



Western Riverside Council of Governments Executive Committee

AGENDA

**Monday, September 12, 2016
2:00 p.m.**

**County of Riverside
Administrative Center
4080 Lemon Street
1st Floor, Board Chambers
Riverside, CA 92501**

In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if special assistance is needed to participate in the WRCOG Executive Committee meeting, please contact WRCOG at (951) 955-8320. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting. In compliance with Government Code Section 54957.5, agenda materials distributed within 72 hours prior to the meeting which are public records relating to an open session agenda item will be available for inspection by members of the public prior to the meeting at 4080 Lemon Street, 3rd Floor, Riverside, CA, 92501.

The WRCOG Executive Committee may take any action on any item listed on the agenda, regardless of the Requested Action.

- 1. CALL TO ORDER (Ben Benoit, Chair)**
- 2. ROLL CALL**
- 3. PLEDGE OF ALLEGIANCE**
- 4. PUBLIC COMMENTS**

At this time members of the public can address the Committee regarding any items within the subject matter jurisdiction of the Committee that are not separately listed on this agenda. Members of the public will have an opportunity to speak on agenda items at the time the item is called for discussion. No action may be taken on items not listed on the agenda unless authorized by law. Whenever possible, lengthy testimony should be presented to the Committee in writing and only pertinent points presented orally.

**RECESS OF THE WRCOG EXECUTIVE COMMITTEE MEETING TO CONVENE THE
MEETING OF THE WRCOG SUPPORTING FOUNDATION, AND RECONVENE THE WRCOG
EXECUTIVE COMMITTEE MEETING AT THE ADJOURNMENT OF THE WRCOG
SUPPORTING FOUNDATION MEETING**

5. CONSENT CALENDAR

All items listed under the Consent Calendar are considered to be routine and may be enacted by one motion. Prior to the motion to consider any action by the Committee, any public comments on any of the Consent Items will be heard. There will be no separate action unless members of the Committee request specific items be removed from the Consent Calendar.

- A. **Summary Minutes from the August 1, 2016, WRCOG Executive Committee meeting are available for consideration.** **P. 1**
- Requested Action:** 1. *Approve Summary Minutes from the August 1, 2016, WRCOG Executive Committee meeting.*
- B. **WRCOG Environmental Department Activities Update** **Dolores Sanchez Badillo** **P. 11**
- Requested Action:** 1. *Receive and file.*
- C. **WRCOG Finance Department Activities Update** **Ernie Reyna** **P. 13**
- Requested Action:** 1. *Receive and file.*
- D. **WRCOG Financial Report Summary through June 2016** **Ernie Reyna** **P. 15**
- Requested Action:** 1. *Receive and file.*
- E. **Regional Streetlight Program Activities Update** **Tyler Masters** **P. 21**
- Requested Action:** 1. *Recommend, for those jurisdictions interested in using financing for the acquisition and retrofitting of streetlights, that they utilize Bank of America Public Capital Corporation (which was deemed the most responsive during the bid process by WRCOG staff and its Financial Advisor, Public Financial Management, for being able to provide the most competitive financing for the Regional Streetlight Program).*
- F. **Community Choice Aggregation Program Activities Update** **Barbara Spoonhour** **P. 33**
- Requested Action:** 1. *Receive and file.*
- G. **Western Riverside Energy Leader Partnership Update** **Tyler Masters** **P. 37**
- Requested Action:** 1. *Receive and file.*
- H. **Financing of TUMF Fees** **Christopher Gray** **P. 45**
- Requested Action:** 1. *Approve recommendation by WRCOG staff and the WRCOG Public Works Committee to continue WRCOG's Policy of prohibiting the use of financing districts to pay for TUMF Fees.*
- I. **WRCOG Clean Cities Coalition Activities Update** **Christopher Gray** **P. 49**
- Requested Action:** 1. *Receive and file.*
- J. **WRCOG Executive Fellowship Update** **Jennifer Ward** **P. 75**
- Requested Action:** 1. *Receive and file.*

K. **WRCOG Representation on the Environmental Leadership Institute Advisory Council** **Rick Bishop** **P. 77**

Requested Action: 1. *Approve WRCOG participation as an Advisory Board Member of the Environmental Leadership Institute at California State University, San Marcos (Temecula).*

L. **Californians for Water Security Coalition** **Jennifer Ward** **P. 85**

Requested Action: 1. *Authorize WRCOG to join the Californians for Water Security Coalition to support the California Water Fix.*

