANTA ANA	337,716	33,793
SANTA CLARITA	218,103	22,090
SANTA FE SPRINGS	18,261	2,037
SANTA MONICA	93,593	9,657
SANTA PAULA	30,779	3,511
SEAL BEACH	25,073	2,953
SIERRA MADRE	11,135	1,339
SIGNAL HILL	11,795	1,404
SIMI VALLEY	127,716	13,246
SOUTH EL MONTE	21,293	2,333
SOUTH GATE	96,777	9,969
SOUTH PASADENA	26,245	3,068
STANTON	39,307	4,346
TEMECULA	113,826	11,887
TEMPLE CITY	36,583	4,079
THOUSAND OAKS	129,557	13,426
TORRANCE	148,054	15,236
TUSTIN	81,369	8,461
TWENTYNINE PALMS	28,958	3,333
UPLAND	78,481	8,179
VICTORVILLE	126,543	13,131
VILLA PARK	5,933	680
WALNUT	30,551	3,489
WEST COVINA	108,116	11,328

Attachment: FY 2020-21 Draft Comprehensive Budget (Approval of the Fiscal Year 2020-21 Draft Comprehensive Budget)

Membership Assessment Schedule

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

Proposed Membership Assessment

Schedule Fiscal Year 2020-21

As of February 18, 2020

	UNINC POP COUNTIES/TOTAL POP CITIES	ASSESSMENTS 2020-21
WEST HOLLYWOOD	36,660	4,087
WESTLAKE VILLAGE	8,378	920
WESTMINSTER	92,610	9,561
WESTMORLAND	2,461	341
WILDOMAR	36,066	4,029
WHITTIER	87,526	9,064
YORBA LINDA	68,706	7,222
YUCCA VALLEY	22,050	2,407
YUCAIPA	54,844	5,866
SUB-TOTAL	16,911,481	1,742,801
GRAND TOTAL-ASSESSMENTS	18,928,731	2,063,673
 <u>COMMISSIONS</u>		
SBCTA	2,192,203	25,000
RCTC	2,440,124	25,000
VCTC	856,598	10,000
ICTC	190,266	3,500
Transportation Corridor Agency		10,000
OCTA	3,222,498	25,000
Air Districts		10,000
SUB-TOTAL	8,901,689	108,500
 TOTAL MEMBERSHIP AND ASSESSMENTS		<u>2,172,173</u>

SCAG Salary Schedule

	Classification	Ranges						Time Base
		Minimum	Minimum	Midpoint	Midpoint	Maximum	Maximum	
			Hourly		Hourly		Hourly	
1	Accountant I	\$62,836.80	\$30.21	\$72,259.20	\$34.74	\$81,660.80	\$39.26	Monthly
2	Accountant II	\$68,473.60	\$32.92	\$78,748.80	\$37.86	\$89,024.00	\$42.80	Monthly
3	Accountant III	\$76,024.00	\$36.55	\$87,422.40	\$42.03	\$98,820.80	\$47.51	Monthly
4	Accounting Systems Analyst	\$84,219.20	\$40.49	\$96,865.60	\$46.57	\$109,512.00	\$52.65	Monthly
5	Administrative Assistant	\$54,184.00	\$26.05	\$62,296.00	\$29.95	\$70,408.00	\$33.85	Hourly
6	Application Developer	\$99,985.60	\$48.07	\$114,982.40	\$55.28	\$129,958.40	\$62.48	Monthly
7	Assistant Analyst to the Ex Director	\$74,796.80	\$35.96	\$86,008.00	\$41.35	\$97,219.20	\$46.74	Monthly
8	Assistant Internal Auditor	\$84,156.80	\$40.46	\$96,782.40	\$46.53	\$109,387.20	\$52.59	Monthly
9	Assistant Regional Planner	\$71,198.40	\$34.23	\$81,910.40	\$39.38	\$92,601.60	\$44.52	Monthly
10	Assistant to the Executive Director	\$120,120.00	\$57.75	\$138,153.60	\$66.42	\$156,187.20	\$75.09	Monthly
11	Associate Accountant	\$49,171.20	\$23.64	\$56,555.20	\$27.19	\$63,939.20	\$30.74	Hourly
12	Associate Analyst to the Ex Director	\$88,836.80	\$42.71	\$102,169.60	\$49.12	\$115,481.60	\$55.52	Monthly
13	Associate Human Resources Analyst	\$62,067.20	\$29.84	\$71,385.60	\$34.32	\$80,683.20	\$38.79	Hourly
14	Associate IT Projects Manager	\$83,033.60	\$39.92	\$95,492.80	\$45.91	\$107,931.20	\$51.89	Monthly
15	Associate Regional Planner	\$83,033.60	\$39.92	\$95,492.80	\$45.91	\$107,931.20	\$51.89	Monthly
16	Budget and Grants Analyst I	\$68,619.20	\$32.99	\$78,936.00	\$37.95	\$89,232.00	\$42.90	Monthly
17	Budget and Grants Analyst II	\$80,496.00	\$38.70	\$92,580.80	\$44.51	\$104,665.60	\$50.32	Monthly
18	Chief Counsel/Director of Legal Services	\$224,744.00	\$108.05	\$258,460.80	\$124.26	\$292,177.60	\$140.47	Monthly
19	Chief Financial Officer	\$213,886.40	\$102.83	\$245,980.80	\$118.26	\$278,054.40	\$133.68	Monthly
20	Chief Information Officer	\$203,590.40	\$97.88	\$234,145.60	\$112.57	\$264,680.00	\$127.25	Monthly
21	Chief Operating Officer	\$245,627.20	\$118.09	\$282,484.80	\$135.81	\$319,321.60	\$153.52	Monthly
22	Clerk of the Board	\$102,481.60	\$49.27	\$117,852.80	\$56.66	\$133,203.20	\$64.04	Monthly
23	Community Engagement Specialist	\$67,641.60	\$32.52	\$77,792.00	\$37.40	\$87,921.60	\$42.27	Monthly
24	Contracts Administrator I	\$68,619.20	\$32.99	\$78,936.00	\$37.95	\$89,232.00	\$42.90	Monthly
25	Contracts Administrator II	\$80,496.00	\$38.70	\$92,580.80	\$44.51	\$104,665.60	\$50.32	Monthly
26	Contracts and Purchasing Assistant	\$55,681.60	\$26.77	\$64,064.00	\$30.80	\$72,425.60	\$34.82	Hourly
27	Database Administrator	\$95,222.40	\$45.78	\$109,512.00	\$52.65	\$123,780.80	\$59.51	Monthly
28	Department Manager	\$141,772.80	\$68.16	\$163,030.40	\$78.38	\$184,288.00	\$88.60	Monthly
29	Deputy Clerk of the Board	\$81,952.00	\$39.40	\$94,307.20	\$45.34	\$106,641.60	\$51.27	Monthly
30	Deputy Director (Division)	\$187,054.40	\$89.93	\$215,113.60	\$103.42	\$243,152.00	\$116.90	Monthly
31	Deputy Executive Director	\$233,729.60	\$112.37	\$268,798.40	\$129.23	\$303,846.40	\$146.08	Monthly
32	Deputy Legal Counsel I	\$122,304.00	\$58.80	\$140,670.40	\$67.63	\$159,036.80	\$76.46	Monthly
33	Deputy Legal Counsel II	\$146,764.80	\$70.56	\$168,792.00	\$81.15	\$190,819.20	\$91.74	Monthly
34	Division Director	\$203,590.40	\$97.88	\$234,145.60	\$112.57	\$264,680.00	\$127.25	Monthly
35	Executive Assistant	\$79,851.20	\$38.39	\$93,953.60	\$45.17	\$108,056.00	\$51.95	Monthly
36	Facilities Supervisor	\$88,691.20	\$42.64	\$98,966.40	\$47.58	\$109,241.60	\$52.52	Monthly
37	GIS Analyst	\$82,264.00	\$39.55	\$94,598.40	\$45.48	\$106,932.80	\$51.41	Monthly
38	GIS Application Developer	\$99,985.60	\$48.07	\$114,982.40	\$55.28	\$129,958.40	\$62.48	Monthly
39	Grants Administrator	\$97,406.40	\$46.83	\$112,008.00	\$53.85	\$126,609.60	\$60.87	Monthly
40	Graphics Designer	\$66,747.20	\$32.09	\$76,752.00	\$36.90	\$86,756.80	\$41.71	Monthly
41	Human Resources Analyst I	\$72,384.00	\$34.80	\$83,241.60	\$40.02	\$94,078.40	\$45.23	Monthly
42	Human Resources Analyst II	\$76,044.80	\$36.56	\$92,684.80	\$44.56	\$109,324.80	\$52.56	Monthly
43	Internal Auditor	\$141,772.80	\$68.16	\$163,030.40	\$78.38	\$184,288.00	\$88.60	Monthly
44	IT Projects Assistant	\$56,763.20	\$27.29	\$65,270.40	\$31.38	\$73,756.80	\$35.46	Hourly
45	Junior Planner	\$58,240.00	\$28.00	\$67,600.00	\$32.50	\$76,960.00	\$37.00	Hourly
46	Lead Accountant	\$106,246.40	\$51.08	\$122,200.00	\$58.75	\$138,132.80	\$66.41	Monthly
47	Lead Budget & Grants Analyst	\$97,406.40	\$46.83	\$112,008.00	\$53.85	\$126,609.60	\$60.87	Monthly
48	Lead Graphics Designer	\$79,393.60	\$38.17	\$91,312.00	\$43.90	\$103,209.60	\$49.62	Monthly
49	Lead IT Projects Manager	\$120,120.00	\$57.75	\$138,153.60	\$66.42	\$156,187.20	\$75.09	Monthly
50	Lead Projects Manager	\$120,120.00	\$57.75	\$138,153.60	\$66.42	\$156,187.20	\$75.09	Monthly

SCAG Salary Schedule

	Classification	Ranges						Time Base
		Minimum	Minimum	Midpoint	Midpoint	Maximum	Maximum	
			Hourly		Hourly		Hourly	
51	Lead Operations Technician	\$75,171.20	\$36.14	\$86,465.60	\$41.57	\$97,739.20	\$46.99	Monthly
52	Lead Programmer Analyst	\$110,344.00	\$53.05	\$126,900.80	\$61.01	\$143,457.60	\$68.97	Monthly
53	Legislative Aide	\$53,664.00	\$25.80	\$61,713.60	\$29.67	\$69,742.40	\$33.53	Hourly
54	Legislative Analyst I	\$61,630.40	\$29.63	\$70,865.60	\$34.07	\$80,100.80	\$38.51	Monthly
55	Legislative Analyst II	\$73,840.00	\$35.50	\$84,905.60	\$40.82	\$95,971.20	\$46.14	Monthly
56	Legislative Analyst III	\$85,404.80	\$41.06	\$98,217.60	\$47.22	\$111,009.60	\$53.37	Monthly
57	Legislative Analyst IV	\$96,844.80	\$46.56	\$111,384.00	\$53.55	\$125,923.20	\$60.54	Monthly
58	Management Analyst	\$79,081.60	\$38.02	\$90,958.40	\$43.73	\$102,814.40	\$49.43	Monthly
59	Office Assistant	\$46,716.80	\$22.46	\$53,726.40	\$25.83	\$60,736.00	\$29.20	Hourly
60	Office Services Specialist	\$46,716.80	\$22.46	\$53,726.40	\$25.83	\$60,736.00	\$29.20	Hourly
61	Operations Supervisor	\$88,691.20	\$42.64	\$98,966.40	\$47.58	\$109,241.60	\$52.52	Monthly
62	Operations Technician	\$46,716.80	\$22.46	\$53,726.40	\$25.83	\$60,736.00	\$29.20	Hourly
63	Operations Technician II	\$56,076.80	\$26.96	\$64,500.80	\$31.01	\$72,904.00	\$35.05	Hourly
64	Operations Technician III	\$62,649.60	\$30.12	\$72,072.00	\$34.65	\$81,473.60	\$39.17	Hourly
65	Planning Technician	\$66,830.40	\$32.13	\$76,876.80	\$36.96	\$86,902.40	\$41.78	Hourly
66	Principal Management Analyst	\$105,976.00	\$50.95	\$119,995.20	\$57.69	\$134,014.40	\$64.43	Monthly
67	Program Manager I	\$112,278.40	\$53.98	\$129,126.40	\$62.08	\$145,953.60	\$70.17	Monthly
68	Program Manager II	\$120,120.00	\$57.75	\$138,153.60	\$66.42	\$156,187.20	\$75.09	Monthly
69	Programmer Analyst	\$82,056.00	\$39.45	\$94,369.60	\$45.37	\$106,662.40	\$51.28	Monthly
70	Public Affairs Specialist I	\$68,868.80	\$33.11	\$79,206.40	\$38.08	\$89,523.20	\$43.04	Monthly
71	Public Affairs Specialist II	\$82,513.60	\$39.67	\$94,910.40	\$45.63	\$107,286.40	\$51.58	Monthly
72	Public Affairs Specialist III	\$95,451.20	\$45.89	\$109,761.60	\$52.77	\$124,072.00	\$59.65	Monthly
73	Public Affairs Specialist IV	\$108,243.20	\$52.04	\$124,488.00	\$59.85	\$140,712.00	\$67.65	Monthly
74	Receptionist	\$46,716.80	\$22.46	\$53,726.40	\$25.83	\$60,736.00	\$29.20	Hourly
75	Records Analyst	\$79,081.60	\$38.02	\$90,958.40	\$43.73	\$102,814.40	\$49.43	Monthly
76	Regional Affairs Officer I	\$68,868.80	\$33.11	\$79,206.40	\$38.08	\$89,523.20	\$43.04	Monthly
77	Regional Affairs Officer II	\$82,513.60	\$39.67	\$94,910.40	\$45.63	\$107,286.40	\$51.58	Monthly
78	Regional Affairs Officer III	\$95,451.20	\$45.89	\$109,761.60	\$52.77	\$124,072.00	\$59.65	Monthly
79	Regional Affairs Officer IV	\$108,243.20	\$52.04	\$124,488.00	\$59.85	\$140,712.00	\$67.65	Monthly
80	Regional Planner Specialist	\$104,936.00	\$50.45	\$120,681.60	\$58.02	\$136,406.40	\$65.58	Monthly
81	Senior Accountant	\$84,156.80	\$40.46	\$96,782.40	\$46.53	\$109,387.20	\$52.59	Monthly
82	Senior Administrative Assistant	\$62,649.60	\$30.12	\$72,072.00	\$34.65	\$81,473.60	\$39.17	Hourly
83	Senior Analyst to the Ex Director	\$100,464.00	\$48.30	\$115,544.00	\$55.55	\$130,624.00	\$62.80	Monthly
84	Senior Budget & Grants Analyst	\$88,545.60	\$42.57	\$101,836.80	\$48.96	\$115,107.20	\$55.34	Monthly
85	Senior Contracts Administrator	\$88,545.60	\$42.57	\$101,836.80	\$48.96	\$115,107.20	\$55.34	Monthly
86	Senior Economist	\$102,710.40	\$49.38	\$118,123.20	\$56.79	\$133,536.00	\$64.20	Monthly
87	Senior Graphic Designer	\$75,275.20	\$36.19	\$86,569.60	\$41.62	\$97,843.20	\$47.04	Monthly
88	Senior Human Resources Analyst	\$88,171.20	\$42.39	\$101,420.80	\$48.76	\$114,649.60	\$55.12	Monthly
89	Senior Management Analyst	\$86,985.60	\$41.82	\$100,048.00	\$48.10	\$113,089.60	\$54.37	Monthly
90	Senior Operations Technician	\$68,931.20	\$33.14	\$79,268.80	\$38.11	\$89,585.60	\$43.07	Monthly
91	Senior Programmer Analyst	\$99,985.60	\$48.07	\$114,982.40	\$55.28	\$129,958.40	\$62.48	Monthly
92	Senior Regional Planner	\$91,332.80	\$43.91	\$105,040.00	\$50.50	\$118,747.20	\$57.09	Monthly
93	Senior Regional Planner Specialist	\$112,278.40	\$53.98	\$129,126.40	\$62.08	\$145,953.60	\$70.17	Monthly
94	Transportation Modeler I	\$70,220.80	\$33.76	\$80,745.60	\$38.82	\$91,270.40	\$43.88	Monthly
95	Transportation Modeler II	\$83,033.60	\$39.92	\$95,492.80	\$45.91	\$107,931.20	\$51.89	Monthly
96	Transportation Modeler III	\$97,968.00	\$47.10	\$112,673.60	\$54.17	\$127,379.20	\$61.24	Monthly
97	Transportation Modeler IV	\$112,278.40	\$53.98	\$129,126.40	\$62.08	\$145,953.60	\$70.17	Monthly
98	Transportation Modeling Prog Mgr	\$120,120.00	\$57.75	\$138,153.60	\$66.42	\$156,187.20	\$75.09	Monthly
99	Web/Graphic Designer	\$73,424.00	\$35.30	\$84,448.00	\$40.60	\$95,451.20	\$45.89	Monthly

The Southern California Association of Governments (SCAG) is the nation's largest metropolitan planning organization and council of governments. To better serve the 19 million residents and 191 cities it represents, SCAG has an office in each of its six member counties: Imperial, Los Angeles, Orange, Riverside, San Bernardino and Ventura. For more information about SCAG call (213) 236-1800 or visit us at scag.ca.gov.



900 Wilshire Blvd., Ste. 1700
Los Angeles, CA 90017
Phone: (213) 236-1800

REGIONAL OFFICES

IMPERIAL COUNTY

1503 North Imperial Ave., Ste. 104
El Centro, CA 92243
Phone: (760) 353-7800

ORANGE COUNTY

OCTA Building
600 South Main St., Ste. 1233
Orange, CA 92868
Phone: (714) 542-3687

RIVERSIDE COUNTY

3403 10th St., Ste. 805
Riverside, CA 92501
Phone: (951) 784-1513

SAN BERNARDINO COUNTY

Santa Fe Depot
1170 West 3rd St., Ste. 140
San Bernardino, CA 92418
Phone: (909) 806-3556

VENTURA COUNTY

4001 Mission Oaks Blvd., Ste. L
Camarillo, CA 93012
Phone: (805) 642-2800



Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
March 5, 2020

To: Executive/Administration Committee (EAC)
Regional Council (RC)
From: Basil Panas, Chief Financial Officer, Finance, 213-236-1817,
panas@scag.ca.gov
Subject: Contract Amendment, Contract 20-002-C01, Board Counsel
Services

EXECUTIVE DIRECTOR'S
APPROVAL

Handwritten signature: Kome Ajise

RECOMMENDED ACTION:

Approve Amendment No. 2 to Contract No. 20-002-C01, with Best Best & Krieger, LLP to incorporate the final negotiated hourly rate of \$150 per hour for the paralegal labor classification into the contract.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians. 4: Provide innovative information and value-added services to enhance member agencies' planning and operations and promote regional collaboration.

EXECUTIVE SUMMARY:

On October 23, 2019 SCAG awarded Contract No. 20-002-C01 to Best Best & Krieger to provide monthly legal support services to the Regional Council, as specified in Task 1 of the contract, as well as to provide as-needed litigation support services to the agency, as specified in Task 2 of the contract. With respect to Task 2, the Regional Council requested that staff negotiate a lower rate for the paralegal labor classification which was \$165 per hour. This amendment, if approved, will: 1) incorporate the final negotiated hourly rate of \$150 per hour for the paralegal labor classification in the contract, a 10% reduction from the original proposed rate; 2) revise the title of Task 2 from, "As Needed Litigation Support Services," to "As Needed Litigation and Other Legal Support Services"; and 3) eliminate the legal assistant labor classification from Task 2 as this classification is not required.

BACKGROUND:

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

Table with 3 columns: Consultant/Contract #, Amendment Purpose, Contract Amount. Row 1: Best Best &, This amendment, if approved, will 1), \$495,480

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Krieger
(20-002-C01)

incorporate the final negotiated hourly rate of \$150 per hour for the paralegal labor classification, 2) clarify the title of Task 2 to reflect litigation and other legal support services, 3) eliminate the legal assistant labor classification from the contract as this classification is not required.

FISCAL IMPACT:

Funding of \$168,490 is available in the FY 2019-20 budget, and the remaining \$375,480 is expected to be available and spread out over four (4) fiscal years in project number 800-0160.01, subject to budget availability.

ATTACHMENT(S):

1. Contract Summary 20-002-C01 Amendment 2
2. Contract Summary 20-002-C01 Amendment 2 COI

CONTRACT 20-002-C01 AMENDMENT 02

Consultant: Best Best & Krieger, LLP

Background & Scope of Work: On October 23, 2019 SCAG awarded Contract No. 20-002-C01 to Best Best & Krieger to provide legal support to the Regional Council, as specified in Task 1 of the contract, as well as to provide as-needed litigation and other legal support to the agency, as specified in Task 2 of the contract. With respect to Task 2, the Regional Council requested that staff negotiate a lower rate for the paralegal labor classification which was \$165 per hour. This amendment, if approved, will: *1) incorporate the final negotiated hourly rate of \$150 per hour for the paralegal labor classification in the contract, a 10% reduction from the original proposed rate; 2) revise the title of Task 2 from, "As Needed Litigation Support Services," to "As Needed Litigation and Other Legal Support Services"; and 3) eliminate the legal assistant labor classification from Task 2 as this classification is not required.*

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

- Legal Counsel Services to the Regional Council on a monthly flat fee basis; and
- As Needed Litigation and other Legal Services.

Strategic Plan: This item supports the following Strategic Plan Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians. 4: Provide innovative information and value-added services to enhance member agencies' planning and operations and promote regional collaboration.

Amendment	Amendment 2	No increase in contract value
Amount:	Amendment 1	\$48,490
	Original contract value	\$495,480
	Total contract value is not to exceed	\$543,970

Contract Period: October 23, 2019 through June 30, 2022

Project Number: 800-0160.01 \$48,490
 800-0160.01 \$120,00
 Funding source: General Fund

Funding of \$168,490 is available in the FY 2019-20 budget, and the remaining \$375,480 is expected to be available and spread out over four (4) fiscal years in project number 800-0160.01, subject to budget availability.

Basis for the Amendment: As previously stated, the Regional Council requested that staff negotiate a lower rate for the paralegal labor classification. Best Best and Krieger's original proposed rate for the paralegal labor classification was \$165 per hour. The final negotiated rate of \$150 per hour reflects a 10% reduction from the original proposed rate and is competitive as compared to market rates for these services. Task 2 hourly rates allocated for a paralegal and legal assistant have been revised and are being presented to the Regional Council for approval. The revised rates are as follows:

Labor Category	Original Proposed Rate	Revised Proposed Rate
Paralegal	\$165	\$150
Legal Assistant	\$165	N/A

Conflict Of Interest (COI) Form - Attachment
For March 5, 2020 Regional Council Approval

Approve Amendment No. 2 to Contract No. 20-002-C01, with Best Best & Krieger, LLP to incorporate the final negotiated hourly rate of \$150 per hour for the paralegal labor classification into the contract.

The consultant team for this contract includes:

Consultant Name	Did the consultant disclose a conflict in the Conflict of Interest Form they submitted with its original proposal (Yes or No)?
Best Best & Krieger, LLP	Yes

SCAG CONFLICT OF INTEREST FORM

RFP No. 20-002

SECTION I: INSTRUCTIONS

All persons or firms seeking contracts must complete and submit a SCAG Conflict of Interest Form along with the proposal. This requirement also applies to any proposed subconsultant(s). Failure to comply with this requirement may cause your proposal to be declared non-responsive.

In order to answer the questions contained in this form, please review SCAG's Conflict of Interest Policy, the list of SCAG employees, and the list of SCAG's Regional Council members. All three documents can be viewed online at www.scag.ca.gov. The SCAG Conflict of Interest Policy is located under "OPPORTUNITIES", then "Doing Business with SCAG" and scroll down under the "CONTRACTS" tab; whereas the SCAG staff may be found under "ABOUT" then "Employee Directory"; and Regional Council members can be found under "ABOUT", then scroll down to "ELECTED OFFICIALS" on the left side of the page and click on "See the list of SCAG representative and their Districts."

Any questions regarding the information required to be disclosed in this form should be directed to SCAG's Deputy Legal Counsel, especially if you answer "yes" to any question in this form, as doing so MAY also disqualify your firm from submitting an offer on this proposal

Name of Firm: Best Best & Krieger LLP
Name of Preparer: Ruben Duran, Partner
Project Title: Board Counsel
RFP Number: 20-002 **Date Submitted:** 08/19/19

SECTION II: QUESTIONS

1. During the last twelve (12) months, has your firm provided a source of income to employees of SCAG or members of the SCAG Regional Council, or have any employees or Regional Council members held any investment (including real property) in your firm?

YES NO

If "yes," please list the names of those SCAG employees and/or SCAG Regional Council members and the nature of the financial interest:

Name	Nature of Financial Interest
<u>Donald Wagner</u>	<u>employed by BB&K from Feb 2017 - Dec 2018</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

2. Have you or any members of your firm been an employee of SCAG or served as a member of the SCAG Regional Council within the last twelve (12) months?

YES NO

If "yes," please list name, position, and dates of service:

Name	Position	Dates of Service
Donald Wagner	Of Counsel Attorney	Feb 2017 – Dec 2018
_____	_____	_____
_____	_____	_____
_____	_____	_____

3. Are you or any managers, partners, or officers of your firm related by blood or marriage/domestic partnership to an employee of SCAG or member of the SCAG Regional Council that is considering your proposal?

YES NO

If "yes," please list name and the nature of the relationship:

Name	Relationship
_____	_____
_____	_____
_____	_____
_____	_____

4. Does an employee of SCAG or a member of the SCAG Regional Council hold a position at your firm as a director, officer, partner, trustee, employee, or any position of management?

YES NO

If "yes," please list name and the nature of the relationship:

Name	Relationship
_____	_____
_____	_____
_____	_____
_____	_____

5. Have you or any managers, partners, or officers of your firm ever given (directly or indirectly), or offered to give on behalf of another or through another person, campaign contributions or gifts to any current employee of SCAG or member of the SCAG Regional Council (including contributions to a political committee created by or on behalf of a member/candidate)?

YES NO

If "yes," please list name, date gift or contribution was given/offered, and dollar value:

Name	Date	Dollar Value
Sean Ashton, Regional Council	September 2017	LCC Fall Reception - \$179.98
Jonathan Curtis, Regional Council	October 2016	LCC Fall Reception - \$111.38
James Gazeley, Regional Council	May 2019	CCA Dinner - \$111.04
Bill Jahn, Regional Council	October 2016 and September 2017	LCC Fall Receptions - \$111.38 and \$89.99

SECTION III: VALIDATION STATEMENT

This Validation Statement must be completed and signed by at least one General Partner, Owner, Principal, or Officer authorized to legally commit the proposer.

DECLARATION

I, (printed full name) Scott Campbell, hereby declare that I am the (position or title) Partner of (firm name) Best Best & Krieger LLP, and that I am duly authorized to execute this Validation Statement on behalf of this entity. I hereby state that this SCAG Conflict of Interest Form dated 08/15/19 is correct and current as submitted. I acknowledge that any false, deceptive, or fraudulent statements on this Validation Statement will result in rejection of my contract proposal.

 _____
Signature of Person Certifying for Proposer (original signature required) Date 08/15/19

NOTICE

A material false statement, omission, or fraudulent inducement made in connection with this SCAG Conflict of Interest Form is sufficient cause for rejection of the contract proposal or revocation of a prior contract award.



AGENDA ITEM 8

REPORT

Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
March 5, 2020

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

From: Basil Panas, Chief Financial Officer, Finance, 213-236-1817,
panas@scag.ca.gov

Subject: Contract Amendment Greater than 30% of the Contract's
Original Value, Purchase Order No. 007008, Electronic
Signatures, Amendment 2

**EXECUTIVE DIRECTOR'S
APPROVAL**

RECOMMENDED ACTION:

Approve Amendment No. 2 to Purchase Order No. 007008 in the amount of \$2,852, with DocuSign, Inc. to procure nine (9) additional licenses for electronic signatures, advanced workflows, single sign-on and premiere support.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 5: Recruit, support, and develop a world-class workforce and be the workplace of choice.

EXECUTIVE SUMMARY:

To improve the streamlining of SCAG's workflow processes associated with routing and executing the agency's contracts and amendments, staff obtained six (6) licenses for the Contracts Department to electronically sign contracts and amendments as a pilot program. Due to the success of the pilot program in significantly reducing the time it takes to route contracts and amendments for signature, staff desires to purchase nine (9) additional licenses to extend the use of electronic signatures to other agency departments to route and execute documents such, Memorandums of Understanding, California Public Employees' Retirement System (CalPers) documents and other agency documents. This amendment when combined with a previous amendment exceeds the 30% of the contract's original value. Therefore, in accordance with the SCAG Procurement Manual Section 9.3, dated 11/25/19, it requires the Regional Council's approval.

BACKGROUND:

Staff recommends executing the following contract amendment:

<u>Consultant/PO #</u>	<u>Contract Purpose</u>	<u>Contract Amount</u>
DocuSign, Inc.	The consultant shall provide nine (9) additional	\$2,852

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(PO-007008)

licenses to extend the use of electronic signatures to other agency departments.

FISCAL IMPACT:

Funding of \$2,852 is available in the FY 2019-20 Overall Work Program (OWP) in Project Number 810-0120.07.

ATTACHMENT(S):

1. Contract Summary PO-007008 Amendment 2
2. Contract Summary PO-007008 C01

PURCHASE ORDER NO. 007008 Amendment 2

Recommended Consultant:	DocuSign, Inc.								
Background & Scope of Work:	To improve the streamlining of SCAG’s workflow processes associated with routing and executing the agency’s contracts and amendments, staff obtained six (6) licenses for the Contracts Department to electronically sign contracts and amendments as a pilot program. Due to the success of the pilot program in significantly reducing the time it takes to route contracts and amendments for signature, staff desires to purchase nine (9) additional licenses to extend the use of electronic signatures to other agency departments to route and execute documents such, Memorandums of Understanding, California Public Employees’ Retirement System (CalPers) documents and other agency documents. This amendment will also increase the contract value from \$5,351 to \$8,203.								
Project’s Benefits & Key Deliverables:	The project’s benefits and key deliverables include, but are not limited to: <ul style="list-style-type: none">• Increased staff productivity through the acquisition of Electronic Signatures;• The ability to streamline work processes while using existing documentation; and• Enables SCAG to be on the cutting edge of document management.								
Strategic Plan:	This item supports SCAG’s Strategic Plan Goal 5: Optimize Organizational Efficiency and Cultivate an Engaged Workforce; Objective: d) Integrate advanced information and communication technologies.								
Amendment Amount:	<table><tr><td>Amendment 2</td><td>\$2,852</td></tr><tr><td>Amendment 1</td><td>\$631</td></tr><tr><td>Original contract value</td><td><u>\$4,720</u></td></tr><tr><td>Total contract value is not to exceed</td><td>\$8,203</td></tr></table>	Amendment 2	\$2,852	Amendment 1	\$631	Original contract value	<u>\$4,720</u>	Total contract value is not to exceed	\$8,203
Amendment 2	\$2,852								
Amendment 1	\$631								
Original contract value	<u>\$4,720</u>								
Total contract value is not to exceed	\$8,203								
	This amendment when combined with a previous amendment exceeds the 30% of the contract’s original value. Therefore, in accordance with the SCAG Procurement Manual Section 9.3, dated 11/25/19, it requires the Regional Council’s approval.								
Contract Period:	June 1, 2019 through May 31, 2020								
Project Number(s):	810-0120.07 \$2,852 Funding source(s): General Fund								
Basis for Selection:	In accordance with SCAG’s Contract Manual Section 7.4, dated 11/25/19, to foster greater economy and efficiency, SCAG’s federal procurement guidance (2 CFR 200.318 [e]) authorizes SCAG to procure goods and services by entering into State and local intergovernmental agreements (Master Service Agreements – MSA’s. also known as Leveraged Purchase Agreements). The goods and services procured under an MSA were previously competitively procured by another governmental entity (SCAG is essentially “piggy-backing” on the agreement.) Staff obtained the original six (6) licenses using an MSA with National Associations of State Procurement Officials (NASPO) ValuePoint Contract #AR2472 that was competitively procured. This MSA is specifically designed for use by local agencies to - leverage combined purchasing power for discounted pricing for Electronic								

Attachment: Contract Summary PO-007008 Amendment 2 (Contract Amendment Greater than 30% of the Contract's Original Value, Purchase

Signature Software. Staff will procure the nine (9) additional licenses using this same MSA.

The additional licenses will enable the continuation of increased staff productivity by streamlining work processes through the acquisition of electronic signatures that supports SCAG's mission of being at the cutting edge of document management.

**Conflict Of Interest (COI) Form - Attachment
For March 5, 2020 Regional Council Approval**

Approve Amendment No. 2 to Purchase Order No. 007008 in the amount of \$2,852, with DocuSign, Inc. to procure nine (9) additional licenses for electronic signatures, advanced workflows, single sign-on and premiere support.

The consultant team for this contract includes:

Consultant Name	Did the consultant disclose a conflict in the Conflict of Interest Form they submitted with its original proposal (Yes or No)?
DocuSign Inc.	No

Attachment: Contract Summary PO-007008 Amendment 2 (Contract Amendment Greater than 30% of the Contract's Original Value, Purchase

SCAG CONFLICT OF INTEREST FORM

Purchase Order No. 00-7008

SECTION I: INSTRUCTIONS

All persons or firms seeking contracts must complete and submit a SCAG Conflict of Interest Form along with the proposal. This requirement also applies to any proposed subconsultant(s). Failure to comply with this requirement may cause your proposal to be declared non-responsive.

In order to answer the questions contained in this form, please review SCAG’s Conflict of Interest Policy, the list of SCAG employees, and the list of SCAG’s Regional Council members. All three documents can be viewed online at www.scag.ca.gov. The SCAG Conflict of Interest Policy is located under “OPPORTUNITIES”, then “Doing Business with SCAG” and scroll down under the “CONTRACTS” tab; whereas the SCAG staff may be found under “ABOUT” then “Employee Directory”; and Regional Council members can be found under “ABOUT”, then scroll down to “ELECTED OFFICIALS” on the left side of the page and click on “See the list of SCAG representative and their Districts.”

Any questions regarding the information required to be disclosed in this form should be directed to SCAG’s Deputy Legal Counsel, especially if you answer “yes” to any question in this form, as doing so MAY also disqualify your firm from submitting an offer on this proposal

Name of Firm: DocuSign

Name of Preparer: Beatriz Benjamin

Project Title: E Signature

Date Submitted: January 30, 2020

SECTION II: QUESTIONS

- During the last twelve (12) months, has your firm provided a source of income to employees of SCAG or members of the SCAG Regional Council, or have any employees or Regional Council members held any investment (including real property) in your firm?

YES NO

If “yes,” please list the names of those SCAG employees and/or SCAG Regional Council members and the nature of the financial interest:

Name	Nature of Financial Interest
_____	_____
_____	_____
_____	_____
_____	_____

Attachment: Contract Summary PO-007008 C01 (Contract Amendment Greater than 30% of the Contract’s Original Value, Purchase Order No.

2. Have you or any members of your firm been an employee of SCAG or served as a member of the SCAG Regional Council within the last twelve (12) months?

YES NO

If "yes," please list name, position, and dates of service:

Name	Position	Dates of Service
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

3. Are you or any managers, partners, or officers of your firm related by blood or marriage/domestic partnership to an employee of SCAG or member of the SCAG Regional Council that is considering your proposal?

YES NO

If "yes," please list name and the nature of the relationship:

Name	Relationship
_____	_____
_____	_____
_____	_____
_____	_____

4. Does an employee of SCAG or a member of the SCAG Regional Council hold a position at your firm as a director, officer, partner, trustee, employee, or any position of management?

YES NO

If "yes," please list name and the nature of the relationship:

Name	Relationship
_____	_____
_____	_____
_____	_____
_____	_____

5. Have you or any managers, partners, or officers of your firm ever given (directly or indirectly), or offered to give on behalf of another or through another person, campaign contributions or gifts to any current employee of SCAG or member of the SCAG Regional Council (including contributions to a political committee created by or on behalf of a member/candidate)?

YES NO

If "yes," please list name, date gift or contribution was given/offered, and dollar value:

Name	Date	Dollar Value
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

SECTION III: VALIDATION STATEMENT

This Validation Statement must be completed and signed by at least one General Partner, Owner, Principal, or Officer authorized to legally commit the proposer.

DECLARATION

I, (printed full name) Beatriz Benjamin, hereby declare that I am the (position or title) Revenue Operations Manager of (firm name) DocuSign, and that I am duly authorized to execute this Validation Statement on behalf of this entity. I hereby state that this SCAG Conflict of Interest Form dated January 30, 2020 is correct and current as submitted. I acknowledge that any false, deceptive, or fraudulent statements on this Validation Statement will result in rejection of my contract proposal.

DocuSigned by:
Beatriz Benjamin January 30, 2020

 Signature of Person Certifying for Proposer Date
 (original signature required)

DS
HMS

NOTICE

A material false statement, omission, or fraudulent inducement made in connection with this SCAG Conflict of Interest Form is sufficient cause for rejection of the contract proposal or revocation of a prior contract award.

Attachment: Contract Summary PO-007008 C01 (Contract Amendment Greater than 30% of the Contract's Original Value, Purchase Order No.



Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
March 5, 2020

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

From: Basil Panas, Chief Financial Officer, Finance, 213-236-1817,
panas@scag.ca.gov

Subject: Contracts \$200,000 or Greater: 20-037-C01, Go Human
Advertising & Engagement Campaign

**EXECUTIVE DIRECTOR'S
APPROVAL**

RECOMMENDED ACTION:

Approve Contract No. 20-037-C01 in an amount not to exceed \$750,519 with Civilian to assist staff with marketing and advertising services to develop and implement the advertising component of Go Human.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians.

EXECUTIVE SUMMARY:

The consultant shall conduct media buys across multiple media markets within the region as part of the Go Human regional safety advertising campaign. The consultant shall conduct message testing, develop graphics, and evaluate campaign recognition. The consultant shall also develop co-branded advertisements and materials for partners across the region.

BACKGROUND:

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

<u>Consultant/Contract #</u>	<u>Contract Purpose</u>	<u>Contract Amount</u>
Civilian, Inc. (20-037-C01)	The Consultant assist with marketing and advertising services to develop and implement the advertising component of Go Human. The primary goal of the campaign is to reduce vehicle versus pedestrian and bicycle collisions, while increasing levels of walking and biking in Southern California.	\$750,519

FISCAL IMPACT:

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

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Funding of \$750,519 is available in the FY 2019-20 Overall Work Program (OWP) in Project Number 225-3564J5.15.

ATTACHMENT(S):

1. Contract Summary 20-037-C01
2. Contract Summary 20-037-C01 COI

CONSULTANT CONTRACT 20-037-C01

Recommended Consultant:

Civilian, Inc.

Background & Scope of Work:

Consistent with the requirements of the Pedestrian and Bicycle Safety Program grant that funds this project, the consultant shall provide SCAG with marketing and advertising services to develop and implement the advertising component of Go Human. The primary goal of the campaign is to reduce vehicle versus pedestrian and bicycle collisions, while increasing levels of walking and biking in Southern California. This contract award includes the following elements:

1. Advertising campaign, including updated campaign messaging, testing and evaluation;
2. Co-Branding and printing for partner agencies; and
3. Local Community Engagement Program Management

SCAG's campaign will target all roadway users including drivers, pedestrians, bicyclists and people riding scooters in communities across the region with emphasis on high-rate collision areas and introduce a vision to eliminate fatalities, especially on the High Injury Network (HIN), in Disadvantaged Communities (DACs) and local roads where the majority of collisions occur. The campaign will consist of an advertising effort targeting 280 million impressions region-wide with safety messaging designed to change behavior to improve safety. Digital and social advertising will use geo-targeting and behavioral targeting to reach key audiences and people who live near the HIN and in DACs.

Project's Benefits & Key Deliverables:

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

- An Implementation Plan and Advertising Strategy for six (6) counties (Imperial, Los Angeles, Orange, Riverside, San Bernardino and Ventura),;
- A Creative Brief; Proposed Social Media Messages (9) combinations/posts, social media resources, and Co-Branded Assets (20).
- Media Placements; and
- Draft and final report, including summary, next steps, and recommendations.

Strategic Plan:

This item supports SCAG's Strategic Plan Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians.

Contract Amount:

Total not to exceed

\$750,519

Civilian, Inc. (prime consultant)

Contract Period:

Notice to Proceed through December 31, 2020

Project Number(s):

225.3564.15 \$\$750,519

Funding source(s): Pedestrian and Bicycle Safety Program Grant

Funding of \$750,519 is available in the FY 2019-20 Overall Work Program (OWP) in Project Number 225-3564J5.15.

Request for Proposal (RFP):

SCAG staff notified 1,715 firms of the release of RFP 20-037-C01 via SCAG’s Solicitation Management System website. A total of 56 firms downloaded the RFP. SCAG received the following three (3) proposals in response to the solicitation:

Civilian, Inc. (no subconsultants)	\$750,519
BBR Worldwide, Inc. (no subconsultants)	\$797,240
Elevate Public Affairs (1 subconsultant)	\$936,132

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 two (2) highest ranked offerors.