M. **Legislative Activities Update** **Jennifer Ward** **P. 87**

Requested Actions: 1. *Adopt a position of "OPPOSE" for Assembly Bill (AB) 1217 by Assembly Member Daly, and authorize the WRCOG Executive Director to transmit a request to veto letter to Governor Brown on behalf of WRCOG.*
2. *Adopt a position of "SUPPORT" for Assembly Bill (AB) 2693 by Assembly Member Dababneh, and authorize the WRCOG Executive Director to transmit a request to sign letter to Governor Brown on behalf of WRCOG.*
3. *Adopt a position of "SUPPORT" for Senate Bill (SB) 817 by Senator Roth, and authorize WRCOG Executive Director to transmit a request to sign letter to Governor Brown on behalf of WRCOG.*

6. ITEMS PULLED FOR DISCUSSION

7. REPORTS/DISCUSSION

A. **HERO Program Activities Update** **Michael Wasgatt, WRCOG** **P. 101**

Requested Actions: 1. *Accept the Cities of Half Moon Bay, Paradise, Redding, Watsonville, and Weed as Associate Members of the Western Riverside Council of Governments.*
2. *Adopt WRCOG Resolution Number 34-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Declaring its Intention to Modify the California HERO Program Report so as to Increase the Program Area within which Contractual Assessments may be offered and Setting a Public Hearing Thereon.*
3. *Accept the proposed changes to the WRCOG Energy Efficiency and Water Conservation Administrative Guidelines and Program Report and the Samas Commercial Handbook.*

B. **Administration of Additional Property Assessed Clean Energy Programs in the WRCOG Subregion** **Barbara Spoonhour, WRCOG** **P. 145**

Requested Action: 1. *Direct and authorize the WRCOG Executive Director to enter into contract negotiations and execution of any necessary documents to include CaliforniaFIRST under WRCOG's PACE umbrella.*

C. **CEQA Cases in the WRCOG Subregion and the SCAG Region** **Christopher Gray, WRCOG** **P. 153**

Requested Action: 1. *Discuss and provide input.*

D. WRCOG Transportation Department Activities Update

Christopher Gray, WRCOG P. 189

- Requested Actions:**
1. Approve the recommended representatives from the WRCOG Public Works and Technical Advisory Committees to the TUMF Nexus Study Ad Hoc Committee.
 2. Authorize the WRCOG Executive Director to execute TUMF Reimbursement Agreement with the Riverside Transit Agency for the UCR Mobility Hub Project in an amount not to exceed \$3,457,468.
 3. Authorize the WRCOG Executive Director to execute TUMF Reimbursement Agreement with the Riverside Transit Agency for the Twin Cities / Promenade Mall Mobility Hub Project in an amount not to exceed \$1,692,797.
 4. Authorize the WRCOG Executive Director to execute TUMF Reimbursement Agreement with the City of Temecula for the SR-79 Winchester Road / I-15 Interchange Project in an amount not to exceed \$1,925,000.

E. Report from the League of California Cities

Erin Sasse, League of California Cities P. 271

- Requested Action:**
1. Receive and file.

F. Analysis of Fees and Their Potential Impact on Economic Development in Western Riverside County

Christopher Gray, WRCOG P. 273

- Requested Action:**
1. Receive and file.

8. ITEMS PULLED FOR DISCUSSION

9. REPORT FROM THE WRCOG TECHNICAL ADVISORY COMMITTEE CHAIR **Gary Nordquist**

10. REPORT FROM COMMITTEE REPRESENTATIVES

SCAG Regional Council and Policy Committee representatives
SCAQMD, Ben Benoit

11. REPORT FROM THE WRCOG EXECUTIVE DIRECTOR **Rick Bishop**

12. ITEMS FOR FUTURE AGENDAS **Members**

Members are invited to suggest additional items to be brought forward for discussion at future WRCOG Executive Committee meetings.

13. GENERAL ANNOUNCEMENTS **Members**

Members are invited to announce items / activities which may be of general interest to the WRCOG Executive Committee.

14. NEXT MEETING: The next WRCOG Executive Committee meeting is scheduled for Monday, October 3, 2016, at 2:00 p.m., at the County of Riverside Administrative Center, 1st Floor Board Chambers.

15. ADJOURNMENT

1. CALL TO ORDER

The meeting of the WRCOG Executive Committee was called to order at 2:01 p.m. by Chairman Ben Benoit in the County of Riverside Administrative Center, 3rd Floor, Conference Room A.