The PRC consisted of the following individuals:

Julia Lippe-Klein, Acting Program Manager, SCAG
Hannah Brunelle, Associate Regional Planner, SCAG
Dorothy Le Suchkova, Senior Regional Planner, SCAG

Basis for Selection:

The PRC recommended Civilian, Inc. for the contract award because the consultant:

- Demonstrated the best understanding of the project, specifically regarding execution of tasks and deliverables;
- Provided the best technical approach, for example they proposed strategically integrating lessons learned from previous efforts to improve the campaign strategy and outcomes;
- Provided the best overall value for the level of effort proposed; and
- Proposed the lowest price.

**Conflict Of Interest (COI) Form - Attachment
For March 5, 2020 Regional Council Approval**

Approve Contract No. 20-037-C01 in an amount not to exceed \$750,519 with Civilian to assist with marketing and advertising services to develop and implement the advertising component of Go Human.

The consultant team for this contract includes:

Consultant Name	Did the consultant disclose a conflict in the Conflict of Interest Form they submitted with its original proposal (Yes or No)?
Civilian, Inc. (prime consultant)	No - form attached

SCAG CONFLICT OF INTEREST FORM

RFP No. 20-037

SECTION I: INSTRUCTIONS

All persons or firms seeking contracts must complete and submit a SCAG Conflict of Interest Form along with the proposal. This requirement also applies to any proposed subconsultant(s). Failure to comply with this requirement may cause your proposal to be declared non-responsive.

In order to answer the questions contained in this form, please review SCAG’s Conflict of Interest Policy, the list of SCAG employees, and the list of SCAG’s Regional Council members. All three documents can be viewed online at www.scag.ca.gov. The SCAG Conflict of Interest Policy is located under “OPPORTUNITIES”, then “Doing Business with SCAG” and scroll down under the “CONTRACTS” tab; whereas the SCAG staff may be found under “ABOUT” then “Employee Directory”; and Regional Council members can be found under “ABOUT”, then scroll down to “ELECTED OFFICIALS” on the left side of the page and click on “See the list of SCAG representative and their Districts.”

Any questions regarding the information required to be disclosed in this form should be directed to SCAG’s Deputy Legal Counsel, especially if you answer “yes” to any question in this form, as doing so **MAY** also disqualify your firm from submitting an offer on this proposal

Name of Firm: Civilian, Inc.
Name of Preparer: Stav P. Stein
Project Title: Go Human Advertising & Engagement Campaign
RFP Number: 20-037 Date Submitted: 1/28/2020

SECTION II: QUESTIONS

1. During the last twelve (12) months, has your firm provided a source of income to employees of SCAG or members of the SCAG Regional Council, or have any employees or Regional Council members held any investment (including real property) in your firm?

YES NO

If “yes,” please list the names of those SCAG employees and/or SCAG Regional Council members and the nature of the financial interest:

Name	Nature of Financial Interest
_____	_____
_____	_____
_____	_____
_____	_____

2. Have you or any members of your firm been an employee of SCAG or served as a member of the SCAG Regional Council within the last twelve (12) months?

YES NO

If "yes," please list name, position, and dates of service:

Name	Position	Dates of Service
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

3. Are you or any managers, partners, or officers of your firm related by blood or marriage/domestic partnership to an employee of SCAG or member of the SCAG Regional Council that is considering your proposal?

YES NO

If "yes," please list name and the nature of the relationship:

Name	Relationship
_____	_____
_____	_____
_____	_____
_____	_____

4. Does an employee of SCAG or a member of the SCAG Regional Council hold a position at your firm as a director, officer, partner, trustee, employee, or any position of management?

YES NO

If "yes," please list name and the nature of the relationship:

Name	Relationship
_____	_____
_____	_____
_____	_____
_____	_____

5. Have you or any managers, partners, or officers of your firm ever given (directly or indirectly), or offered to give on behalf of another or through another person, campaign contributions or gifts to any current employee of SCAG or member of the SCAG Regional Council (including contributions to a political committee created by or on behalf of a member/candidate)?

YES NO

If "yes," please list name, date gift or contribution was given/offered, and dollar value:

Name	Date	Dollar Value
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

SECTION III: VALIDATION STATEMENT

This Validation Statement must be completed and signed by at least one General Partner, Owner, Principal, or Officer authorized to legally commit the proposer.

DECLARATION

I, (printed full name) Stacey Nelson Smith, hereby declare that I am the (position or title) Founder and CEO of (firm name) Civilian, Inc, and that I am duly authorized to execute this Validation Statement on behalf of this entity. I hereby state that this SCAG Conflict of Interest Form dated 1/27/2020 is correct and current as submitted. I acknowledge that any false, deceptive, or fraudulent statements on this Validation Statement will result in rejection of my contract proposal.


1/27/2020

Signature of Person Certifying for Proposer Date
(original signature required)

NOTICE

A material false statement, omission, or fraudulent inducement made in connection with this SCAG Conflict of Interest Form is sufficient cause for rejection of the contract proposal or revocation of a prior contract award.



Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
March 5, 2020

To: Community
Economic & Human Development Committee (CEHD)
Energy & Environment Committee (EEC)
Transportation Committee (TC)
Regional Council (RC)
From: Naresh Amatya, Manager of Transportation Planning and
Programs, Planning Division, (213) 236-1885,
amatya@scag.ca.gov
Subject: Overview of Draft Connect SoCal Comments and Revision
Approach

**EXECUTIVE DIRECTOR'S
APPROVAL**

RECOMMENDED ACTION:

For information and discussion only.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

EXECUTIVE SUMMARY:

The purpose of this report is to provide an overview of the comments received on the Draft Regional Transportation Plan/Sustainable Communities Strategy (“RTP/SCS,” “Connect SoCal” or “Plan”) and receive input on staff’s intended approach for responding to comments and preparing revisions for finalizing Connect SoCal.

BACKGROUND:

As the designated Metropolitan Planning Organization for the Counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura, SCAG is required by state and federal statutes to prepare and update a long range (20 year minimum) Regional Transportation Plan that provides for the development and integrated management and operation of transportation systems and facilities that will function as an intermodal transportation network for the SCAG metropolitan planning area. Pursuant to the federal Clean Air Act, Connect SoCal is required to meet all federal transportation conformity requirements, including regional emissions analysis, financial constraint, timely implementation of transportation control measures, and interagency consultation and public involvement (42 U.S.C. §7401 et seq.).

The passage of California Senate Bill 375 (SB 375) in 2008 requires that an MPO prepare and adopt a

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Sustainable Communities Strategy (SCS) that sets forth a forecasted regional development pattern which, when integrated with the transportation network, measures, and policies, will reduce greenhouse gas emissions (GHG) from automobiles and light duty trucks (Govt. Code §65080(b)(2)(B)). The SCS outlines certain growth strategies that provide for more integrated land use and transportation planning, and maximize transportation investments. The SCS is intended to provide a regional land use policy framework that local governments may consider and build upon. The development of the RTP/SCS is subject to the California Environmental Quality Act (CEQA). Therefore, SCAG also prepares a Program Environmental Impact Report (PEIR) that evaluates the potential environmental impacts associated with the Connect SoCal.

Through a continuing, cooperative, and comprehensive planning process with its stakeholders, SCAG developed the Draft Connect SoCal Plan, which meets state and federal requirements and lays out a collective vision for improving the region's mobility, economy, and sustainability.

SCAG released the Draft Connect SoCal for over the required 60-day public comment period that began on November 14, 2019 and ended on January 24, 2020. The public review and comment period completes more than three years of dialogue and consultation on this planning effort. During the public review and comment period, SCAG conducted a large-scale outreach campaign throughout the six-county region to educate and solicit feedback on the Plan. Throughout the public comment period, SCAG held 21 elected official briefings (which were also open to the public), one tele-town hall, one webinar, and three public hearings which were video-conferenced simultaneously to the five regional offices to make them more accessible to residents throughout the region. All of the materials for the briefings, public hearings, and workshops were posted on the Connect SoCal website. During our outreach, many expressed their support for Connect SoCal and offered feedback on how it could be further improved.

SCAG encouraged the public to comment on the Plan at the aforementioned outreach events and through the online commenting form, regular mail, and email. SCAG received 107 separate communications (both oral and written) containing over 1,800 comments on the Draft Connect SoCal. A total of 81 comments were received from agencies/organizations and 26 were received from individuals. A summary list of commenters is attached to this report (Attachment 1).

Based on staff's review, all elements of the Draft Connect SoCal received supportive comments with the majority of comments that sought further clarification. At a summary level, comments can be combined into 16 major categories. Staff seeks to inform the Regional Council and Policy Committee members and receive input on the intended approach for responding to comments and preparing revisions. The major categories of Connect SoCal comments and requests for clarification, with a proposed approach described, are as follows.

1. Active Transportation

Areas Seeking Clarification - Many commenters, including advocacy and county transportation commissions, were supportive of the importance the Draft Connect SoCal places on active transportation, e-scooters and bikeshare. Many encouraged the need for a stronger approach to the implementation of Complete Streets in the region. While many comments were supportive of the increase in active transportation funds, there were many on the need to further increase the amount of funding allocated to regions for active transportation projects. Additionally, comments called for the prioritization of bikeway classes by safety levels.

Proposed Approach - SCAG will strengthen language on implementation of Complete Streets in the region and prioritization of bikeway classification preference. SCAG will also continue to assist our local jurisdictions in applying for active transportation planning and implementation funds in order to increase safety and equity outcomes.

2. Aviation and Airport Ground Access

Areas Seeking Clarification - Many comments sought minor clarifications on the role of aviation within the plan as well as SCAG's role in aviation system planning. A few questions related to the aviation demand forecast process, assumptions and results. Some requested exploring additional opportunities to connect airports, particularly Ontario International Airport, with high quality transit options.

Proposed Approach - Most of the responses to comments involved clarifying the relationship as well as roles and responsibilities between SCAG, Airport Authorities, County Transportation Commissions, Federal Aviation Administration (FAA) and others. Some comments resulted in minor revisions, primarily to address unintended errors and provide minor clarifications. No changes to the underlying data, analysis and policies were recommended in finalizing the Aviation and Airport Ground Access element of the proposed Final Connect SoCal.

3. Emerging Technology

Areas Seeking Clarification - SCAG received numerous comments on the importance of transitioning to zero-emissions vehicles in various sectors including passenger, transit and goods movement vehicles. Other comments stated that SCAG should remain technology-neutral with regard to vehicle fuel and power technology. Additionally SCAG received comments regarding the importance of micro-mobility and other "slow-speed" modes in achieving the goals of Connect SoCal.

Proposed Approach - SCAG's policies are technology neutral with regard to supporting zero and/or near-zero emissions vehicles in order to achieve regional objectives. Regarding micro-mobility, these devices are regulated by local jurisdictions. SCAG will continue to conduct research and disseminate best practices to our member jurisdictions.

4. Environmental Justice

Areas Seeking Clarifications - Many respondents reported positive feedback on the Environmental Justice (EJ) Toolbox, General Plan Element indicators and the report's new structure, which were developed based on extensive stakeholder engagement. Other comments received were on various topics including developing EJ metrics and quantifiable targets, developing funding lists, examining park inequities, and clarification on certain maps and tables. Others requested to include additional consideration with public health and goods movement to increase collaboration with such topics.

Proposed Approach - Staff will provide clarifications and corrections where applicable in the narrative, tables, maps and charts. Suggestions related to including EJ metrics and quantifiable targets, developing funding lists, examining park inequities and more collaboration will be addressed after Connect SoCal adoption and with engagement from the Environmental Justice Working Group. Staff will continue to address these suggestions by developing an ongoing Environmental Justice Program.

5. Goods Movement

Areas Seeking Clarification - Many comments focused on electrification of the regional freight rail system, strategies to reach a zero-emission freight system, and increased funding allocation to deploy zero-emission cargo movement system(s).

Proposed Approach - SCAG recognizes that there are numerous issues to resolve in order to achieve our regional objective of a zero-emissions goods movement system. SCAG concurs that the region needs to move to cleaner modes of freight transportation and will continue to advance strategies that reduce emissions in all modes. Further evaluation regarding costs, funding, and implementation of electrification of the regional freight rail system and zero-emission cargo movement system(s) should be conducted. SCAG remains open to evaluating all technologies that will help the region to reduce emissions and associated health impacts, and achieve regional air quality goals.

6. Natural & Farm Lands Conservation

Areas Seeking Clarification - Comments were generally supportive of conservation strategies, and asked for further strengthening of conservation policies. Several comments described the need to identify further incentives and mechanisms to conserve lands to avoid growth on the urban fringe and further encourage infill development. Several comments were in support of the Regional Advance Mitigation Program (RAMP) strategy and sought more detail.

Proposed Approach - Text will be updated to clarify and reinforce conservation strategies and next steps. In the coming years, SCAG will support local entities and other stakeholders to assist in the cross-jurisdictional coordination and implementation of conservation

strategies, especially developing a Regional Greenprint data tool and exploring opportunities through partnerships to design a RAMP.

7. Passenger Rail

Areas Seeking Clarification - Many comments supported the passenger rail investments included in Connect SoCal, including the Metrolink SCORE program. A number of comments were on project updates or clarifications, including the XpressWest Project, and updates from the California High Speed Rail Authority.

Proposed Approach - Revisions to the Final Connect SoCal will reflect those updates.

8. Project List

Areas Seeking Clarification - Most comments involved requests for project listing modifications to modeled and non-modeled projects. In addition, several commenters support or oppose, or seek clarification on, individual projects.

Proposed Approach - SCAG worked closely with the six county transportation commissions (CTCs) to identify the projects included in the draft Connect SoCal, and each CTC likewise coordinated their countywide projects with local transportation agencies. Final determinations regarding projects are the responsibility of the appropriate lead agency and determined through local planning and project development processes. Minor project modifications were accepted when received from CTCs. In total, approximately 172 project listings were modified. For additional projects that are regional in nature, SCAG worked collaboratively with stakeholders to identify them. Decisions to delete, replace or modify a project should similarly undergo a coordinated process involving the affected CTC and lead agency. Substantive changes to projects may be addressed in the next update or amendment to the plan.

9. Public Health

Areas Seeking Clarification - Numerous comments encouraged more robust data collection on public health. Other comments emphasized the need to further consider impacts to low income/minority communities.

Proposed Approach - Many concerns regarding impacts to low income/minority communities are discussed in the Environmental Justice Technical Report. As part of an on-going effort, SCAG plans to improve data collection on public health. Healthy places index scores will be included as part of the Final Connect SoCal.

10. Public Participation & Consultation

Areas Seeking Clarification - Comments received expressed the need to perform more intentional engagement in traditionally underrepresented and/or underserved communities

throughout the SCAG region. Commenters also commended the use of new technologies, such as, live webinars and tele-town halls as effective tools for communication as they allow for greater access and participation from diverse audiences. There was also strong interest in continued engagement of Community Based Organizations (CBOs) pre and post development of draft Connect SoCal.

Proposed Approach - SCAG conducted a robust community engagement program after the draft Connect SoCal was released. Additional language in the Final Connect SoCal will be included to reflect those activities. For future cycles and in plan implementation activities, SCAG will continue to explore innovative ways to further engage traditionally underrepresented and/or underserved communities throughout the SCAG region.

11. Relationships between Connect SoCal and the Regional Housing Needs Assessment (RHNA)

Areas Seeking Clarification - Comments received focused on the relationships between Connect SoCal and RHNA. Specifically, questions arose as to how the 6th Cycle RHNA has been considered in Connect SoCal, and how the Connect SoCal addressed the SB 375 requirements to identify areas within the region sufficient to house an eight year projection of the regional housing need for the region pursuant to California Government Code Section 65584.

Proposed Approach - Recent state RHNA legislation has changed the relationship between RHNA and the RTP/SCS. Legislative changes in 2018 modified the nature of the regional housing need determination for the 6th cycle RHNA. The 6th Cycle RHNA regional housing need total per HCD of 1,341,827 units consists of “projected need” (504,970 units) intended to accommodate the growth of population and households during the 6th Cycle RHNA (2021-2029) as well as “existing need” (836,857 units) intended to address the latent needs of the existing population. The “projected need” portion of the 6th Cycle RHNA is derived from the Connect SoCal Growth Forecast. Specifically, the Connect SoCal Growth Forecast projects 466,958 additional households over 2021-2029 (the RHNA planning period). These 466,958 households represent occupied housing units, to which are added two adjustment factors: vacancy need (14,467 units) and replacement needs (23,545 units) to yield the 504,970 housing units reflecting “projected need” for the 6th Cycle RHNA. In addition, the Final Connect SoCal will include information identifying areas within the region sufficient to house an eight year projection of the regional housing need. Existing need is allocated consistent with Connect SoCal goals and policies. Pending availability of local housing element updates resulting from the 6th cycle of RHNA’s existing need and analysis of the market response, existing need will be evaluated for inclusion into future RTP/SCS growth forecasts. Since the intent of existing need is to provide additional housing to the current population, it does not impact population growth and as such is consistent with the Connect SoCal population growth forecast.

12. Sustainable Communities Strategy

Areas Seeking Clarification - Numerous comments were received about housing and the impact of Connect SoCal strategies on housing affordability. The comments varied from wanting to see more explicit housing related policies from SCAG to suggesting a change in the growth strategies. Other comments questioned the inclusion of any discussion on housing in Connect SoCal. Comments sought further clarity about the GHG reduction strategies, concern about the use of vehicle miles travelled as a metric, and proposals to focus on certain strategies, such as electrification, over others. One comment suggested that SCAG stall the process for one year, similar to San Diego Association of Governments, or submit an alternative planning scenario instead of an SCS to the California Air Resources Board. A few comments requested a more descriptive final growth vision. SCAG also received input from local jurisdictions requesting technical refinements to the growth vision datasets. Other comments included requests for more climate data and polices to address climate change.

Proposed Approach - The land use policies included in Connect SoCal reflect an update and refinement but general consistency with the land use policies and strategies included in the first RTP/SCS (2012). SCAG staff will better clarify the impact of strategies on development decisions and that local jurisdictions retain land use authority. Technical refinements will be made to growth vision datasets where input improves alignment with plan policies and strategies. Staff will clarify GHG reduction strategies but will not be changing the focus or emphasis of certain strategies. Additional strategies suggested for incorporation into the SCS can be considered for next cycle after additional discussion with SCAG Policy Committee Members and stakeholders.

13. Transit

Areas Seeking Clarification - Comments were specific to individual projects/ proposals, freeway High Quality Transit Areas (HQTAs), and Regional Housing Needs Assessment (RHNA) allocation in regards to planned High Quality Transit Corridors (HQTCS).

Proposed Approach - SCAG will review and address project specific comments on a case-by-case basis. Generally, SCAG works with the county transportation commissions to identify specific transportation projects for inclusion in the RTP/SCS. Final determinations regarding transit technologies, project costs, project alignments, and project completion dates are the responsibility of the appropriate lead agency and determined through local planning and project development processes. For the 6th cycle of RHNA, SCAG is assigning a portion of housing unit need on the basis of 2045 HQTAs. These HQTAs will be consistent with those developed for Connect SoCal. Additionally, SCAG will revise the definition of HQTAs such that freeway transit corridors with no bus stops on the freeway alignment do not have a directly associated HQTAs.

14. Transportation Conformity Analysis

Areas Seeking Clarification - Numerous comments recommended language on the challenge of attaining federal air quality standards be included in the Final Connect SoCal. Other comments were regarding clarifications on the transportation and emission models, conformity requirements, and overall appreciation to SCAG staff.

Proposed Approach - SCAG will include language regarding the challenges of attaining federal air quality standards and its potential implications. Clarifying language related to the transportation and emission models, conformity requirements, and other requested areas will be incorporated in the Final Connect SoCal.

15. Transportation Finance

Areas Seeking Clarification - Comments were focused on clarifying details on the financial model, implementation guidelines for new revenue sources and need for more evaluation, including assurances on distribution of funds and consideration of impacts of fees on different segments of the population.

Proposed Approach - Text clarifications will be made regarding assumptions for the financial model and guidelines for implementation of new revenue sources. SCAG agrees that additional work is needed including, but not limited to, evaluating options for implementation, accountability and approaches for addressing income and geographic (e.g., urban vs. rural) equity impacts before the mileage-based user fee (or road charge) would become effective (which is why the draft Connect SoCal does not assume revenues from this source before 2030). SCAG, in collaboration with local, regional, state and federal stakeholders, will continue to actively participate in efforts to make transportation funding more sustainable in the long-run.

16. Other

Areas Seeking Clarification - Other comments raise questions or concerns that do not fit into the above categories, such as copy editing and factual errors.