2. ROLL CALL

Members present:

Debbie Franklin, City of Banning
Jeff Hewitt, City of Calimesa
Vicki Warren, City of Canyon Lake (2:20 p.m. arrival)
Eugene Montanez, City of Corona
Ike Bootsma, City of Eastvale
Bonnie Wright, City of Hemet
Brian Berkson, City of Jurupa Valley
Bob Magee, City of Lake Elsinore
John Denver, City of Menifee
Jeffrey Giba, City of Moreno Valley
Randon Lane, City of Murrieta
Kevin Bash, City of Norco
Rita Rogers, City of Perris
Rusty Bailey, City of Riverside
Crystal Ruiz, City of San Jacinto
Ben Benoit, City of Wildomar
Kevin Jeffries, County of Riverside District 1 (2:08 p.m. arrival; 3:10 p.m. departure)
Marion Ashley, County of Riverside District 5
Joe Kuebler, Eastern Municipal Water District
Brenda Dennstedt, Western Municipal Water District

Members absent:

Mike Naggar, City of Temecula
John Tavaglione, County of Riverside District 2
Chuck Washington, County of Riverside District 3
Robert Martin, Morongo Band of Mission Indians
Kenn Young, Riverside County Superintendent of Schools

Staff present:

Steve DeBaun, Legal Counsel
Ernie Reyna, Chief Financial Officer
Barbara Spoonhour, Director of Energy and Environmental Programs
Christopher Gray, Director of Transportation
Michael Wasgatt, Program Manager
Crystal Adams, Staff Analyst
Andrea Howard, Staff Analyst
Rebekah Manning, Staff Analyst
Dolores Badillo, Staff Analyst
Lupe Lotman, Executive Assistant
Janis Leonard, Executive Assistant

3. PLEDGE OF ALLEGIANCE

Committee member Bob Magee, City of Lake Elsinore, led members and guests in the Pledge of Allegiance.

4. PUBLIC COMMENTS

There were no public comments.

5. CONSENT CALENDAR – *(Bash/Giba) 18 yes; 0 no; 0 abstain. Items 5.A through 5.K were approved by a unanimous vote of those members present. The Cities of Canyon Lake and Temecula, the County of Riverside Districts 1, 2, and 3, and the Morongo Band of Mission Indians were not present. The City of Lake Elsinore abstained from Item 5.A only and the Western Municipal Water District abstained from Items 5.A and 5.B. Item 5.I was pulled for discussion by the City of Lake Elsinore.*

- A. Summary Minutes from the June 24, 2016, WRCOG Executive Committee meeting are available for consideration.**

Action: 1. *Approved Summary Minutes from the June 24, 2016, WRCOG Executive Committee meeting.*

- B. Summary Minutes from the July 11, 2016, WRCOG Executive Committee meeting are available for consideration.**

Action: 1. *Approved Summary Minutes from the July 11, 2016, WRCOG Executive Committee meeting.*

- C. WRCOG Financial Report Summary through May 2016**

Action: 1. *Received and filed.*

- D. WRCOG Finance Department Activities Update**

Action: 1. *Received and filed.*

- E. Regional Streetlight Program Activities Update**

Action: 1. *Received and filed.*

- F. WRCOG Environmental Department Activities Update**

Action: 1. *Received and filed.*

- G. WRCOG Clean Cities Coalition Activities Update**

Action: 1. *Received and filed.*

- H. BEYOND Framework Fund Program**

Action: 1. *Received and filed.*

- I. WRCOG 4th Quarter Draft Budget Amendment for Fiscal Year 2015/2016**

Committee member Bob Magee indicated that there is a line item for additional legal expenditures. Earlier in the week Committee member Magee asked staff why legal expenditures are out of line with the budget and was informed the discrepancies are due to 1) litigation with the City of

Beaumont, and 2) issues with the City of Lake Elsinore. Committee member Magee asked what the financial goal is; the Agency is spending more money than budgeted. Committee member Magee asked staff what legal counsel and the Agency believes the City of Lake Elsinore owes.

Steve DeBaun responded that the City of Lake Elsinore owes between \$15 million and \$20 million.

Committee member Magee asked if that is based upon development agreements which WRCOG staff believes have expired and are no longer valid.

Mr. DeBaun responded that it is.

Action: 1. *Approved the WRCOG 4th Quarter Draft Budget Amendment for Fiscal Year 2015/2016.*

(Giba/Bailey) 17 yes; 1 no; 1 abstention. Item 5.I was approved by a vote of those members present. The City of Temecula, the County of Riverside Districts 1, 2, and 3, and the Morongo Band of Mission Indians were not present. The City of Lake Elsinore voted no. The City of Calimesa abstained.

J. Single Signature Authority Report

Action: 1. *Received and filed.*

K. Report from the League of California Cities

Action: 1. *Received and filed.*

6. REPORTS/DISCUSSION

A. HERO Program Activities Update

Barbara Spoonhour reported that the HERO Program provides financing options for residential and commercial properties for energy efficient, water conservation, and renewable energy projects to residential and commercial property owners. That financing is then added to the property owners' property tax bill for repayment.

After today's action, 348 jurisdictions will be participating in the California HERO Program. Over 129,000 applications have been accepted between the local and statewide HERO Programs; over 92,000 have been approved, totaling over \$1.5 billion in funding. From July 2012 through today, there have been nearly 47,000 applications in the WROCG subregion alone. Over 24,000 projects have been completed, totaling \$387 million. Jurisdictional snapshots were provided in each Committee members' folder.