Proposed Approach - SCAG will consider revisions to the Final Connect SoCal generated by other comments on a case-by-case basis. In general, staff will consider revisions where adequate justification has been provided by the commenter.

Next Steps:

April 2, 2020

- o Joint Policy Committee will discuss proposed Final Connect SoCal and consider forwarding a recommendation for adoption by the Regional Council.
- o Energy and Environment Committee will review Final PEIR and consider forwarding a recommendation for approval by the Regional Council.

- o Regional Council will consider approving the Final PEIR and adopting the proposed Final Connect SoCal.

Early June 2020

- o CARB will review SCAG's determination that the SCS would, if implemented, achieve established GHG reduction targets.
- o FHWA and FTA in consultation with US EPA will review Connect SoCal for transportation conformity determination.

FISCAL IMPACT:

The budget for this work is primarily included in the WBS 010.0170.01 RTP Support, Development and Policy Implementation.

ATTACHMENT(S):

1. List of Commenters

Draft Connect SoCal (2020 RTP/SCS) – Summary List of Comments (See Note*)

Agencies/Organizations:

- Alliance for a Regional Solution to Airport Congestion
- Bolsa Chica Land Trust
- Bureau of Engineering, City of Los Angeles
- California Air Resources Board
- California Community Builders / The Two Hundred
- California Cultural Resources Preservation Alliance, Inc.
- California Department of Transportation
- California Dept. of Fish and Wildlife
- California High Speed Rail Authority
- California Native Plant Society
- Californians for Electric Rail
- Center for Biological Diversity
- Center for Demographic Research, Cal State Fullerton
- City of California City
- City of Corona
- City of Costa Mesa
- City of Huntington Beach
- City of Indio
- City of Irvine
- City of La Habra
- City of Laguna Hills
- City of Lancaster
- City of Los Angeles
- City of Los Angeles, Department of Transportation
- City of Mission Viejo
- City of Moreno Valley
- City of Ontario
- City of Oxnard
- City of Palmdale
- City of San Marino
- City of South Gate
- City of South Pasadena
- City of West Hollywood
- City of Yorba Linda
- Climate Resolve
- Diamond Bar Pomona Valley Sierra Club Task Force
- Friends of Harbors, Beaches and Parks
- Friends of the Whittier Hills Association
- Have A Go
- Hills for Everyone
- Imperial County Transportation Commission
- Leadership Counsel for Justice and Accountability
- Los Angeles County Bicycle Coalition
- Los Angeles County Business Federation
- Los Angeles County Metropolitan Transportation Authority
- Natural Lands Coalition
- Omnitrans
- Orange County Business Council
- Orange County Council of Governments
- Orange County Transportation Authority
- Public Health Alliance of Southern California
- Rail Propulsion Systems LLC
- RailPAC
- Responsible Land Use

*Reflects comments received and logged as of 02/19/2020 and may not be complete. Provided for informational purposes at this time. Commenters wishing to confirm receipt of any comment not shown may contact SCAG staff.

Draft Connect SoCal (2020 RTP/SCS) – Summary List of Comments (See Note*)

Agencies/Organizations (continued):

- Retro Bicycle corp.
- Right of Say
- Riverside County Transportation Commission
- Ron Milam Consulting
- Safe Routes Partnership
- San Bernardino Community College
- San Bernardino County Transportation Authority
- Save Hobo Aliso Task Force
- Save The Rivera
- Service Employees International Union - United Service Workers West
- Sierra Club Los Angeles Chapter
- Sierra Club Moreno Valley Group
- SoCalGas
- South Bay Cities Council of Governments
- South Coast Air Quality Management District
- Southern California Edison
- Southern California Leadership Council
- Southern California Regional Rail Authority (SCRRA)
- Transportation Now of San Geronio Pass
- Transportation Corridor Agencies
- UNITE HERE Local 11
- United State Environmental Protection Agency
- Ventura County Air Pollution Control District
- Ventura County Planning Division
- Ventura County Transportation Commission
- Walk Bike Long Beach
- Westwood South of Santa Monica Blvd Homeowner's Association

*Reflects comments received and logged as of 02/19/2020 and may not be complete. Provided for informational purposes at this time. Commenters wishing to confirm receipt of any comment not shown may contact SCAG staff.

Draft Connect SoCal (2020 RTP/SCS) – Summary List of Comments (See Note*)

Contacts with No Affiliation:

- Anonymous Submitter
- Adam Aitoumeziane
- Alan
- Albert Perdon
- Alexander Yessayantz
- Andrew Yoon
- Anna Jaiswal
- Don Salveson
- Garreth Wybenga
- Henry Fung
- Holly Osborne
- Ivan Garcia
- Jordan Sisson
- Mark Westerdale
- Marven Norman
- Meghan Kwast
- Michael Garlan
- Michael Rotcher
- Mitchel Kahn
- Pete Freeman
- Pilar Reynaldo
- Richard Sandbrook
- Stephanie Johnson and Ghassan Roumani
- Steven Shepherd
- T.L. Brink
- Tamara Zavinski

*Reflects comments received and logged as of 02/19/2020 and may not be complete. Provided for informational purposes at this time. Commenters wishing to confirm receipt of any comment not shown may contact SCAG staff.



AGENDA ITEM 11
REPORT

Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
March 5, 2020

To: Community
Economic & Human Development Committee (CEHD)
Energy & Environment Committee (EEC)
Transportation Committee (TC)
Regional Council (RC)
From: Roland Ok, Senior Regional Planner, Compliance &
Performance Monitoring, (213) 236-1819, ok@scag.ca.gov
Subject: Status Update on the Connect SoCal Final PEIR

**EXECUTIVE DIRECTOR'S
APPROVAL**

RECOMMENDED ACTION FOR EEC:

For Information Only – No Action Required

RECOMMENDED ACTION FOR CEHD, TC, AND RC:

Receive and File

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians. 2: Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

EXECUTIVE SUMMARY:

The purpose of this report is to provide a status update on comments received in response to the Draft Connect SoCal Program Environmental Impact Report (PEIR) that SCAG released for a 45-day public review and comment period on December 9, 2019 to January 24, 2020. Additionally, this report provides a preliminary draft outline and a schedule of key milestones for the Final PEIR. For information regarding Draft Connect SoCal comments and revisions, please see Agenda Item No. 3 in the EEC Packet.

BACKGROUND:

Pursuant to the federal Fixing America’s Surface Transportation (FAST) Act (Pub. L. No. 114-94) and Section 65080 of the California Government Code, SCAG is required to adopt and update a long-range regional transportation plan (RTP) every four (4) years. SCAG’s last RTP was adopted in 2016 and an updated RTP is required to be adopted by April 2020. In accordance with the Sustainable Communities and Climate Protection Act of 2008, or Senate Bill (SB) 375 (Steinberg), the RTP will include a Sustainable Communities Strategy (SCS) which details strategies to reduce greenhouse gas (GHG) emissions from passenger vehicles (automobiles and light-duty trucks). As one of the State’s

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18 MPOs, SCAG must prepare an SCS that demonstrates the region’s ability to attain GHG emission-reduction targets through integrated land use, housing, and transportation planning.

CEQA and its implementing regulations (*State CEQA Guidelines*) require SCAG as the Lead Agency to prepare an EIR for any discretionary government action, including programs and plans that may cause significant environmental effects. *Connect SoCal* is a regional planning document updated every four years and provides an update to the 2016 RTP/SCS. Given the regional level of analysis provided in *Connect SoCal*, a Program EIR (PEIR) is the appropriate CEQA document. A PEIR is a “first-tier” CEQA document designed to consider “broad policy alternatives and program wide mitigation measures” (*State CEQA Guidelines* Sec. 15168). The programmatic environmental analysis for the *Connect SoCal* PEIR will evaluate potential environmental effects consisting of direct and indirect effects, growth-inducing impacts, and cumulative impacts resulting from the Plan, and will include mitigation measures to offset any identified potentially significant adverse environmental effects. As a first-tier document, the PEIR may serve as a foundation for subsequent, site-specific environmental review documents (including Addendums, Supplemental EIRs, Subsequent EIRs) for individual transportation and development projects in the region (*State CEQA Guidelines* Sec. 15385).

In addition to fulfilling legal requirements, the PEIR provides an opportunity to inform decision makers and the public about potential environmental effects associated with the implementation of the *Connect SoCal* Plan and alternatives. This first-tier regional-scale environmental analysis will also help local agencies evaluate and reduce direct and indirect impacts, growth-inducing impacts, and cumulative environmental effects with respect to local projects. For a copy of the Draft PEIR, please visit: <https://connectsocial.org/Pages/Draft-2020-PEIR.aspx>

SUMMARY OF COMMENTS FOR THE *CONNECT SOCIAL* PEIR:

On November 7, 2019, with EEC’s recommendation and RC’s subsequent approval, SCAG released the Draft PEIR for a 45-day public review and comment period from December 9, through January 24, 2020. Additionally, Staff conducted a public workshop on January 9, 2020 that provided an overview of the Draft PEIR, as well as information on the schedule and how to submit comments on the Draft PEIR. A total of 41 participants, which includes representatives from SCAG member jurisdictions, organizations and sister agencies participated in the workshop. For information regarding materials presented at the workshops, please visit the *Connect SoCal* PEIR website at: <https://connectsocial.org/Pages/Draft-2020-PEIR.aspx>

SCAG received fifty-two (52) comment letters on the Draft PEIR. Breakdown of commenters by category for the Draft PEIR are listed below:

Table 1: Breakdown of Commenters by Category on the Draft PEIR

Commenter Category	Number
Federal Agencies	1
State Agencies	2
Regional Agencies	6
Sub-regional Agencies	1
County Transportation Commission	4
Local Jurisdictions	13
Sovereign Nations	2
Organizations	18
Individuals	5

For a complete list of commenters please refer to *Attachment 1 – List of Commenters on the Draft PEIR*.

Among the 53 comment letters, there were approximately 262 unique comments¹ directly related to the Draft PEIR. While some comment letters included substantively similar or duplicative comments, a broad range of Draft PEIR topic areas was raised by the comments. Breakdown of comments by topic area are listed below:

Table 2: Breakdown of Comments by Topic Area on the Draft PEIR

Topic Area	No. of Comments
Corrections and Revisions	95
Regional Housing Needs Assessment	21
VMT analysis	20
Mitigation Measures	19
Air Quality	19
Greenhouse Gas Emissions	14
Biological Resources	14
Project List	8
Transportation	8
Aviation	7
Parks and Recreation	6
Land Use and Planning	6
Baseline Conditions	3

¹ SCAG received a total 327 comments, 66 of which were considered redundant (i.e. cross-referencing comments from other local jurisdictions or agencies). Only unique categories are presented in this staff report. A complete list and copy of comments will be provided in the Final PEIR.

Wildfire	2
Wastewater	2
Project Description	2
Thresholds of Significance	2
Health Risk Assessment	2
Alternatives	2
Cultural Resources	3
Hazards and Hazardous Materials	1
Water Quality	1
Solid Waste	2
Environmental Justice	1
Cumulative Impacts	1
Modeling	1
Total Unique Comments	262

SUMMARY OF KEY COMMENTS:

Upon evaluation, SCAG determined that several comments related to certain topics have recurred. SCAG has identified these comments as “Key Comments”. Key Comments include but are not limited to the following:

Vehicle Miles Travelled (VMT) Analysis: Several commenters have posed strong concerns over California Air Resources Board’s (CARB) emphasis on VMT reduction as a strategy to reduce greenhouse gas (GHG) emissions. Commenters have stated that GHG reduction targets are inaccurate, unattainable, and in conflict with SB 375. Commenters have stated that attempts to reduce VMT and potential fees attached to them would result in negative impacts to disadvantaged communities. Furthermore, with the housing shortage in California, VMT regulation would exacerbate the problem. Commenters against VMT reduction strategies have requested that SCAG undertake the preparation of an alternative planning scenario (APS) as CARB’s high targets for GHG and VMT reduction are unrealistic. Commenters who oppose VMT based analysis have also requested that SCAG should reject CARB’s decision to impose VMT reduction targets.

Biological Resources: Commenters have stated that SCAG’s Connect SoCal PEIR and Plan place a greater emphasis on wildlife corridors, protection to flora, wildlife connectivity, conservation lands and wetlands protection. Commenters have also requested that SCAG analyze impacts to biological resources as it relates to climate change. Furthermore, commenters have requested that SCAG develop stronger mitigation measures to protect biological resources. Commenters have requested that SCAG provide additional analysis and mitigation measures that would protect mountain lion population within the region and expand the analysis that links the effects of climate change on wildlife.

Climate Change and Greenhouse Gas Emissions: Commenters have urged SCAG to utilize the RTP/SCS process to aggressively reduce VMT at levels necessary to combat climate change and meet the state's GHG reduction goals. Additionally they state that any VMT increase would negatively impact communities by leading to more vehicle crashes, poorer air quality, public health issues and impacts to wildlife corridors and habitats. However, and as stated previously, several commenters believe that the utilization of VMT to reduce GHG emissions are unattainable and infeasible.

Air Quality: Commenters have requested that the PEIR be revised to use a 2045 no project scenario as the baseline condition and update SCAG's Health Risk Assessment with the revised baseline. Commenters have also provided an extensive list of mitigation measures to SCAG and requested that the Final PEIR incorporate said measures. Additionally, commenters have requested clarification regarding our analysis of construction activities, thresholds of significance and other topics regarding air quality analysis.

Regional Housing Needs Assessment: Commenters have raised concerns about the RHNA process and its consistency with the Plan and that the PEIR should address impacts of RHNA. For example, commenters argue that the RHNA methodology is inconsistent with the Connect SoCal growth forecast and that the PEIR does not consider the cumulative impacts of accommodating 1.34 new homes assigned to the region in the latest RHNA cycle. Commenters have also asked SCAG to revise and clarify the language describing the RHNA process within the regulatory framework subsection in **Section 3.14, Population and Housing**.

Mitigation Measures: Commenters have posed concerns over the sufficiency of the mitigation measures as they believe that the PEIR does not recognize all feasible mitigation measures for each of the dozens of significant unavoidable impacts identified for the Connect SoCal Plan. Other commenters have requested that SCAG drop the "can and should" language in the project level mitigation measures, given the limitation of SCAG's authority pursuant to SB 375 over local jurisdictions' land use authority.

As part of the Final PEIR process, SCAG will respond to all comments and clarify our position and if needed apply revisions to the document. For the key comments identified above, SCAG will provide "Master Responses" for each of those issues. Master responses will address multiple similar comments on an issue and provide a comprehensive reply as well as additional information, as needed.

CONTENTS OF THE FINAL CONNECT SOCAL PEIR:

Pursuant to CEQA Guidelines § 15132, the Final PEIR is required to consist of:

- a. The Draft PEIR or a revision of the draft

- b. Comments and recommendations received on the Draft PEIR either verbatim or in summary
- c. A list of persons, organizations, and public agencies commenting on the Draft PEIR
- d. The responses of the Lead Agency to significant environmental points raised in the review and consultation process
- e. Any other information added by the Lead Agency.

As such the contents of the proposed Connect Final PEIR will include the following items:

1. Draft Connect SoCal PEIR, which includes the following:
 - Executive Summary
 - Chapter 1.0 – Introduction
 - Chapter 2.0 – Project Description
 - Chapter 3.0 – Environmental Impact Analysis and Mitigation Measures
 - Chapter 4.0 – Alternatives
 - Chapter 5.0 – Long Term CEQA Considerations
 - Chapter 6.0 – List of Preparers
 - Chapter 7.0 - Glossary
 - Technical Appendices supporting the Draft PEIR
2. Chapter 8.0 – Introduction to the Final PEIR: This chapter will provide a brief summary of overview of what has occurred since the Draft PEIR and a brief overview of the Final PEIR process.
3. Chapter 9.0 – Response to Comments: This chapter provides background information on the Final PEIR for the Connect SoCal PEIR and includes public written comments on the Draft PEIR and its responses. It includes Master Responses to comments that recurred in a number of comment letters, and responses to written comments made by public agencies, organizations, and interested parties.
4. Chapter 10.0 – Clarifications and Revisions: This chapter provides clarifications and revisions, including staff-initiated revisions, to the Draft PEIR. Based on the staff’s assessment, none of the corrections or additions constitutes significant new information that results in finding of a new mitigation measure that is not analyzed in the Draft PEIR; no finding of a new impact or any increase in existing impacts that have been identified in the Draft PEIR; and thus, none of the corrections or additions significantly change the conclusions presented in the Draft PEIR.
5. Mitigation Monitoring and Reporting Program - The Mitigation Monitoring and Reporting Program (MMRP) is a standalone document that is prepared in compliance with the requirements of §21081.6 of the California Public Resources Code and CEQA Guidelines § 15091 (d) and § 15097. The MMRP, the monitoring plan, applies to the goals, policies, and strategies

articulated in the 2016 RTP/SCS and related mitigation measures to be implemented by SCAG, and project-level performance standards-based mitigation measures which are within responsibility, authority, and/or jurisdiction of project-implementing agency or other public agency serving as lead agency under CEQA in subsequent project- and site- specific design, CEQA review, and decision-making processes, to meet the performance standards for each of the CEQA resource categories.

6. Findings of Fact and Statement of Overriding Considerations - The statement of Findings of Fact is prepared in compliance with the requirements of § 21081.6 of the California Public Resources Code and CEQA Guidelines § 15091. It describes facts, discussions, and conclusions reached in the environmental review relative to impacts, mitigation measures, and selection of an alternative. This chapter also includes a Statement of Overriding Considerations that is prepared in compliance with § 21081 of Public Resources Code and CEQA Guidelines § 15093. The existence of significant unavoidable impacts as identified in the Draft PEIR requires the preparation of a Statement of Overriding Considerations. The Statement of Overriding Consideration explains why SCAG is willing to accept the residual significant impacts. It describes the economic, social, environmental and other benefits of the 2016 RTP/SCS that override the significant unavoidable environmental impacts. It “reflect[s] the ultimate balancing of competing public objectives when the agency decides to approve a project that will cause one or more significant effects on the environment” (CEQA Guidelines § 15021 (d)).

NEXT STEPS:

Staff is reviewing and will respond to all of the public written comments on the Draft PEIR to be included as a component of the proposed Final PEIR (CEQA Guidelines §15132), and intends to seek action by the Environment and Energy Committee to recommend that the RC adopt and certify the Final PEIR at its April 2, 2020 meeting. As such, the proposed Final PEIR will be posted on SCAG’s website on March 23, 2020 to comply with the CEQA requirement that the Final PEIR be published at least 10 days prior to the proposed April 2, 2020 certification date (CEQA Guidelines § 15088).

FISCAL IMPACT:

Work associated with this item is included in the current Fiscal Year 2019/20 Overall Work Program (020.0161.04: Regulatory Compliance).

ATTACHMENT(S):

1. List of Commenters

**Attachment
List of Commenters on the Draft EIR**

Sovereign Nations	
SOV-1	Santa Ynez Band of Chumash Indians
SOV-2	San Manuel Band of Mission Indians
Federal Agencies	
FED-1	Environmental Protection Agency
State Agencies	
STA-1	State of California, California State Transportation Agency
STA-2	California High-Speed Rail Authority
Regional Agencies	
REG-1	John Wayne Airport / Orange County
REG-2	South Coast Air Quality Management District
REG-3	Ventura County Air Pollution Control District
Subregional Agencies	
SUB-1	Orange County Council of Governments
County Transportation Commission	
TRANS-1	Los Angeles County Metropolitan Transportation Authority
TRANS-2	Orange County Transportation Authority
TRANS-3	San Bernardino County Transportation Authority & San Bernardino Council of Governments
TRANS-4	Transportation Corridor Agencies
Local Jurisdictions	
LOC-1	County of Los Angeles Department of Parks and Recreation
LOC-2	County of Ventura Resource Management Agency
LOC-3	Ventura County Public Works Watershed Protection Division
LOC-4	City of Costa Mesa
LOC-5	City of Huntington Beach
LOC-6	City of Indio
LOC-7	City of Irvine
LOC-8	City of La Habra
LOC-9	City of Laguna Hills
LOC-10	City of Lancaster
LOC-11	City of Los Angeles
LOC-12	City of Mission Viejo
LOC-13	City of Moreno Valley
LOC-14	City of South Pasadena
LOC-15	City of West Hollywood
LOC-16	City of Yorba Linda
Organizations	
ORG-1	Coalition for a Safe Environment, et al.
ORG-2	Sierra Club Pomona Valley
ORG-3	Sierra Club Moreno Valley

ORG-4	The Two Hundred
ORG-5	Westwood South of Santa Monica Blvd Homeowner's Association
ORG-6	Alliance for a Regional Solution to Airport Congestion
ORG-7	BizFed
ORG-8	Center for Biological Diversity
ORG-9	Center for Demographic Research
ORG-10	Climate Resolve
ORG-11	Keep Nuevo Rural
ORG-12	UNITE HERE Local 11
ORG-13	Southern California Leadership Council
ORG-14	Service Employees International Union
ORG-15	Bolsa Chica Land Trust
ORG-16	Friends of Harbors, Beaches, and Parks
ORG-17	Sierra Club Save Hobo Alisa Task Force
ORG-18	California Cultural Resource Preservation Alliance
Individuals	
IND-1	Marven Norman
IND-2	Albert Perdon
IND-3	Henry Fung
IND-4	Jordan Sisson
IND-5	Stephanie Johnson and Ghassan Roumani



AGENDA ITEM 12
REPORT

Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
March 5, 2020

To: Community
Economic & Human Development Committee (CEHD)
Energy & Environment Committee (EEC)
Transportation Committee (TC)
Regional Council (RC)
From: John Cho, Senior Regional Planner, Research & Analysis, (213)
236-1847, choj@scag.ca.gov
Subject: 31st Annual Demographic Workshop - Save the Date

**EXECUTIVE DIRECTOR'S
APPROVAL**

RECOMMENDED ACTION:

Receive and File

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 3: Be the foremost data information hub for the region.

EXECUTIVE SUMMARY:

The Save the Date information for the 31st Annual Demographic workshop provides a theme and the date of the workshop, which will be jointly held with the USC Sol Price School of Public Policy, on June 11, 2020 at the University of Southern California

BACKGROUND:

The USC Sol Price School of Public Policy and the Southern California Association of Governments (SCAG) are pleased to invite you to the 31th Annual Demographic Workshop at USC's Trojan Grand Ballroom on Thursday, June 11th, 2020 from 8:30 AM to 3:30 PM.

With an ever-slowing population growth, this year's program, "What does it mean to be a slow growth state? – Catching up to unmet needs with slower population growth" provides the most recent update on demographic trends and their implications as we begin a new decade. The decennial census of 2020 also is currently in the field and we will hear updates on progress and challenges. Close-ups will then be provided on the latest trends in migration, fertility, and aging statistics. Additional panels will focus on implications of demographic changes for housing and offer reflections on the close linkage between demographics and long-range regional planning.

The program will also include a special lunch keynote address (to be announced) and a series of expert-led roundtable discussions to build skills about topics discussed throughout the day.

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FISCAL IMPACT:

Work associated with this item is included in the current FY 2019-20 Budget under 800-0160.04.



Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
March 5, 2020

To: Regional Council (RC)

**EXECUTIVE DIRECTOR'S
APPROVAL**

From: Art Yoon, Director of Policy and Public Affairs, Policy and
Public Affairs Division, (213) 236-1840, ArtYoon@scag.ca.gov

Subject: March State and Federal Legislative Update

RECOMMENDED ACTION:

Receive and File

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy. 3: Be the foremost data information hub for the region.

EXECUTIVE SUMMARY:

The March State and Federal Legislative Update is provided under separate cover at the March 5, 2020 meeting of the Regional Council to include pertinent information resulting from Tuesday's state-wide Primary Election.

FISCAL IMPACT:

None

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Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
March 5, 2020

To: Community
Economic & Human Development Committee (CEHD)
Energy & Environment Committee (EEC)
Transportation Committee (TC)
Regional Council (RC)
From: Rongsheng Luo, Program Manager II, Compliance &
Performance Monitoring, (213) 236-1994, LUO@scag.ca.gov
Subject: Status Update on Final Federal Safer, Affordable, Fuel-Efficient
Vehicles Rule

**EXECUTIVE DIRECTOR'S
APPROVAL**

RECOMMENDED ACTION FOR EEC:

For Information Only – No Action Required.

RECOMMENDED ACTION FOR CEHD, TC AND RC:

Receive and File.

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

EXECUTIVE SUMMARY:

At the October 3, 2019 EEC meeting, staff made a presentation on the final federal Safer, Accountable, Fuel-Efficient (SAFE) Vehicles Rule Part I: One National Program Rule. Subsequently, the federal rule became effective on November 26, 2019. This staff report is a status update on the federal rule including major developments since the October 3, 2019 staff report, implications for the Final Connect SoCal, and the next steps.

BACKGROUND:

Federal Safer, Accountable, Fuel-Efficient (SAFE) Vehicles Rule

On August 24, 2018, the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Transportation’s National Highway Transportation and Safety Administration (NHTSA) jointly issued a proposed rule, “The Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule for Model Years 2021–2026 Passenger Cars and Light Trucks.” The proposed rule is designed to roll back the federal Corporate Average Fuel Economy (CAFE) and vehicle greenhouse gas (GHG) emissions standards

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promulgated under the Obama Administration.

On September 27, 2019, EPA and NHTSA jointly published “The Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule Part One: One National Program” to finalize elements of the proposed SAFE Vehicles Rule. Effective November 26, 2019, under the Part I Rule, NHTSA affirms that its statutory authority to set nationally applicable fuel economy standards preempts such state and local programs; and that EPA withdraws the Clean Air Act (CAA) preemption waiver that it granted to the State of California in January 2013 as it relates to California Air Resources Board (ARB) GHG and Zero-Emission Vehicle (ZEV) programs.

NHTSA and EPA are in the process of finalizing the remaining portions of the SAFE Vehicles Rule and are anticipated to issue a final rule on the federal fuel economy and GHG vehicle emissions standards in the near future.

Major Developments since Last Update

State Interagency Coordination Working Group

California State Transportation Agency (CalSTA), Caltrans, and ARB have established a coordinating group amongst the three agencies. The Working Group have been partnering with MPOs including SCAG and all stakeholders to identify near-term and long-term solutions, including developing adjustments to ARB’s EMFAC models. The Working Group also have had one-on-one consultations with agencies that may have the largest impacts and held larger stakeholder meetings for interested parties.

Release of EMFAC Off-Model Adjustment Factors by ARB

As previously reported, because of the CAA waiver withdrawal, ARB’s EMFAC model may not be used because the model reflects ARB’s ACC Regulations which are now invalidated by the Part I Rule. To address the issue, ARB developed and released off-model adjustment factors for both the EMFAC2014 and EMFAC2017 models to account for the impact of the Part I Rule on November 20, 2019. These adjustments provided in the form of multipliers can be applied to emissions outputs from the EMFAC model to account for the impact of the Part I Rule. If accepted or approved by the U.S. EPA, these adjustment factors will enable the use of the EMFAC model for both regional and project-level conformity analysis.

Application of Off-Model Adjustment Factors to Connect SoCal

Due to the complexity in applying these off-model adjustment factors, SCAG modeling staff first developed a rough and conservative method for an immediate evaluation of these adjustment

factors. Subsequently, SCAG modeling staff has developed an accurate method to apply these adjustment factors to the conformity analysis for the Draft Connect SoCal. The analysis results confirm that the Draft Connect SoCal continues to demonstrate transportation conformity.

Positions of Applicable Federal Agencies towards Off-Model Adjustment Factors

Despite the positive developments, at the December 4, 2019 meeting of the California Transportation Commission, Federal Highway Administration (FHWA) Regional Administrator publicly announced that FHWA was waiting on direction from U.S. EPA on how to move forward with the adjustment factors. In the meantime, FHWA would not approve regional transportation plans, programs, and projects needing new conformity determination until U.S. EPA approves the adjustment factors.

U.S. EPA has been directly working with FHWA and Federal Transit Administration (FTA) regarding the use of ARB's EMFAC adjustment factors for transportation conformity determination. However, ARB has not officially submitted the adjustment factors to U.S. EPA and U.S. EPA has not provided any directions as of the writing of this staff report.

Implications for Final Connect SoCal

For the transportation conformity analysis of the Final Connect SoCal scheduled to be adopted by the Regional Council in April 2020, staff plans to perform two regional emissions analyses, one with the off-model adjustment factors and the other without. Staff anticipates that the Final Connect SoCal will demonstrate transportation conformity with and without these adjustment factors. However, unless and until U.S. EPA provides direction to accept or approve the adjustment factors, FHWA will not approve transportation conformity determination for the Final Connect SoCal.

As alerted previously, if the transportation conformity determination for Connect SoCal would not be approved by the FHWA/FTA by June 1, 2020, a 12-month transportation conformity lapse grace period would be triggered. During the conformity lapse grace period, all projects in the 2016 RTP/SCS and 2019 FTIP as amended can still receive federal approval; however, no new projects may be added and no changes may be made to the projects in the transportation plan or program, with the exception of exempt (mainly safety projects) and committed transportation control measure (TCM) (committed HOV lanes, transit, active transportation, and ITS projects in approved air plans) projects.

If the underlying issues would not be resolved in time, transportation conformity lapse would occur after the grace period. A conformity lapse impacts non-exempt projects (mainly mixed-flow capacity expansion projects) as well as TCM projects not in an approved air plan unless these projects have received federal authorization prior to the lapse. Specifically, these impacted projects

can neither receive federal funding, federal approval, nor be amended into the regional transportation plan or program.

Next Steps

In order for the ARB's off-model adjustment factors to be a solution approvable by FHWA, it is critical that ARB officially submits these factors to U.S. EPA as soon as possible and U.S. EPA performs an expedited review and provide timely directions. If U.S. EPA would accept or approve these adjustment factors, ARB's EMFAC model can again be used for both regional and project-level conformity analysis and FHWA/FTA will resume their review/approval of new transportation conformity determinations. If U.S. EPA would not accept or approve these adjustment factors, it is important that U.S. EPA provide clarifications on what other remedy would be needed so we can work through the State Interagency Coordination Working Group to develop such remedy.

The off-model adjustment factors only account for the impact of the Part I Rule, not the pending Part II Rule. Therefore, upon the publication of the Part II Rule, staff will conduct interagency consultation to seek clarification and guidance especially from ARB, U.S. EPA, and FHWA/FTA regarding transportation conformity implications of the Part II Rule and to develop any necessary remedy.

Despite these uncertainties, SCAG staff will continue work to complete the Final Connect SoCal including the associated transportation conformity analysis. It will be still very challenging but staff will work proactively and closely with all involved agencies with the ultimate goal of resolving the underlying issues before our current transportation conformity determination will expire on June 2, 2020.

Finally, staff will provide regular updates to RC and/or Policy Committees as appropriate.

FISCAL IMPACT:

Work associated with this item is included in the FY 2019-2020 Overall Work Program under project number 025.0164.01: Air Quality Planning and Conformity.



Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
March 5, 2020

To: Executive/Administration Committee (EAC)
Transportation Committee (TC)
Regional Council (RC)
From: Annie Nam, Manager of Goods Movement, Planning Division,
213-236-1827, Nam@scag.ca.gov
Subject: Road User Charges (RUCs) – Lessons Learned

EXECUTIVE DIRECTOR'S
APPROVAL

Handwritten signature: Kome Ajise

RECOMMENDED ACTION:

For Information Only – No Action Required

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

EXECUTIVE SUMMARY:

The adopted RTP/SCS in 2012 and 2016, as well as the current draft 2020 RTP/SCS "Connect SoCal," call for a more sustainable funding future with emphasis on transitioning our fuel tax-based system to a more direct, user fee-based approach. Such a change requires additional investigation by local leaders as well as legislative action by state and federal leaders over the next decade. A critical aspect of SCAG's transportation finance work program includes engaging elected and appointed officials in sharing best practices. Accordingly, SCAG collaborated with government agencies in New Zealand and Australia and other stakeholders, in a study tour focused on sharing information about the use of RUCs. The primary objective was for the SCAG delegation to observe and discuss with officials from New Zealand and Australia, their respective nations' experience with RUCs and extract from that experience, practical lessons for the SCAG region. A report is provided, highlighting the scope of the study tour in January of 2020, background, key system elements, and observations. To provide additional context, an overview of California's Road Charge Pilot is provided as well.

BACKGROUND:

With public agencies facing significant funding gaps to build, maintain, and operate transportation infrastructure, states and regions across the country are exploring the concept of road user charges (RUC) – also called vehicle miles traveled fees or mileage-based user fees. In addition to addressing funding gaps, user fees can be structured and implemented to advance environmental, economic, equity, and congestion reduction goals. The adopted RTP/SCS in 2012 and 2016, as well as the

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current draft 2020 RTP/SCS “Connect SoCal,” call for a more sustainable funding future with emphasis on transitioning our fuel tax-based system to a more direct, user fee-based approach. Such a change requires additional investigation by local leaders as well as legislative action by state and federal leaders over the next decade.

The SCAG Regional Council, in adopting the 2012 and 2016 RTP/SCS, essentially issued a challenge to our state and federal partners to take a leadership role in advancing such innovative transportation solutions. Following the passage of Senate Bill 1077, California completed the largest road charge research effort to date, piloting more than 5,000 vehicles over a nine-month duration. At the federal level, the 2015 Fixing America’s Surface Transportation (FAST) Act included the Surface Transportation System Funding Alternatives (STSFA) Program, providing grants to support states as they conduct demonstrations of user-based alternative revenue mechanisms.

A critical aspect of SCAG’s transportation finance work program includes engaging elected and appointed officials in sharing best practices. Accordingly, SCAG collaborated with government agencies in New Zealand and Australia, in a study tour focused on sharing information about the use of RUCs to fund system development and operational performance, issues associated with RUC design and implementation, practical lessons learned, and opportunities associated with the evolution of technology and public policy. The primary objective of the study was for the SCAG delegation to observe and discuss with officials from New Zealand and Australia, their respective nations’ experience with RUCs and extract from that experience, lessons that may be informative to the region. The SCAG delegation also learned about congestion pricing initiatives, including recent efforts in Auckland, New Zealand and studies in Melbourne, Australia. Congestion pricing generally involves tailoring prices to manage congestion (e.g., increases or decreases in vehicle charges based on congestion levels). In contrast, RUCs are typically seen as a revenue mechanism (to replace existing fuel taxes) but could also incorporate a congestion pricing component to achieve policy objectives.

A report is attached, describing the scope of the study tour, background, key system elements, and observations. To provide additional context, an overview of California’s Road Charge Pilot is provided as well.

FISCAL IMPACT:

Funding was allocated from SCAG’s FY19-20 Overall Work Program and General Fund Budget.

ATTACHMENT(S):

1. PowerPoint Presentation - RUC Report
2. RUC Report March 5, 2020

Road User Charges

Overview of California Road Charge Pilot & Lessons Learned
from New Zealand and Australia

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Annie Nam, Manager of Goods Movement & Transportation Finance

March 5, 2020

www.scag.ca.gov

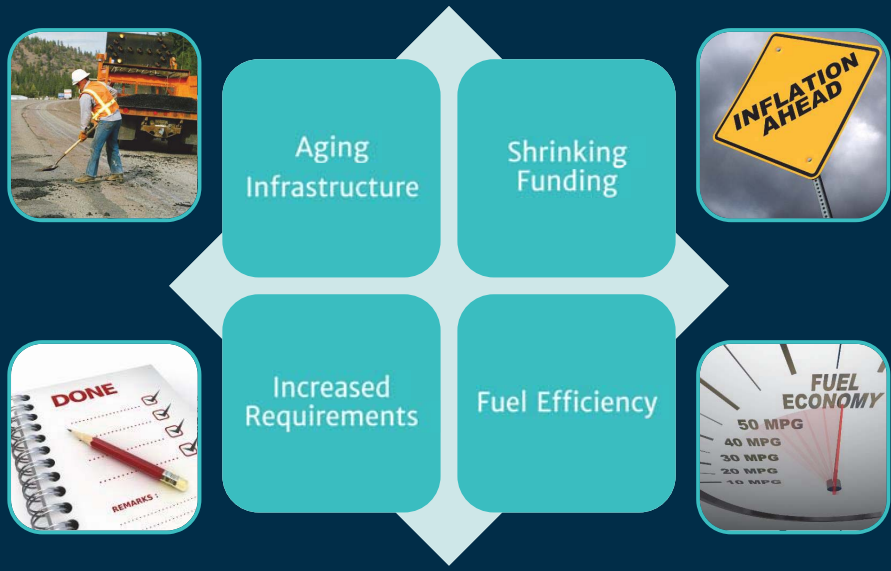


Overview

ROAD USER CHARGES

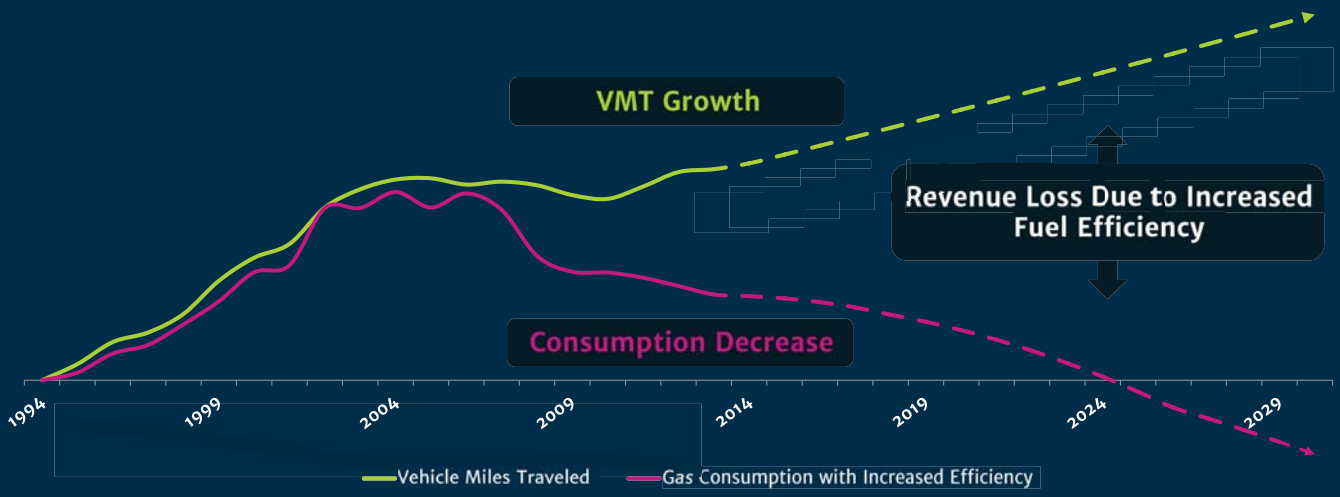
Source: Caltrans

Why Explore Road Charge?



Source: Caltrans

Fuel Efficiency Contributes to Revenue Loss



In this conceptual chart, Vehicle Miles Travelled and Fuel Consumption have been indexed to the same starting point in 1994 to enable comparison of the relative change of the two metrics over time

Source: Caltrans

Attachment: PowerPoint Presentation - RUC Report (Road User Charges (RUCs) – Lessons Learned)

Road Charging is...



Source: Caltrans

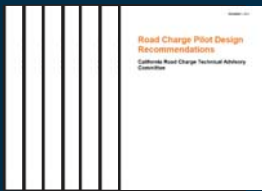
- A policy whereby motorists pay for use based on the distance they travel on the roadway network.
- A “User Pays” principle – the more you drive, the more you pay (by mileage).
- Similar to other utilities such as electricity, water, and telephone.

California Road Charge Pilot Program

- Senate Bill 1077 (2014)
- Directed the California Transportation Commission (CTC) to establish a Technical Advisory Committee (TAC)
- TAC provided report recommendations to the California State Transportation Agency (CalSTA)
- Requires CalSTA to implement a pilot program by July 2016
- Requires a report of findings and recommendations by July 2017

Source: Caltrans

Public Input Drives TAC Process



- Extensive Public Outreach Efforts
- TAC Pilot Design Recommendations
 - 5,000 participants statewide
 - Diversity in vehicle types
 - Commercial and State account managers
 - Multiple mileage reporting methods
 - Protect privacy
 - Ensure data security
 - Independent evaluation

Source: Caltrans

Attachment: PowerPoint Presentation - RUC Report (Road User Charges (RUCs) – Lessons Learned)

Key Concerns Raised by the Public



- Privacy and Data Security
- Urban vs. Rural Differential Impacts
- Income Equity Implications
- Fleet Parity
- Rate Setting

Source: Caltrans

Mileage Reporting Methods

Operational Concepts

Corresponding Technology

Concept 1: Time Permit

Time Permit Technology

Concept 2: Mileage Permit

Mileage Permit Technology

Concept 3: Odometer Charge (post-pay)

Odometer Technology

Concept 4: Automated Mileage Reporting with No Location Data

Usage-based Insurance Devices
Smartphone

Concept 5: Automated Mileage Reporting with General Location

In-Vehicle Telematics
Other Location-based Devices

Source: Caltrans

Attachment: PowerPoint Presentation - RUC Report (Road User Charges (RUCs) – Lessons Learned)



CALIFORNIA

ROAD CHARGE

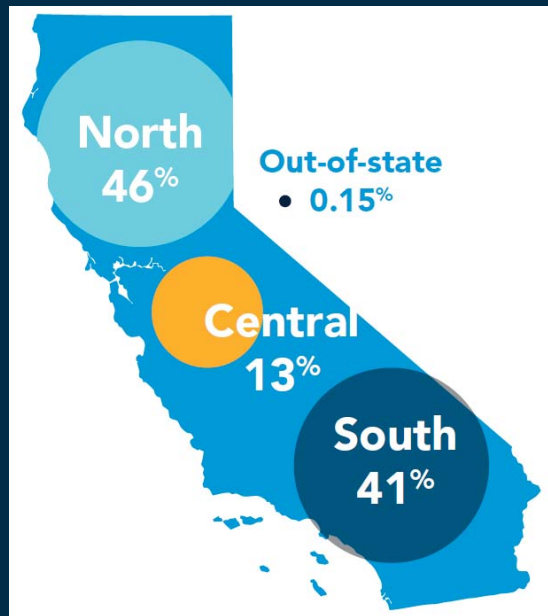
PILOT PROGRAM

2017

Final Report
Senate Bill 1077

Source: Caltrans

By the Numbers



Source: Caltrans

The Road Charge Pilot Program Achieved Many First

- Maintained more than 5,000 participating vehicles over a nine-month period
- Demonstrated six reporting and recording methods
- Offered manual, low tech, and high tech reporting methods
- For the first time included heavy commercial vehicles



Making it the largest road charge pilot in the nation to date!