At its June meeting, this Committee directed staff to reach out to other PACE providers to determine interest in them participating under WRCOG's umbrella. Staff has sent correspondence to all PACE providers throughout the state; CaliforniaFIRST, PACE Funding, and Spruce have expressed interest in working with WRCOG under this arrangement. Staff have conducted a site visit at CaliforniaFIRST's location. Site visits are scheduled for PACE Funding and Spruce. These three providers will meet with the Ad Hoc Committee to present their respective Program. Recommendations will be provided to the WRCOG Administration & Finance Committee in August and to the WRCOG Executive Committee in September.

A Request for Proposal was released for a comprehensive operational and capacity review of the HERO Program implemented by Renovate America. The audit will focus on Fiscal Year 2015/2016.

The White House announced that the Federal Housing Administration (FHA) released a clear guidance for handling PACE assessments when a homeowner sells or refinances their home. Both the FHA and the Veterans Affairs have determined that PACE assessments should be treated like general taxes and should cause no problem in a property transaction. The Federal Housing Finance Agency has not yet taken a position on PACE assessments.

AB 2693 (as amended, Dababneh. Financing requirements: property improvements) is a disclosure bill which imposes an additional 3-day waiting period on top of the 3-day right to cancel. This additional waiting period is not in line with any other type of consumer financing and treats PACE financing unfairly. PACE financing is not meant to compete against home equity lines of credit or refinances. It is meant to be competitive with credit cards and other types of financing which have high interest rates.

At the July meeting, this Committee adopted resolutions of participation for Kern and Yolo Counties. Since then, additional parcels within those jurisdictions have been added to the tax roll; therefore those resolutions must be amended and are included in today's requested actions. Additionally, the County of Tulare requires a Compliance Certification and Hold Harmless Statement to allow the assessment to be placed on the tax roll; that is also included in today's requested actions.

Chairman Benoit opened the public hearing; there were no public comments and the public hearing was closed.

- Actions:**
1. *Receive summary of the Revised California HERO Program Report.*
 2. *Conduct a Public Hearing Regarding the Inclusion of the Cities of Blue Lake, Dorris, Etna, Fremont, Portola Valley, San Leandro, Sutter Creek, Tehama, Yuba City, and the County of Shasta Unincorporated Areas, for purposes of considering the modification of the Program Report for the California HERO Program to increase the Program Area to include such additional jurisdictions and to hear all interested persons that may appear to support or object to, or inquire about the Program.*
 3. *Adopt WRCOG Resolution Number 30-16: A Resolution of the Executive Committee of the Western Riverside Council of Governments Confirming Modification of the California HERO Program Report so as to expand the Program Area within which Contractual Assessments may be offered.*
 4. *Adopt WRCOG Resolution Number 31-16: A Resolution of the Executive Committee of the Western Riverside Council Of Governments Amending Resolution Number 24-16 to Authorize the Levy of Special Assessments in Fiscal Year 2016/2017 on Additional Parcels of Property Within Kern County Pursuant to the California HERO Program.*
 5. *Adopt WRCOG Resolution Number 32-16: A Resolution of the Executive Committee of the Western Riverside Council Of Governments Amending Resolution Number 29-16 to Authorize the Levy of Special Assessments in Fiscal Year 2016/2017 on Additional Parcels of Property within Yolo County Pursuant to the California HERO Program.*
 6. *Authorize the WRCOG Executive Director to execute the Compliance Certification and Hold Harmless Statement for the County of Tulare County.*

(Bailey/Giba) 20 yes; 0 no; 0 abstention. Item 6.A was approved by a unanimous vote of those members present. The City of Temecula, the County of Riverside Districts 2 and 3, and the Morongo Band of Mission Indians were not present.

B. Potential WRCOG Agency Office Relocation

Ernie Reyna reported that WRCOG currently occupies approximately 5,500 sq. ft. at \$2.02 / sq. ft. The Agency currently employs 23 full-time staff, four interns, and three staff from the Riverside

County Habitat Conservation Agency, as well as four to six consultants which visit and utilize WRCOG's office on a monthly basis. Staff have researched various locations in order to obtain a larger office.

The County of Riverside owns the building across the street (on 10th Street) from WRCOG's current location. There are a total of 9,800 sq. ft. available for lease, and the lease rate would remain the same. There are no other locations in downtown Riverside large enough to house the number of staff, nor any location at a comparable lease rate. The least expensive lease was determined to be \$3.10 / sq. ft. The 10th Street location would have a 5-year lease option; other sites required a minimum of 10 years. Staff will be able to design the office to fit the needs of the Agency to include offices, cubicles, a breakroom, and conference rooms. Mr. Reyna shared estimated costs, such as demolition, construction, and furniture. The location is available now and ready for construction; staff could move in as early as spring 2017.