Attachment: PowerPoint Presentation - RUC Report (Road User Charges (RUCs) – Lessons Learned)

Pilot Observations – Participation & Perception

TAC Participant Targets

Commercial Vehicles (Businesses)	North	Central	South	Trucks	
	100	50	175	50	
Private Vehicles (Individuals & Households)				Other	
Urban & Suburban		475	175	1050	
		475	175	1050	
Rural & Agriculture		200	200	150	
		200	200	150	
				125	

85% overall pilot satisfaction, which is further supported by the low rate of 4% attrition

- Certain demographic targets and sub-targets set by the TAC were unattainable
- 85% were satisfied with the overall pilot
- 78% were satisfied with the security of their data
- 73% agree that a road charge is more fair than a gas tax
- 90% say they would participate in another road charge demonstration

Source: Caltrans

Pilot Observations – Third Party Vendors



74% satisfied with account manager chosen for the pilot

- Successful in studying the viability of using third-party vendors (Account Managers)
- Demonstrated the ability to offer value-added features as an enhancement to the user experience
- Account managers provided flexibility to pilot participants
- No direct relationship with Account Managers
 - Communication Issues
 - Unclear Expectations

Source: Caltrans

1

Attachment: PowerPoint Presentation - RUC Report (Road User Charges (RUCs) – Lessons Learned)

Pilot Observations – Privacy & Data Security



- Privacy and data security provisions were implemented, ensuring pilot participant information was secure
- No breaches or complications
- Privacy and data security were not of significant concern for the majority of focus group participants
- 78% participant satisfaction rating in regards to the pilot privacy and data security

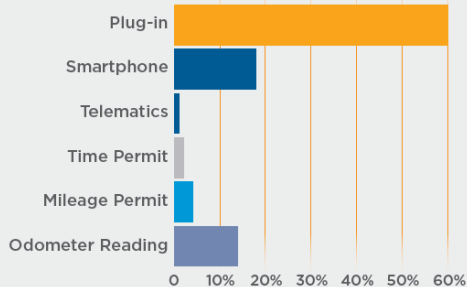
Source: Caltrans

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Pilot Observations – Mileage Reporting Methods

6 mileage recording and reporting methods...

and reporting methods...



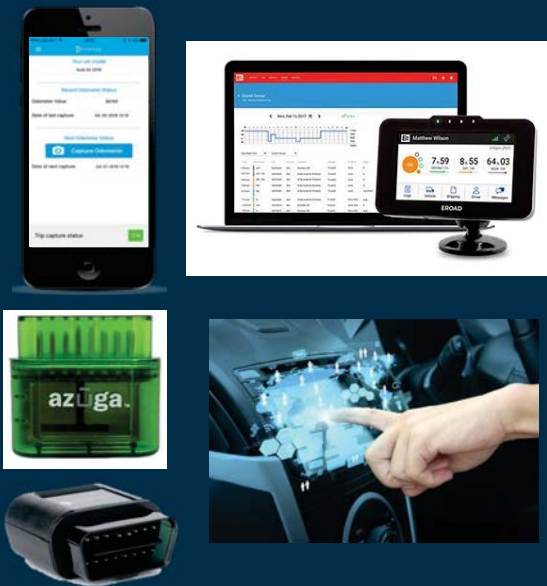
86% satisfied with mileage reporting method

- Manual and automated mileage reporting options offered
- At enrollment the clarity of communications and instructions regarding the mileage reporting methods caused a level of concern

Source: Caltrans

Attachment: PowerPoint Presentation - RUC Report (Road User Charges (RUCs) – Lessons Learned)

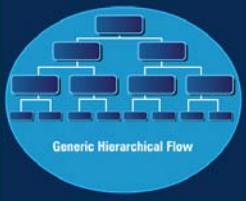
Pilot Observations – Technology



- Range of mileage recording and reporting technologies offered
- 62% of the participants with a technology based mileage recording and reporting device, chose a GPS enabled device
- Plug-in device reliable, but could be obsolete as vehicle technology evolves
- Smartphone applications and In-Vehicle Telematics show promise, but need further development

Source: Caltrans

Next Steps



- Pay-at-the-Pump
- Revenue Collection
- In-Vehicle Telematics
- Technology Collaborative
- Organizational Considerations

Source: Caltrans

1



Lessons Learned from New Zealand and Australia ROAD USER CHARGES



Attachment: PowerPoint Presentation - RUC Report (Road User Charges (RUCs) – Lessons Learned)

1

Purpose of Study Tour

- Explore the concept of road user charges (RUC) – also called vehicle miles traveled fees or mileage based user fees.
- Collaborate with government agencies in New Zealand, Australia, and other stakeholders, to share information about the use of RUC to fund system development and operational performance.
- SCAG calls for a more sustainable funding future with emphasis on transitioning our fuel tax-based system to a more direct, user fee-based approach:
 - 2012 and 2016 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS)
 - 2020 Draft Connect SoCal
- State level – SB 1077 – California completed the largest Road Charge research effort to date, piloting more than 5,000 vehicles over a nine-month duration.
- Federal level – 2015 Fixing America’s Surface Transportation (FAST) Act included the Surface Transportation Systems Funding Alternatives (STSFA) Program – providing grants to conduct demonstrations of user-based alternative revenue mechanisms.

New Zealand’s Road User Charge System (40+ Years)



All motorized users of NZ's roads contribute towards their upkeep



Most road users pay taxes when they buy fuel



Drivers of light diesel vehicles and heavy vehicles like trucks, pay through RUC.



- Heavy-duty vehicles: payment based on weight and distance traveled
- Light-duty vehicle (diesel) & all vehicles over 3.5 metric tonnes (any fuel source) must have a distance license

Exemptions



- Light electric vehicles: exempt until the end of 2021
- Heavy electric vehicles: exempt until electric vehicles in the heavy vehicle fleet reaches 2 percent.



- Vehicles unsuitable for regular road use – tractor, forklift, etc.
- Vehicles used for off-road for a certain purpose – agricultural, defense, medical, etc.

Key Elements of the New Zealand RUC System

RUC license - pre-purchased - 1,000 km (621 miles), or multiples
 RUC revenues - directly placed in National Land Transport Fund (NLTF)



LIGHT DUTY VEHICLES

Vehicles must display their RUC paper license on the inside of the windshield.

Manual, paper-based system that relies on self-reporting.



HEAVY DUTY VEHICLES

Predominantly a paper-based system, in 2010, electronic distance recording systems (eRUC) were piloted for more efficient compliance and collection.

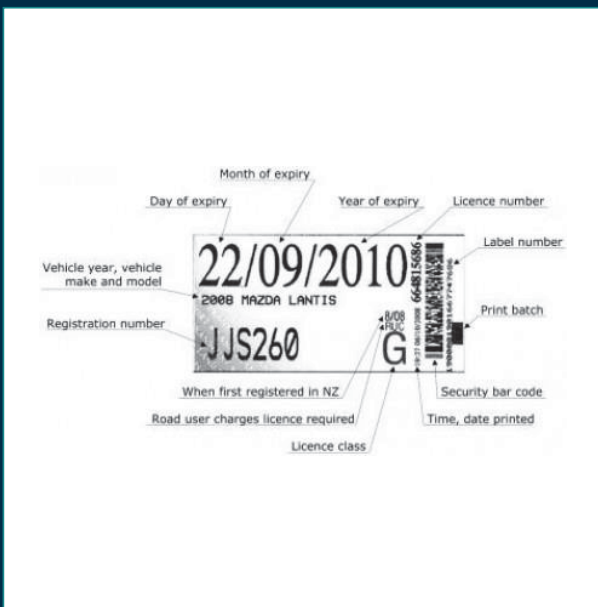
Starting in 2012, eRUC systems were permitted. Roughly half of heavy-duty RUC revenue is now collected via eRUC.

These systems use GPS and mobile data communications to measure distance and public road usage.

Four Electronic System Providers operate the eRUC system as a contract agent for the NZTA. They handle the RUC permitting, administration, and collection of RUC fund.



Key Elements of the New Zealand RUC System



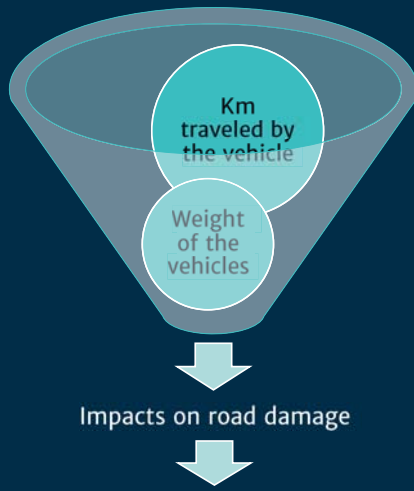
Changes to original RUC legislation

- Lower compliance cost for users and reduce the administrative costs and burden for government
- All revenue goes to NLTF
- Weight bands are introduced
- Exemptions are simplified

RUC Compliance and Evasion Enforcement

- High degree of personal trust built into the system
 - Regular vehicle inspection – every 6 or 12 months based on age of the vehicle
 - Heavy vehicles inspection – every 3, 6, or 12 months based on vehicle type and usage
- Police checks – traffic stops, weigh-in stations
- Audits

New Zealand's Cost Allocation Model (CAM)



- The RUC system is considered a levy, rather than a tax or charge. Changes to the RUC rate is not a decision by Parliament, but a policy decision of the Executive.
- NZ calculates RUC rates using the CAM.
- The CAM generates RUC rates needed to cover road damage costs—based on weight and distance.
- The calculation is based on the average estimated per-kilometer cost share for a vehicle type, rather than tied to specific routes.
- This system is also used to calculate fuel tax rates for gasoline powered vehicles, so that they pay similar amounts to the RUC rates for light-duty vehicles.

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Attachment: PowerPoint Presentation - RUC Report (Road User Charges (RUCs) – Lessons Learned)

Australia's Road Usage Studies

Heavy Vehicle Road Reform: Broader effort to create stronger links between road usage, charges and services for heavy vehicle road users. Collaborative partnership among government agencies to test direct road user charging options for heavy vehicles, including:

- setting up a dedicated road fund establishing independent price setting for RUC rates
- setting minimum service standards for road managers to meet
- developing a forward-looking cost base to predict future spending and set rates accordingly

Small Scale On-Road Trial - 11 operators and 140 heavy vehicles – testing whether telematics devices already installed in heavy vehicles can measure mass and distance effectively. The six month study uses mock invoices generated by on-board technology that measures the distance traveled by heavy vehicles.

Large Scale On-Road Trial - Expected to begin in mid-late 2020 with 100 operators and 1,000 vehicles. The various approaches include:

- mass-distance charge (applied nationally)
- mass-distance-location charge (variable by state)
- mass-distance-location charges (variable by road type and based on marginal cost, as well as variable by road type and based on service level)

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Transurban – Melbourne Road Usage Study



- 1,635 participants.
- Usage-based model – Three usage-based charging options were tested: charge per kilometer; charge per trip; and a flat rate (capped kilometers).
- Congestion-based model – Two methods were tested: cordon (area); and time of day.
- Results:
 - Road-charging model based on user-pays could work in Australia
 - User-pays system could offer flexibility →
 - manage demand
 - modify behaviors that impact traffic congestion
 - optimize network usage
 - Need for a coordinated approach across the different modes of transportation to provide Australians the choice they need to initiate change

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Attachment: PowerPoint Presentation - RUC Report (Road User Charges (RUCs) – Lessons Learned)

Key Observations



Administrative and Program Management



- NZ RUC system is more administratively burdensome than the fuel excise tax system.
 - RUC is managed at a national level by a single entity so costs are lower than if numerous entities (states or regions) were also involved.

Cost Allocation Model



- The NZ RUC cost allocation methodology considers all future transport spending from the NLTF.
 - Around 23-30% of spending from the fund is not road infrastructure.

Public Perceptions and Engagement



- Little to very limited knowledge of how roads are paid for: Any changes to transportation revenue policies need heavy public outreach.
 - The requirement to pre-purchase miles could be a financial hardship to some drivers.

Compliance and Enforcement



Though non-compliance is difficult to measure in NZ's case, the annual (or more frequent) vehicle inspections appear to provide sufficient oversight.

Technology and eRUC



- Technology can simplify the RUC process.
 - eRUC provides insights into where vehicles are going, while protecting individual privacy as it is explicitly stated in the RUC legislation.

Future Opportunities



The RUC system can be expanded and/or modified to address new policy goals or challenges such as cordon charging or congestion pricing.

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Image Source: Icons designed by JinosoftLabs, Freepik, Smashicons, monik, Kiranshastry from Flaticon

Next Steps for SCAG

- Consider partnering with Caltrans to apply for a federal Surface Transportation Systems Funding Alternatives (STSFA) grant to pilot how a road charge might work at a regional level.
- Align with the recommendations outlined in the California Transportation Commissions' 2019 Annual Report to the California Legislature, to test the collection of revenue process and/or the impact of a road charge on disadvantaged communities.
- Assess how a road charge aligns with broader transportation system/demand management, air quality and climate goals, consistent with policies and programs identified in its draft 2020 RTP/SCS, "Connect SoCal."

Thank You!

Road User Charges

Lessons Learned
from New Zealand
and Australia



Road User Charges

Lessons Learned from New Zealand and Australia

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Purpose of Study Tour

With public agencies facing significant funding gaps to build, maintain and operate transportation infrastructure, states and regions across the country are exploring the concept of road user charges (RUC) – also called vehicle miles traveled fees or mileage based user fees. In addition to addressing funding gaps, RUC can be structured and implemented to advance environmental, economic, equity, and congestions reduction goals.

In its 2012 and 2016's adopted Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), as well as the current draft 2020 RTP/SCS "Connect SoCal", the Southern California Association of Governments (SCAG), calls for a more sustainable funding future with emphasis on transitioning our fuel tax-based system to a more direct, user fee-based approach. Such a change requires additional investigation by local leaders, as well as legislative action by state and federal leaders over the next decade.

Following the passage of SB 1077, California completed the largest Road Charge research effort to date, piloting more than 5,000 vehicles over a nine-month duration. At the federal level, the 2015 Fixing America's Surface Transportation (FAST) Act included the Surface Transportation Systems Funding Alternatives (STSFA) Program, providing grants to support states as they conduct demonstrations of user-based alternative revenue mechanisms.

Scope of Study

A critical aspect of SCAG's transportation finance work program includes engaging elected and appointed officials in sharing best practices. Accordingly, SCAG collaborated with the Ministry of Transport in New Zealand and the comparable agency in Australia and other stakeholders – to participate in a study tour focused on sharing information about the use of RUC to fund system development and operational performance, issues associated with RUC design and implementation, practical lessons learned, and opportunities associated with the evolution of technology and public policy. The primary objective of the study was for the SCAG delegation to observe and discuss with officials from New Zealand and Australia, their respective nations' experience with RUC and extract from that experience, lessons that may be informative to the region. Meetings were held not only with government policy officials but also with key stakeholders involved such as light and heavy vehicle user groups, service providers, enforcement and compliance officials, and analysts of telematics data for other purposes. In Australia, a briefing was provided from a toll operator that conducted the Melbourne Road Usage Study.

New Zealand's Road User Charge System

All (motorized) users of New Zealand's roads contribute towards their upkeep. Most road users pay taxes when they buy fuel. Others, such as drivers of light diesel vehicles and heavy vehicles like trucks, pay through road user charges (RUC). New Zealand has over 40 years of experience with RUC. It is recognized internationally as a successful test case in road funding.

New Zealand established the RUC system under the Road User Charges Act 1977 as a means for collecting revenue from ALL users of diesel vehicles. The original focus and intent of the RUC system was to recover road wear and damage costs caused by heavy-duty vehicles. Diesel fuel vehicles were singled out for the RUC system as heavy-duty vehicles were the largest users of diesel (payment based on weight and distance traveled). All light-duty vehicles that use diesel and all vehicles over 3.5 metric tonnes, (regardless of their fuel source) must have a distance license associated with its vehicle license.

Today, the RUC system applies to nearly 20 percent of the overall New Zealand vehicle fleet, with 150,000 heavy-duty vehicles and approximately 700,000 light diesel vehicles. Certain vehicles are currently exempted from the RUC system, primarily off-road vehicles and agricultural vehicles. The Government continues to promote and encourage the purchase of electric vehicles by keeping them RUC exempt at this time. The current strategy would sunset the RUC exemption for light electric vehicles at the end of 2021 and for heavy electric vehicles when the percentage of the electric vehicles in the heavy vehicle fleet reaches 2 percent.

Key Elements of the NZ RUC System

Changes to original RUC legislation

- In 2012, New Zealand adopted a new Road User Charges Act replacing the initial 1977 legislation aimed at simplifying and modernizing the RUC system. The new legislation introduced policies to lower the compliance cost for users and reduce the administrative cost and burden for the Government.
- All revenues from the RUC system are placed directly in the National Land Transport Fund (NLTF).
- Permanent RUC weight bands were established. Vehicles pay based on the maximum allowable weight of the vehicle assuming an average load factor. Previously, vehicles were charged based on declared weight. This standardization of the RUC rates simplifies the information required for the user and minimizes potential evasion in the self-reporting system.
- RUC exemptions were simplified. The list of vehicles exempt from paying RUC, such as off-road and agricultural vehicles, was increased, simplifying the system for users that used to pay little RUC.

Requirements of the RUC System

All RUC eligible vehicles are required to obtain and be able to correctly display RUC licenses at all times of road operation. Light duty vehicles must display their RUC paper license on the inside of the windshield. Drivers of heavy-duty vehicles may carry their paper license on their person, but it must be produced on demand by any enforcement officer or official. Distance traveled by light duty vehicles is recorded by their odometer, heavy-duty vehicles must be equipped with either a hubodometer or a certified eRUC device (see below). Heavy-duty trailers must be equipped with their own hubodometer or eRUC device to record distance traveled.

A RUC license is linked to a specific vehicle, through its vehicle license plate, and to the vehicle's primary owner. The owner is responsible for ensuring the vehicle has a valid RUC license, regardless of who drives the vehicle.

Licenses are distance based and pre-purchased in units of 1,000 km (621 miles), or multiples. Once the distance on the license is reached, a driver must have purchased a new license. There is no expiration date for RUC licenses for light-duty vehicles. Heavy duty vehicles have licenses valid only for the period of the current RUC rate, plus 30 days. Licenses are pre-purchased directly from the NZTA, or authorized RUC agents throughout the country such as Post Offices, the Automobile Association or other independent agents (such as gas stations).

RUC Rate Setting, Cost Allocation Model

Under New Zealand legal classification, the RUC system is a levy, rather than a tax or charge. This designation means that changes to the RUC rate is not a decision by Parliament, but a policy decision of the Executive. There is no legislatively mandated process that addresses when or how often RUC rates must be analyzed or changed. The most recent RUC rate increases were on October 1, 2018.

The NZTA calculates RUC rates using a Cost Allocation Model, or CAM. This model calculate rates to recover forecast revenue for the National Land Transport Fund, based on what rates would need to be to cover the road damage costs forecasted for the following year and projected new capital spending on the road network (and other outputs). The calculation is based on the average estimated per-kilometer cost share for a vehicle type, rather than tied to specific routes traveled by the individual user. The CAM calculates the impacts on road damage using both the weight and distance of the vehicles. This system is also used to calculate fuel tax rates for gasoline powered vehicles, so that they pay similar amounts to the RUC rates for light-duty vehicles (basing the fuel tax on average fuel consumption per km for the gasoline fleet).

Electronic RUC (eRUC) Systems

Between 1978 and 2012, the RUC system in New Zealand operated only as a manual, paper-based system. About 2010, electronic distance recording systems (eRUC) were piloted to evaluate if they could be a more efficient method of RUC compliance and

collection. This was followed by allowing use of the eRUC systems within the 2012 legislation. New Zealand currently has certified four companies to operate as eRUC providers: EROADS Ltd., Coretex Ltd., Navman Wireless Ltd, and RUC Monkey. These electronic system providers (ESPs) operate the eRUC systems as a contract agent for the NZTA. The ESP handles the RUC permitting, administration, and collection of RUC funds on behalf of the NZTA. Around 50% of heavy-duty RUC revenue is now collected via eRUC. These systems use GPS and mobile data communications technology, with connections to the vehicle systems to accurately measure distance, distinguish between distance travelled on public roads from private roads and private property. eRUC devices must also be able to report distance traveled by both tractor and trailer units independently.

RUC Compliance and Evasion Enforcement

Compliance and enforcement is handled by the NZTA during regular vehicle inspections. Personal vehicles are inspected annually if a car is less than 6 years old. Older vehicles are inspected every six months. Heavy duty vehicles are inspected every 3, 6 or 12 months depending on the vehicle type and usage. The New Zealand Police check for RUC compliance during routine traffic stops, and at weigh-in stations for the heavy-duty fleet. NZTA authorize audits of truck and bus companies for RUC compliance, with similar powers to the Inland Revenue to check operator records.

The RUC system in New Zealand has a high degree of personal trust built into the system, and since the RUC relies (to an extent) on the honesty of the vehicle owner, it has been difficult to accurately quantify the level of evasion. However, as long as vehicles comply with safety inspections, they are subject to RUC compliance inspections as well. There is a considerable focus on compliance stops for operators that do not use eRUC, because it is difficult to evade using such systems, compared to a manual system based on paper.

Australia's Road Usage Studies

The Australian Government, through its Department of Infrastructure, Transport, Cities and Regional Development has partnered with key stakeholders – state, territory, and local governments as well as industry and communities - to test potential direct road user charging options for heavy vehicles. The studies provide a platform that is intended to inform and shape future policy for collection of heavy vehicle charges. The studies are part of the broader policy known as Heavy Vehicle Road Reform, which is about creating stronger links between road usage, charges and services for heavy vehicle road users. Heavy Vehicle Road Reform includes: setting up a dedicated road fund establishing independent price setting for RUC rates, setting minimum service standards for road managers to meet and developing a forward-looking cost base to predict future spending and set rates accordingly. At this time, the Government is not

considering light duty vehicles, however, information from these studies could inform future discussions.

Small Scale On-Road Trial

A small Scale On-Road Trial, with 11 operators and 140 heavy vehicles, is testing whether telematics devices already installed in heavy vehicles can measure mass and distance effectively. The six month study uses mock invoices generated by on-board technology that measures the distance traveled by heavy vehicles. This trial is intended to conclude later in 2020.

Large Scale On-Road Trial

Work is underway on a larger scale pilot that models and analyzes the impact of alternative charging approaches for heavy vehicles. This study is expected to begin in mid-late 2020 with 100 operators and 1,000 vehicles across every state and territory in Australia. The various approaches include a mass-distance charge (applied nationally), a mass-distance-location charge (variable by state) and mass-distance-location charges (variable by road type and based on marginal cost, as well as variable by road type and based on service level).

Melbourne Road Usage Study

Transurban, one of the world's largest toll-road operators, undertook the first Australian study into user-pays congestion charging in the city of Melbourne in 2015. It included 1,635 participants.

The study looked at both a Usage-based model and a Congestion-based model.

- Usage-based model – This model tested participants responses to a user-pays funding approach that is more transparent and sustainable as a funding source. Three usage-based charging options were tested: charge per kilometer; charge per trip; and a flat rate (capped kilometers).
- Congestion-based model – This model tested how motorists responded to demand-management pricing signals to reduced road use in highly congested areas or at peak travel times. Two methods were tested: cordon (area); and time of day.

The study delivered many insights into how Australians would respond to a new road-charging model. The study demonstrated that a road-charging model based on user-pays could work in Australia. It demonstrated the flexibility a user-pays system could offer in enabling a wide range of price signal options to help manage demand and modify behaviors that impact traffic congestion optimizing the network usage.

The Melbourne Study highlights the need for a coordinated approach across the different modes of transportation that provide Australians the choice they need to initiate change.

Key Observations

Administrative and Program Management

- NZ RUC system is more administratively burdensome than the fuel excise tax system (though higher administrative costs are also associated with tolling and other non-fuel excise tax revenue alternatives).
- RUC is managed at a national level by a single entity so costs are lower than if numerous entities (states or regions) were also involved in the management and collection processes. If an expansion of the system was implemented to address other policies such as congestion or cordon pricing, coordination with different jurisdictions could add complexity and cost.

Cost Allocation Model

- The NZ RUC cost allocation methodology considers all future transport spending from the National Land Transport Fund, including road maintenance and improvements, public transit subsidies, improvement to cycling and pedestrian infrastructure, road manager planning and administration costs and the costs of road policing. Around 23-30% of spending from the fund is not road infrastructure.

Public Perceptions and Engagement

- Similar to surveys done in the United States, both New Zealand and Australia, found that a very high percentage of drivers have little to very limited knowledge of how roads are paid for. Any changes to transportation revenue policies or systems need heavy public outreach.
- Engagement with users of the RUC system led to modifications of the original legislation in New Zealand.
- Australia's federal government approach to partner with key stakeholders – state, territory, and local governments as well as industry and communities – is critical in discussing and assessing changes to transportation policy and process.
- The requirement to pre-purchase miles could be a financial hardship to some drivers.

Compliance and Enforcement

- RUC compliance is an added responsibility to NZ Police's safety and other enforcement activities, so non-compliance is difficult to measure. However, the annual (or more frequent) vehicle inspections appear to provide sufficient oversight.

Technology and eRUC

- Technology can simplify the RUC process, can address other government requirements and provide value-added benefits.
- eRUC systems provide anonymized data that helps inform investment and maintenance decisions.
- eRUC provides insights into where vehicles are going, though RUC legislation explicitly protects individual privacy. Data collected can only be used for enforcement of RUC, and not for other purposes.

Future Opportunities

- The RUC system can be expanded and/or modified to address new policy goals or challenges such as cordon charging or congestion pricing.

Next Steps for SCAG

SCAG should consider partnering with the California Department of Transportation to apply for a federal STSFA grant to pilot how a road charge might work at a regional level. The demonstration could also align with the recommendations outlined in the California Transportation Commissions' 2019 Annual Report to the California Legislature, to test the collection of revenue process and/or the impact of a road charge on disadvantage communities.

SCAG should assess how a road charge aligns with broader transportation system/demand management, air quality and climate goals, consistent with policies and programs identified in its draft 2020 RTP/SCS, "Connect SoCal".

Appendix

Final Agenda

SCAG AU & NZ Study Tour, January 2020

Day 1 – Monday, January 20, Auckland

<u>6 AM -</u>	Arrive in Auckland
<u>6:00 PM</u>	Review Agenda for Study Tour, Address Questions

Day 2 – Tuesday, January 21, Auckland* - Eroad, Level 3, 260 Oteha Valley Road, Albany

<u>10:30 AM – 10:45 AM</u>	
Welcome to New Zealand	Marian Willberg, Ministry of Transport (MOT)
<u>10:45 AM -11:00 AM</u>	
Introduction of Delegates and Objectives of Trip	Bill Jahn and Kome Ajise, SCAG
<u>11:00 AM – 12:00 PM</u>	
Context for Road Usage Charge (RUC)	-Marian Willberg, MOT -Brent Lewers, Principal Advisor to MOT -Iain McGlinhy, MOT
<u>12:00 PM – 12:30 PM</u>	LUNCH BREAK
<u>12:30 PM – 1:30 PM</u>	
Cost Allocation Plan, application of investment intentions and past usage data to: <ul style="list-style-type: none"> - determine revenue share - set RUC rates by vehicle type and class 	Jonathan Petterson, former Principal Advisor, Ministry of Transport

Day 2 – Tuesday, January 21, Auckland – Eroad, Level 3, 260 Oteha Valley Road, Albany

<u>1:30 PM - 2:30 PM</u>	
Drivers and consequences of digitizing RUC delivery Evolution and introduction of eRUC idea The conditions supporting adoption of eRUC in New Zealand Directions of change in the technology Emerging options for the future revenue stream	Steven Newman, Chief Executive Officer, EROAD
	BREAK
<u>2:45 PM - 3:30 PM</u>	
RUC Monitoring and Compliance Role and functions of the RUC collector	John Freeman, New Zealand Transport Agency
<u>3:30 PM - 4:30 PM</u>	
Roadside Enforcement Role and functions of the Commercial Vehicle Safety Team	Sr Sargent Mike Moloney, New Zealand Police

Day 3 – Wednesday, January 22, Auckland

<u>9:00 AM - 9:30 AM</u>	
eRUC Service Provider - RUC Monkey	Monoj Dolli, Founder & Chief Executive Officer, Picobyte and RUC Monkey
<u>9:30 AM - 11:30 AM</u>	
Overview of Congestion Pricing in Auckland	-David Hawkey, Transport and Infrastructure Manager, Auckland Council -Christine Perrins, former Group Manager Strategic Transport Planning, Auckland Transport
<u>11:30 AM -12:30 PM</u>	LUNCH BREAK

<p><u>12:30 PM – 1:45 PM</u></p> <p>How RUC Works, key design elements Statutory framework including objective, scope, and obligations User requirements and how transactions are undertaken Regulations of RUC agents Data and privacy framework General enforcement model</p>	<p>-Iain McGlinhy, MOT -Peter Carr, EROAD</p>
<p><u>1:45 PM – 2:30 PM</u></p> <p>Road User Perspectives of RUC Public's understanding of RUC Pros and Cons Desired directions of change</p>	<p>-Barney Irvine, Principal Advisory, New Zealand Automobile Association -Nina Elter for Road Transport Forum</p>
<p><u>2:30 PM – 2:45 PM</u></p>	<p>BREAK</p>
<p><u>2:45 PM – 3:30 PM</u></p> <p>Operation and implications of RUC eRUC Service Provider certification and Code of Practice Monitoring and enforcement benefit Downstream Benefit</p>	<p>-Peter Carr, ERoAD -Geoff Fowke, Head of Customer Service & New Zealand Operations for Cortex -Everett Shiina, Chief Revenue Officer, U & NZ, Cortex</p>
<p><u>3:30 PM – 4:15 PM</u></p> <p>The Power of eRUC Use of data in transportation planning, asset and network management Driver behavior insight and management</p>	<p>Chris Vallyon, Greater Wellington Regional Council/BECA</p>
<p><u>4:15 PM – 4:45 PM</u></p> <p>Considerations and Recommendations Overall Lessons learnt and parallels to US</p>	<p>Nina Elter, EROAD</p>
<p><u>4:45 PM – 5:00 PM</u></p> <p>Clarify Any Outstanding Questions</p>	<p>Kome Ajise, SCAG</p>

Day 4 – Thursday, January 23, Melbourne

<u>4:45 AM</u>	Depart to Airport for 7AM NZ Air#0721 flight
<u>1:00 PM – 2:45 PM</u> Australia’s fuel and registration-based RUC system and prospects for reform	-Ramon Staheli, Head of Economics, National Transport Commission -Matt Barry, Economics Manager, NTC -Chris Egger, Senior Policy Analyst, NTC -Joel Martin, Senior Policy Analyst, NTC
<u>3:00 PM -4:30 PM</u> Overview of Melbourne Pilot Study and Lessons Learned	-Daniel Sheridan, Strategy Manager, Transurban -Stephen McDonald, General Manager Strategic Initiatives, Transurban

Day 5, Friday January 24, Canberra

<u>7:30 AM</u>	Depart to airport for 9:15 AM Qantas, #0814 flight
<u>1:00 PM –4:00 PM</u> Overview of the National Heavy Vehicle Charging Pilot Policy Discussions on Lite Vehicle Charging	-Gareth Prosser, Transport Economic Reform Section, Land Transport Market Reform Branch, -Blair Thompson, Pilot Director and Team, Department of Infrastructure, Transport, Cities and Regional Development -Fiona Perry, Assistant Director, NHVCP -Jason Yeoh, Assistant Director, Transport Economic Reform Section -Sandra l’Anson, Assistant Director, Strategic Policy Section -Alex Rae, Acting Assistant Director, Sustainable Transport, Land Transport Policy
<u>6:00 PM – 7:10 PM</u>	Return flight to Melbourne, Qantas #0833

Meeting Participants



The New Zealand Ministry of Transport (MoT) is the public service department of New Zealand charged with advising the government on transport policy. Through this advice it aims to improve the overall performance of the transport system, improve the performance of transport Crown entities and achieve better value for money for the government from its investment in the transport system. MOT is responsible for creating and maintaining the road user charge legislation.



The New Zealand Transport Agency (NZTA) is a New Zealand Crown Entity tasked with promoting safe and functional transport by land, including responsibility for driver and vehicle licensing, investigating rail accidents and administering the New Zealand state highway network. It was created on 1 August 2008 by the Land Transport Management Act 2008, merging Transit New Zealand with Land Transport New Zealand. The NZ Transport Agency is responsible for collecting (and enforcing) road usage charges and land transport legislation.



New Zealand Police works with the community to make New Zealanders be safe and feel safe. With over 12,000 staff, they provide policing services 24 hours a day, every day. They operate by land, sea and air, manage over 860,000 emergency calls a year and are always actively preventing crime and crashes. They are working towards specific goals and targets that highlight their intent to work collaboratively with communities, other government sectors and business partners to deliver 'Our Business' and achieve long-term change.



The Auckland Council organization is led by the chief executive, who works closely with the mayor. The chief executive appoints an executive leadership who direct organizational staff. The organization as a whole is responsible for operation and service delivery, advising the governing body and local boards and carrying out their decisions.



Founded in 1903, the New Zealand Automobile Association has grown from a pioneering automobile club to an organization that offers motoring advice, insurance, finance, maps and travel guides. AA is the leading advocate for NZ motorists and their interests.



Road Transport Forum New Zealand was set up as a national body in 1997 to responsibly promote and advance the interests of the road transport industry and its member associations.



EROAD is a fully integrated technology, tolling and services provider. An approved NZTA supplier, its advanced technology provides road charging, compliance and commercial services with the same platform.



Coretex develops and supplies world-class telematics and fleet management solutions that allow transport operators to optimize every aspect of their business. It is a third party supplier of RUC services to NZTA. It has offices in New York, Denver, Auckland, Melbourne, Sydney, Perth and Singapore, along with an extensive dealer network in the USA.



The Greater Wellington Council works with the community towards achieving a sustainable economy and environment. They are responsible for the water supply: collecting, treating and delivering water - environment management: resources, harbours, emergencies - transport: funding public transport, building public transport infrastructure, planning and monitoring transport network - land: controlling plant and animal pests, forest and water catchments and promoting sustainable land management - regional parks and forests - planning and delivering flood protection.



Australia National Transportation Commission leads national land and transport reform in support of Australian governments to improve safety, productivity, environmental outcomes and regulatory efficiency.



Transurban manages and develops networks of urban toll roads in Australia and the USA. As one of the world's largest toll-road operators, they design and build new roads to researching new vehicle and road safety technology. An Australian-owned company, Transurban builds and operates toll roads in Melbourne, Sydney and Brisbane, as well as in Greater Washington, United States and Montreal, Canada.



The Australia Department of Infrastructure, Transport, Cities and Regional Development is responsible for the design and implementation of the Australian Government's infrastructure, transport and regional development policies and programs.



AGENDA ITEM 16
REPORT

Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
March 5, 2020

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

From: Basil Panas, Chief Financial Officer, Finance, 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 the following Strategic Plan Goal 7: Secure funding to support agency priorities to effectively and efficiently deliver work products.

AUDITS:

Eide Bailly LLP, SCAG's outside independent auditor, is preparing for the interim audit work for the FY20 annual audit. They will present their audit plan to the Audit Committee at its April 29, 2020 meeting.

MEMBERSHIP DUES:

99.9% of the FY20 dues assessment was collected as of January 22, 2020. One city has yet to pay its dues and two are being recruited for membership.

BUDGET & GRANTS (B&G):

Caltrans approved Amendment 2 to the FY 2019-20 Overall Work Program (OWP) in the amount of \$1.8 million on January 31, 2020. This amendment included programming of unexpended Consolidated Planning Grant (CPG) funds and Transportation Development Act (TDA) funds for ongoing regional transportation projects; adjusting various state and federal grant balances; and adjusting staff time allocations in various OWP tasks.

The FY 2019-20 2nd Quarter OWP Progress Report was submitted to Caltrans on January 30, 2020. The expenditures reported for the period of July to December 2019 are approximately \$19.5 million or 24% of the OWP amended budget.

CONTRACTS:

In January 2020, the Contracts Department issued nine (9) Request for Proposal, awarded thirteen (13) contracts; issued four (4) contract amendments; and processed 31 Purchase Orders to support

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous



ongoing business and enterprise operations. Staff also administered 130 consultant contracts. Contracts staff continued to negotiate better pricing and reduced costs for services. This month staff negotiated \$46,581 in budget savings, bring the Fiscal Year 2020 savings to \$57,474 cumulatively.

ATTACHMENT(S):

1. CFO Monthly Report



Office of the Chief Financial Officer

Monthly Status Report

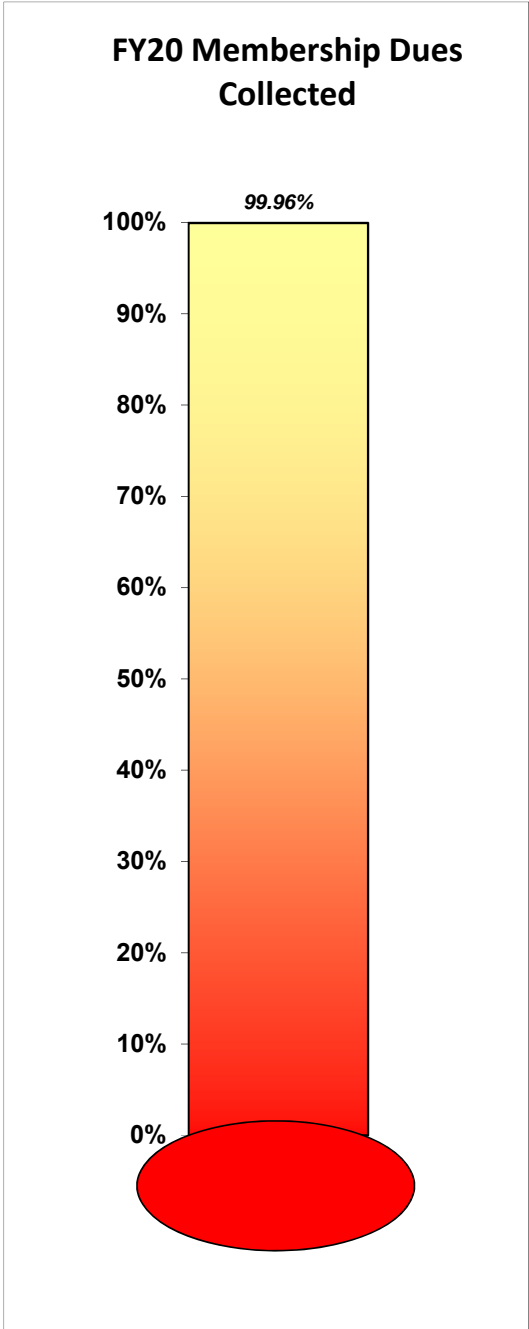
JANUARY 2020

OVERVIEW

As of February 13, 2020, 188 cities and 6 counties had paid their FY20 dues. This represents 99.96% of the dues assessment. One city had yet to pay its dues. Two cities are being recruited for membership.