Committee member Kevin Jeffries asked why rent instead of buy?

Mr. Reyna responded that staff did research buildings to purchase; however, immediate needs can be addressed by renting office space on 10th Street.

Committee member Randon Lane indicated that the WRCOG Administration & Finance Committee has discussed this item and made the recommendation to continue renting until a suitable building becomes available. Staff visited a building currently owned by the Western Municipal Water District (WMWD); however, the costs for all the required improvements are astronomical.

Christopher Gray indicated that there are tremendous synergies associated with staying in downtown Riverside.

Committee member Bob Magee asked if the Riverside County Transportation Commission (RCTC) will be downsizing their staff / office size as it begins to close out a number of projects over the next couple of years.

Mr. Gray responded that RCTC has indicated that it is not interested in giving up any of its space. WRCOG has looked into again reconfiguring its current space, but reconfiguration options only add a few spaces for potential additional staff, at considerable cost.

Committee member Magee indicated that the 2nd floor in this building is vacant; why not spend the money there even though there are no windows.

Mr. Gray responded that Janis Leonard has had conversations with County staff about the 2nd floor.

Ms. Leonard indicated that the County had informed her that current construction is on hold due to issues, including asbestos, discovered during construction, and that there is a tenant slated to occupy the space once the issues are resolved.

Committee member Jeff Hewitt asked if the space on 10th Street will have meeting areas.

Mr. Reyna responded that a conference room can be constructed to accommodate WRCOG Committee meetings.

Committee member Hewitt indicated that the current office provides for approximately 150 / sq. ft. per employee, and asked what the going rate is for government per employee.

Mr. Reyna responded that he did not know the answer to that question, but would find out.

Committee member Hewitt responded that half a million dollars is a lot of money and that he is very

leery to approve move unless there is a greater bang for the buck.

Committee member Jeffries indicated that RCTC's Board recently approved not renting anymore, but instead to buy. It is more effective for the taxpayers in the long run.

Committee member Brenda Dennstedt indicated that WMWD was looking into a leasing option for WRCOG; however, the discussion was cut short due to the timeline staff presented with leasing the office on 10th Street.

Committee member Lane asked what the timeline is for 10th Street, and asked if the space could be held until the next meeting.

Mr. Reyna responded that the County has been holding the space since April, and has indicated that there are others interested in the space. Mr. Reyna indicated that he would ask the County if it would continue to hold the space another month until this Committee makes a decision.

Committee member Kevin Bash indicated that in buying a building, WRCOG would be responsible for everything, e.g., sewer, electricity, seismic requirements, etc., even if there is another economic downturn and the building's value decreases. In leasing, the landlord is responsible for everything.

Committee member Rusty Bailey indicated that more detailed discussions must have occurred at the Administration & Finance Committee meetings and requested that a member of that Committee weigh in.

Committee member Debbie Franklin indicated that she is okay with waiting one more month while staff researches the benefits of purchasing a building; this would be an investment in WRCOG. Committee member Franklin would like to know what costs are associated with buying a building.

Committee member Marion Ashley indicated that it is not a good market to buy in right now.

Chairman Benoit indicated that staff has researched different options and the Administration & Finance Committee has discussed this matter. Staff is very cramped in the current location. The reception area was opened up for workstations. Multiple staff are working in one space. The last option, should WRCOG hire any additional staff, is to double-up in the managers' offices. This is why the Administration & Finance Committee is making the recommendation to continue leasing at this time to address the immediate spacing issue, and considering buying and other options for the future. Chairman Benoit asked for clarification on lease terms at 10th Street.

Mr. Reyna responded that it is a 5-year lease, but does allow for an early termination.

Chairman Benoit cautioned that waiting too long may cause WRCOG to lose the opportunity to move across the street. The decision to buy a building should not be made in one month.

Committee member Jeffries asked how often this issue has been discussed by the entire Executive Committee.

Chairman Benoit responded that this is the first time.

Committee member Jeffries indicated that this should have been discussed with this Committee over many months. This has obviously been in the works for quite some time; however, this is the first time it is being presented here.

Committee member Hewitt indicated that perhaps the money it would take for tenant improvements could be put into a building to purchase.

Committee member Jeffrey Giba asked why the search was not expanded to beyond the Riverside area.

Mr. Gray responded that this area is very central for people visiting WRCOG in relation to other meetings they may have at the County Administrative Center.

Committee member Giba indicated that there are likely other locations which would be centrally located as well. There may be other locations within the WRCOG subregion with just as many and types of amenities, and it does not appear that that has been explored.

Committee member Lane indicated that this conversation should have been presented for discussion to this Committee earlier; however, it has been discussed and explored a lot. The consensus from the Administration & Finance Committee was that having the main office here in Riverside, where there is more of a synergy from all of the various agencies WRCOG works with that are more centrally located with the County, was the driving force behind staying in downtown Riverside. Committee member Lane would like this matter held off until the next meeting to determine if there are options to purchase a building. Having an investment in its own property is better than WRCOG paying rent.

Committee member Rita Rogers asked if the property on 10th Street recently became available, or has it been on the market for some time.

Chairman Benoit responded that the property has been on the market since April. The County would prefer a governmental entity as a tenant.

Committee member Magee suggested that staff ask the County to hold the office space for an additional 60 days, expand the area to beyond the half-block radius, and revisit options for the 2nd floor within this building.

Committee member Bailey would like the value of being in the synergies mentioned earlier quantified.

Committee member Franklin asked how much space is available on the 2nd floor; is it the entire floor.

Committee member Magee indicated that there is a conference room ready to go on the 2nd floor.

Committee member John Denver indicated that, when considering the benefits of being located in downtown Riverside, to also consider the redevelopment benefits of moving into another city.

Committee member Dennstedt indicated that she would like to hear what the options were for the WMWD building. Committee member Dennstedt was under the impression that WMWD is willing to invest dollars into the rehab of the building.

Action: 1. *Directed staff to 1) request the County to hold the space for another 60 days; 2) circle back with WMWD for further discussions; 3) explore the purchase of a building in an expanded area beyond a half-block radius; and 4) revisit options for the 2nd floor within this building.*

(Magee/Dennstedt) 19 yes; 0 no; 0 abstention. Item 6.B was approved by a unanimous vote of those members present. The Cities of Canyon Lake and Temecula, the County of Riverside Districts 2 and 3, and the Morongo Band of Mission Indians were not present.

C. WRCOG Transportation Program Activities Update

Christopher Gray reported that in September 2015, this Committee delayed adoption of the Nexus

Study. The 2016 SCAG RTP/SCS data has since been received and incorporated into the TUMF Nexus Study. Staff requested that member jurisdictions remove unneeded projects from the Network, and WRCOG's consultants reviewed the Network to remove recently completed projects. Workshops were held to review the TUMF Program in its entirety.

Mr. Gray reviewed a variety of options in moving forward with a Nexus Study Update, which include, for example, no change in the current fee, not adding more projects to the Network, phase-in the fee, remove projects from the Network, etc.

Committee member Rusty Bailey asked what the deadline is to make a decision on the adoption of an updated Nexus Study.

Mr. Gray responded that staff anticipates working with the Ad Hoc Committee over the next two to three months.

Committee member Eugene Montanez indicated that the adoption of an updated Nexus Study is approximately one year behind schedule. The issue one year ago was that retail fees were expected to increase, so the idea was to revisit the fee. It was suggested then to provide an incentive for projects to come forward. Retail developers have had a one-year break in fees. The longer an updated Nexus Study is delayed again, the longer the developers have to complete projects. Something should be adopted sooner rather than later.

Committee member Jeffrey Giba asked how the fee from the recently adopted Highland Fairview project affects a TUMF increase.

Chairman Benoit indicated that the Highland Fairview project fees are for highways.

Committee member Kevin Jeffries indicated that the Highland Fairview project fee will be based on warehouse / industrial facilities, and will not apply to single-family residences or professional office space.

Committee member Giba indicated that it would be a new fee in addition to TUMF, and asked how that would affect the acceptance of a TUMF increase.

Mr. Gray responded that a presentation is being vetted through the WRCOG Committee structure on the comprehensive study of regional fees, which include every fee being charged by agencies within, and adjacent to, Riverside County, on new development.

Committee member Bob Magee indicated that an earlier slide in this presentation indicated that the Franklin at I-215 project was not part of the Nexus Study. Committee member Magee would like that revisited. The original report in the year 2000 for Railroad Canyon Road Interchange included Franklin. CalTrans kicked it out and the City of Lake Elsinore has been working on design alternatives, the latest in 2014 which included Franklin.

Mr. Gray responded that it is not in the 2009 Nexus Study; however, it has been added into the newest version of the Nexus Study. If this Committee directs staff to begin with another updated Nexus Study, the 2009 Nexus Study remains in place until a new Study is adopted. A comprehensive update was completed in 2015 in which a new list of projects were added; however, the longer this Committee delays adopting a new Nexus Study, the longer the 2009 Nexus Study controls approved projects.

Committee member Bailey volunteered to serve on the Ad Hoc Committee.

Committee member Giba volunteered to serve on the Ad Hoc Committee.

Committee member Jeffries asked who will represent the County unincorporated.

Committee member Jeff Hewitt volunteered to serve on the Ad Hoc Committee.

Committee member Bailey suggested having three members on the Ad Hoc Committee.