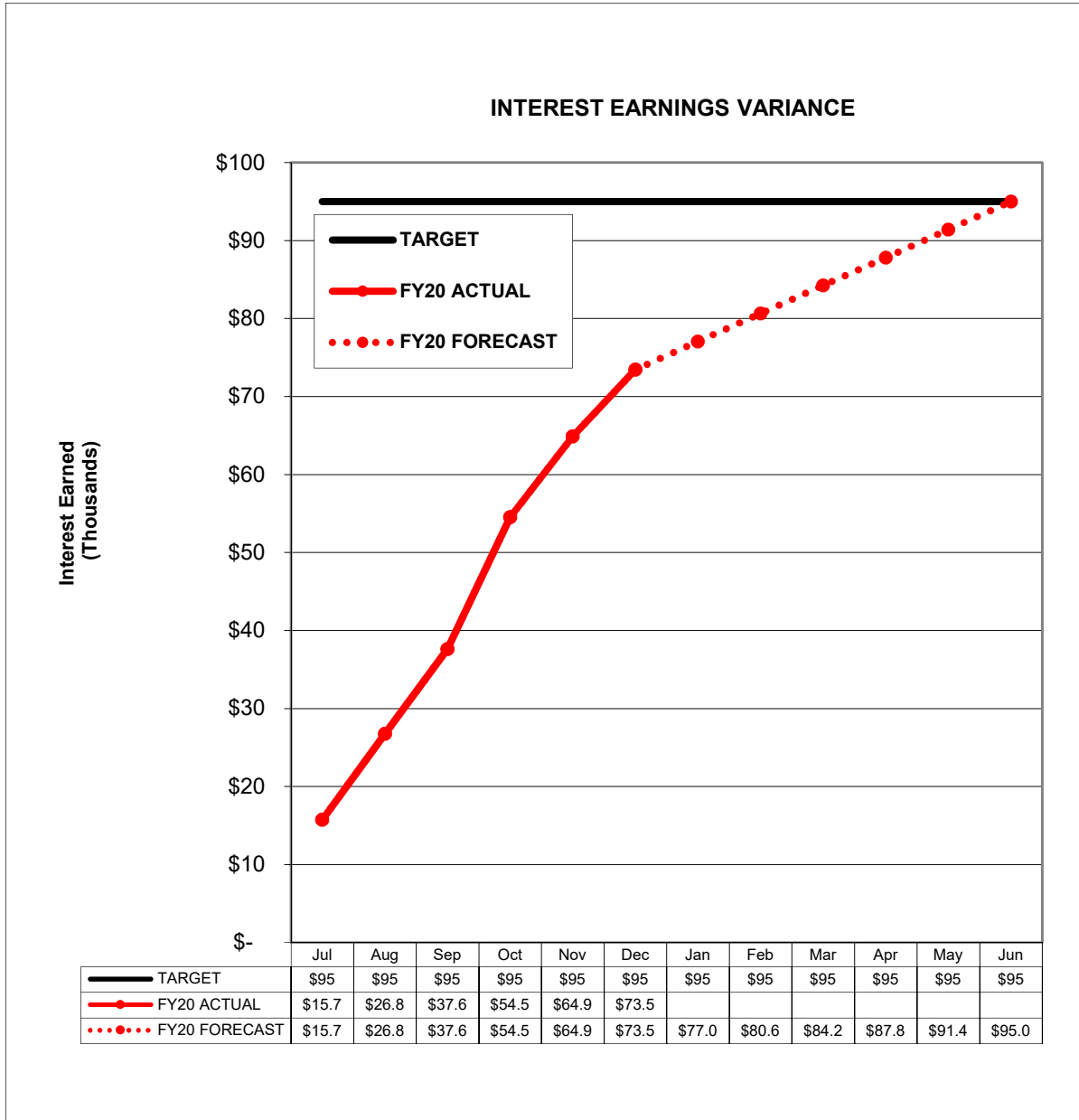
SUMMARY

FY20 Membership Dues	<u>\$ 2,113,909</u>
Total Collected	<u>\$ 2,112,970</u>
Percentage Collected	<u>99.96%</u>





Office of the CFO
Interest Earnings Variance



Attachment: CFO Monthly Report (CFO Monthly Report)

OVERVIEW

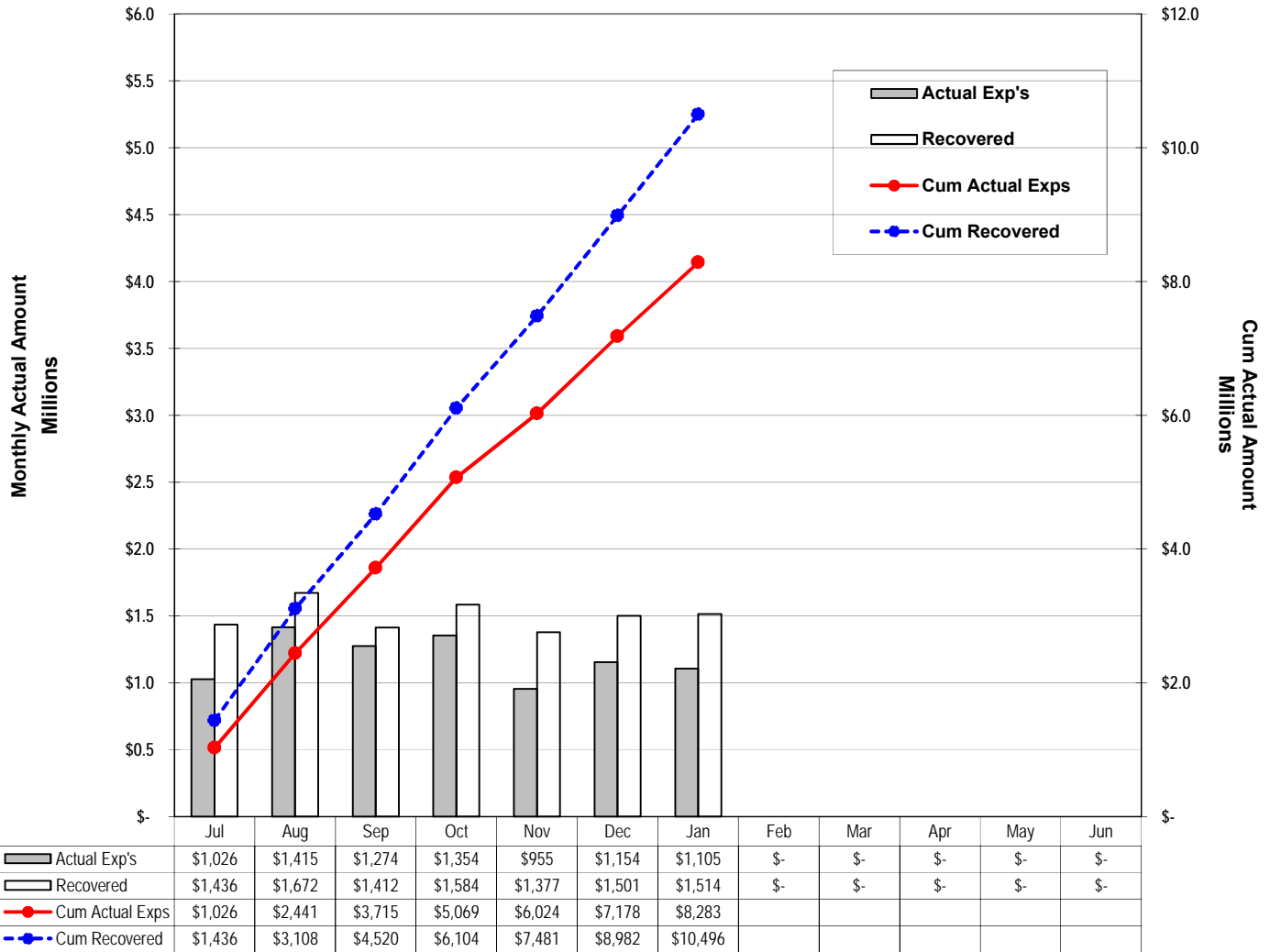
Actual interest income is plotted against the target amount. The amount credited to SCAG's account through December was \$73,451. The LA County Pool earned 1.83% in December.

SUMMARY

The amount projected for FY20 is \$95,000.



FY20 INDIRECT COST & RECOVERY



Attachment: CFO Monthly Report (CFO Monthly Report)

OVERVIEW

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

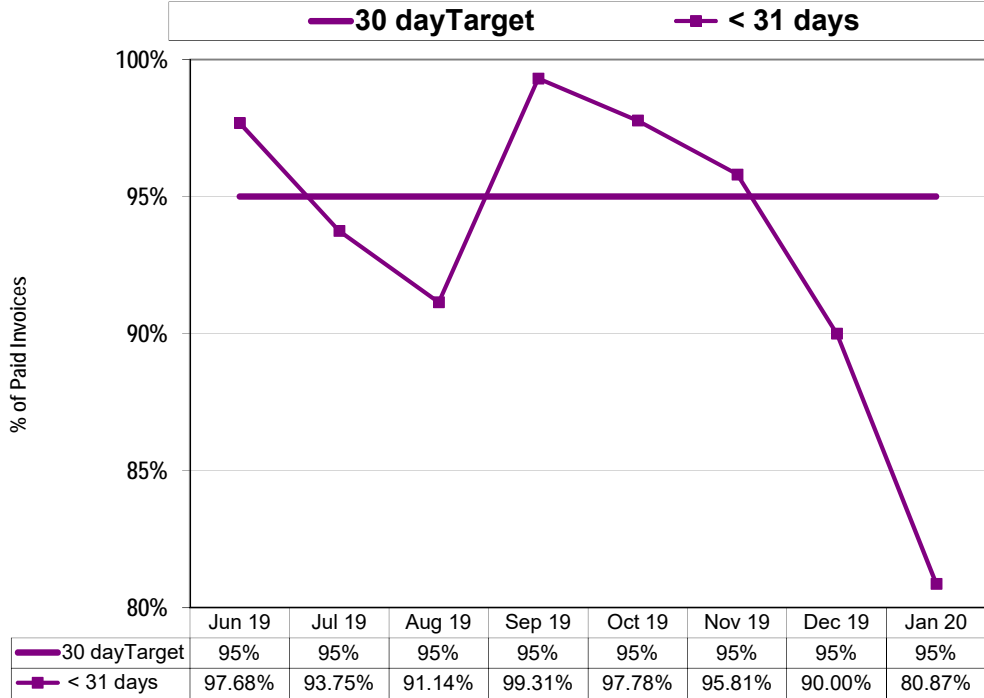
SUMMARY

Through January 2020, SCAG was over-recovered by \$2,213,210 due to unspent Indirect Cost budget.

Office of the CFO
Invoice Aging



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. The Contracts Dept. gave priority to new procurements over funding amendments which delayed invoice payment.

SUMMARY

80.87% of January 2020's payments were made within 30 days of invoice receipt.
At month-end, 33 invoices remained unpaid less than 30 days.

Actual

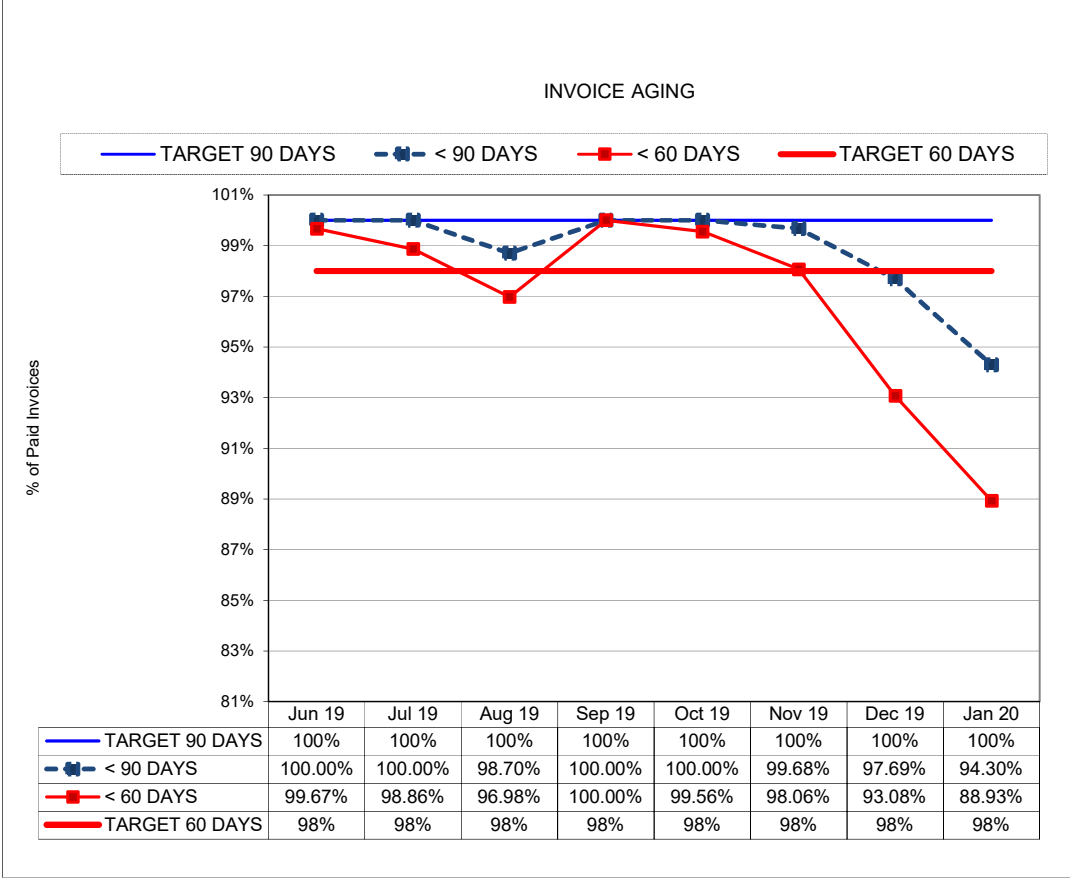
OVERVIEW

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 not met during this period. The Contracts Dept. gave priority to new procurements over funding amendments which delayed invoice payment.

88.93% of January 2020's payments were within 60 days of invoice receipt and 94.30% within 90 days. Invoices unpaid 30-60 days totaled 40; 60-90 days: 11; >90 days: 13.



Attachment: CFO Monthly Report (CFO Monthly Report)

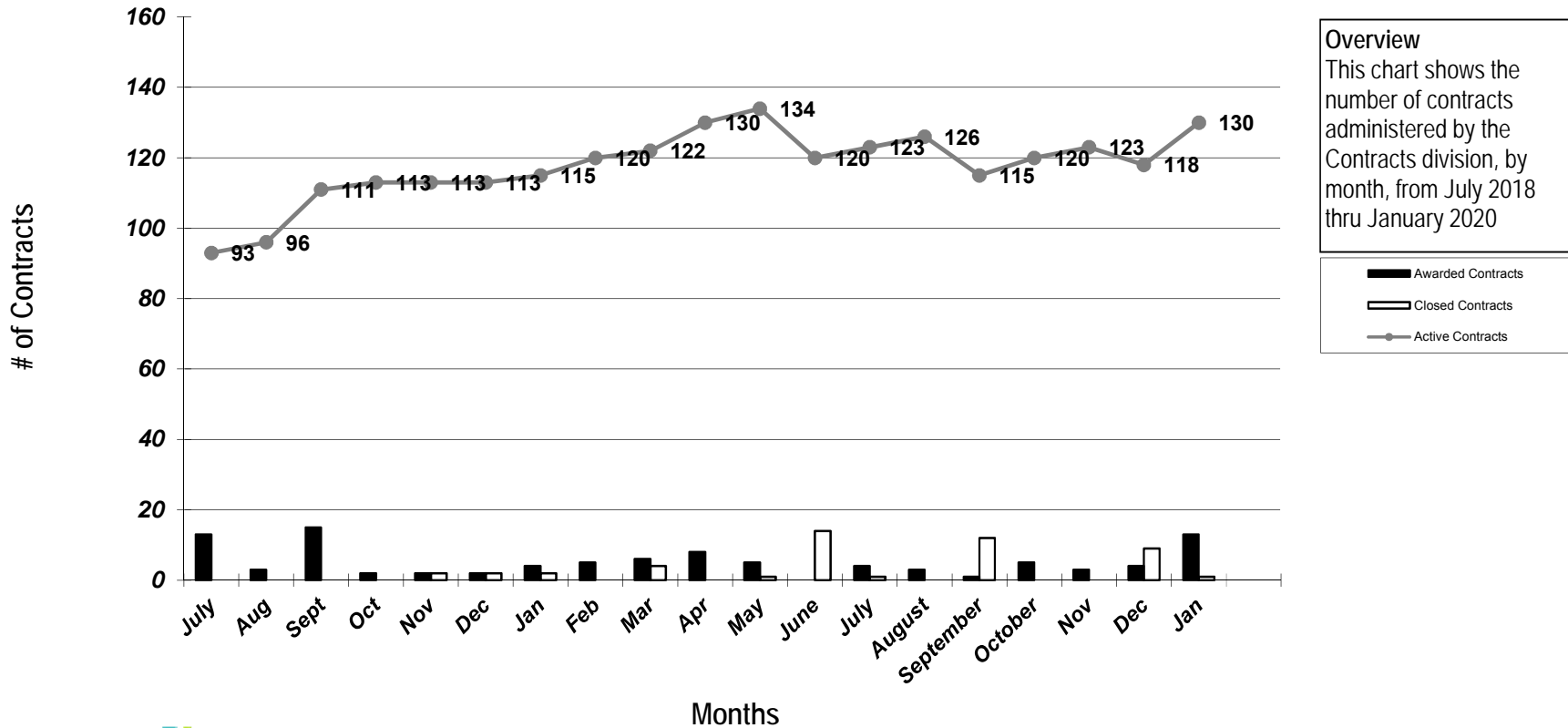


Office of the CFO
Consolidated Balance Sheet

	12/31/2019	1/31/2020	Incr (decr) to equity	COMMENTS
Cash at Bank of the West	\$ 7,512,080	\$ 6,215,019		
LA County Investment Pool	\$ 4,340,698	\$ 4,349,268		
Cash & Investments	\$ 11,852,778	\$ 10,564,287	\$ (1,288,491)	Expenses of \$6.3M with Revenues of \$5.04M. Balance from cash
Accounts Receivable	\$ 8,194,275	\$ 9,679,911	\$ 1,485,636	Billings of \$1,072K to FTA 5303, \$271K to SB1, & \$176K to ATPDCP, \$117K to FHWA & \$55K to MSRC offset by payments of \$192K from FHWA - ATP.
Other Current Assets	\$ 3,492,009	\$ 2,850,509	\$ (641,499)	Net amort of \$232K in prepaids combined with increase of IC fund over-recovery of \$409K
Fixed Assets - Net Book Value	\$ 5,957,615	\$ 5,957,615	\$ -	No change.
Total Assets	\$ 29,496,677	\$ 29,052,323	\$ (444,354)	
	\$ (251,251)			
	\$ (4,401,565)			
Accounts Payable	\$ (4,652,816)	\$ (4,530,496)	\$ 122,320	Pay down of invoices.
Employee-related Liabilities	\$ (462,768)	\$ (631,407)	\$ (168,639)	December had 7 unpaid working days while January had 10.
Deferred Revenue	\$ (282,259)	\$ (407,259)	\$ (125,000)	Received \$80k from Paramount & \$45k from CETF
Total Liabilities and Deferred Revenue	\$ (5,397,843)	\$ (5,569,162)	\$ (171,319)	
Fund Balance	\$ 24,098,834	\$ 23,483,161	\$ (615,673)	
WORKING CAPITAL				
	12/31/2019	1/31/2020	Incr (decr) to working capital	
Cash	\$ 11,852,778	\$ 10,564,287	\$ (1,288,491)	
Accounts Receivable	\$ 8,194,275	\$ 9,679,911	\$ 1,485,636	
Accounts Payable	\$ (4,652,816)	\$ (4,530,496)	\$ 122,320	
Employee-related Liabilities	\$ (462,768)	\$ (631,407)	\$ (168,639)	
Working Capital	\$ 14,931,468	\$ 15,082,295	\$ 150,826	

Attachment: CFO Monthly Report (CFO Monthly Report)

SCAG Contracts (Year to Date)



Summary

The chart shows that the Contracts Department is managing One hundred-thirty. Sixty are Cost Plus Fixed Fee contracts, 35 are fixed price contracts, and the remaining 35 are Time and Materials (T&M) contracts (includes Labor Hour and Retainer contracts). The Contracts Department anticipates issuing approximately 60 contracts for FY 2019-20. Note, due to the nature of SCAG's work, the majority of SCAG contracts have a one year term and end on June 30th each year.

Office of the CFO
Staffing Report as of February 1, 2020



GROUPS	Authorized Positions	Filled Positions	Vacant Positions
Executive Office	12	11	1
Legal Services	2	2	0
Finance	23	22	1
Information Technology	21	17	4
Policy & Public Affairs	18	18	1
Planning & Programs	71	65	6
Total	147	135	13

OTHER POSITIONS

GROUPS	Limited Term Positions	Interns or Volunteers	Temp Positions	Agency Temps
Executive Office	0	1	0	0
Finance	0	0	1	0
Policy & Public Affairs	2	1	0	0
Information Technology	1	0	0	0
Planning & Programs	3	10	2	0
Total	6	12	3	0

Attachment: CFO Monthly Report (CFO Monthly Report)