Steve DeBaun confirmed that is okay to do.

Mr. Gray indicated that there is a County representative on the WRCOG Public Works Committee.

- Actions:**
1. *Directed staff to convene an Ad Hoc Committee composed of two members of the Executive Committee, with assistance from two members of the Technical Advisory Committee, and two members of the Public Works Committee, to discuss potential options related to completion of the Nexus Study.*
 2. *Appointed Executive Committee members Rusty Bailey (Riverside), Jeffrey Giba (Moreno Valley) and Jeff Hewitt (Calimesa) to serve on the Ad Hoc Committee.*

(Montanez/Giba) 18 yes; 0 no; 0 abstention. Item 6.B was approved by a unanimous vote of those members present. The Cities of Canyon Lake and Temecula, the County of Riverside Districts 2 and 3, and the Morongo Band of Mission Indians were not present. The Water Districts do not vote on TUMF matters.

7. REPORT FROM THE WRCOG TECHNICAL ADVISORY COMMITTEE (TAC) CHAIR

Gary Nordquist reported that the TAC received a presentation on the County's broadband initiative, RivCo Connect; an update on the TUMF Nexus Study; and made appointments to the Emergency Medical Care Committee, which advises the Riverside County Board of Supervisors on emergency medical care within the County.

8. REPORT FROM COMMITTEE REPRESENTATIVES

Chairman Benoit, South Coast Air Quality Management District (AQMD) representative for cities in Riverside County, reported that the Air Quality Mitigation Plan was recently released in draft form for public review and comment. The Plan outlines the fact that AQMD does not have any control over planes and trains, nor vehicles coming out of the Ports, and is requesting Federal fixes to create a national standard across the board.

9. REPORT FROM THE WRCOG EXECUTIVE DIRECTOR

Barbara Spoonhour introduced new employee Michael Wasgatt, HERO Program Manager.

10. ITEMS FOR FUTURE AGENDAS

There were not items for future agendas.

11. GENERAL ANNOUNCEMENTS

There were no general announcements.

12. NEXT MEETING: **The next WRCOG Executive Committee meeting is scheduled for Monday, September 12, 2016, at 2:00 p.m., in the Riverside County Administrative Center, 1st Floor Board Chambers.**

13. ADJOURNMENT: **The meeting of the WRCOG Executive Committee adjourned at 3:18 p.m.**

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: WRCOG Environmental Department Activities Update

Contact: Dolores Sanchez Badillo, Staff Analyst, badillo@wrcog.cog.ca.us, (951) 955-8306

Date: September 12, 2016

Requested Action:

1. Receive and file.

WRCOG's Environmental Programs assists member jurisdictions with addressing state mandates, specifically the Integrated Waste Management Act (AB 939, Chapter 1095, Statutes of 1989), which required 25% and 50% diversion of waste from landfills by 1995 and 2000, respectively. While certain aspects of AB 939 have been modified over the years with legislation defining what materials counted towards diversion and how to calculate the diversion rate for jurisdictions, the intent of the bill remains. Each year, a jurisdiction must file an Electronic Annual Report (EAR) with CalRecycle on the jurisdictions' achievements in meeting and maintaining the diversion requirements. The Environmental Program also has a Regional Used Oil component which is designed to assist member jurisdictions in educating and promoting proper recycling and disposal of used oil, oil filters, and household hazardous waste (HHW) to the community.

Recycling Program Activities Update

Used oil events: WRCOG's Used Oil and Oil Filter Exchange events help educate and facilitate the proper recycling of used motor oil and used oil filters in various WRCOG jurisdictions. The primary objective of hosting the events is to educate "Do It Yourself" (DIY) individuals who change their own oil, promoting the recycling of used oil and oil filters; therefore, an auto parts store is a great venue for educating the DIYer. In addition to promoting used oil / oil filter recycling, WRCOG staff informs the DIYer about the County-wide HHW Collection Program in which residents can drop-off other automotive and household hazardous products for free.

WRCOG has engaged in recycling and used oil outreach and educational activities in different communities to teach about the importance of proper recycling and the correct disposal of used oil, oil filters, and HHW to the community.

On Saturday, August 13, 2016, WRCOG staff hosted a Used Oil event at the O'Reilly Auto Parts at 1691 University Avenue in Riverside. From 9 a.m. to 1 p.m., nearly 100 people attended the event and most accepted the free oil containers that WRCOG provided for attendees who turned in their used oil at the store. Additionally, 298 used oil filters were exchanged for new filters. Staff also had informational material on Household Hazardous Waste on hand for all who attended. Other items provided were shop towels, funnels, plastic trash bags and brochures with oil program information. WRCOG brought along KFRG 92.9 FM who broadcasted remotely from their booth. Those who attended were also thankful for WRCOG's team support of the City of Riverside. WRCOG and our "Oil Partners" were all represented at this City of Riverside event.



Intern Jorge Nieto
manning the
WRCOG booth in the
City of Riverside



On the job in San Jacinto:
WRCOG Interns Kyle
Rodriguez and Jorge Nieto

On Saturday, August 27, 2016, WRCOG's Environmental team and the City of San Jacinto hosted a Used Oil Filter Exchange event at the AutoZone on San Jacinto Avenue. For those who got up early that Saturday to dispose of their used oil, WRCOG and the City of San Jacinto were on hand to help out. This outreach event was planned to promote the recycling of used oil and oil filters. Staff distributed supplies to help the Do It Yourself individuals. They also distributed HHW flyers. Advance advertising via radio and informational flyers encouraged people to take their recycled motor oil and oil filters – up to two filters per person – to trade in for a free oil filter for their vehicle. There were a total of 31 oil filters dropped off for recycling and 31 new filters were given away. WRCOG's supplies that were given away included funnels, shop rags, oil sponges, buckets, tire gauges, and informative flyers about HHW. Attendees from the San Jacinto community expressed thanks to the WRCOG team for supporting the City by keeping it environmentally clean. This was another successful event.

Upcoming Used Oil Events: The following is a list of Used Oil and Oil Filter Exchange events that are presently scheduled. To request an event for your jurisdiction please contact Jorge Nieto, WRCOG Intern, at (951) 955-8328 or nieto@wrcog.cog.ca.us.

Date	Event	Location	Time
9/10/2016	City of Riverside	O'Reilly's, 3790 Jurupa Ave.	9 a.m. – 1 p.m.
9/17/2016	City of Menifee	O'Reilly's, 25894 Newport Rd.	9 a.m. – 12 p.m.
10/8/16	Canyon Lake Car Show	City of Canyon Lake/Lodge	7 a.m. – 4 p.m.

WRCOG Pilot and Regional Litter Initiative

WRCOG has been progressing on the main components of the Lake Elsinore Pilot Litter Program. The focus has been on the following: Community Education, Marketing, Signage, Staffing, Funding, and Community Collaboration. The goal is to build upon the City's first year's efforts to a regional initiative that will encompass all interested jurisdictions. The Pilot Program will emphasize the development of a positive anti-litter campaign that utilizes education and incentives as a way to instill community pride. The components will enhance strategies and efforts that will help resolve the littering problems much faster and for the long-term. The Lake Elsinore Pilot Program is tentatively scheduled to start on October 15, 2016, at the Lake Elsinore City-Wide Clean-up being held at the Storm Stadium.

Prior WRCOG Action:

August 18, 2016: The WRCOG Technical Committee received report.

WRCOG Fiscal Impact:

Solid Waste and Used Oil Program activities are included in the current adopted Agency budget. Costs identified in association with the Pilot Litter Initiative will come from WRCOG carryover funds and reflected in the final Agency Budget for Fiscal Year 2016/2017, or a budget amendment.

Attachment:

None.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: WRCOG Finance Department Activities Update

Contact: Ernie Reyna, Chief Financial Officer, reyna@wrcog.coq.ca.us, (951) 955-8432

Date: September 12, 2016

Requested Action:

1. Receive and file.

Following is a schedule of finance-related activities for the remainder of the Fiscal Year.

Financial Audit

Financial auditors from Vavrinek, Trine, Day, & Co., have conducted their interim audit work for Fiscal Year (FY) 2015/2016. The auditors worked with WRCOG staff to begin the process of reviewing the financial ledgers, and will return in late September to conduct final fieldwork. The final portion of the audit will be scheduled during the week of September 26, 2016. It is anticipated the audit will conclude in October or November 2016, with the final Comprehensive Annual Financial Report being issued shortly thereafter.

Budget Amendment

September 30, 2016, will mark the end of the first quarter of FY 2016/2017, and the WRCOG Administration & Finance Committee will be presented with the budget amendment report at its October 12, 2016, meeting. The WRCOG Technical Advisory Committee will also consider the amendment report at its October 20, 2016, meeting. The WRCOG Executive Committee will consider the amendment report at its November 7, 2016, meeting.

Annual TUMF Audit for FY 2015/2016

Letters have been transmitted to each member agency during the month of August to schedule the annual TUMF audit visits. This process will include a follow up email to the Agencies Finance and Public Works Directors confirming the date and time of their respective audits. TUMF audits will then commence in September and are anticipated to be completed by November 2016. The TUMF audits allow staff to ensure that member agencies are correctly calculating and remitting TUMF funds in compliance with the TUMF Program.

Prior WRCOG Actions:

August 18, 2016: The WRCOG Technical Advisory Committee received report.
August 10, 2016: The WRCOG Administration & Finance Committee received report.

WRCOG Fiscal Impact:

This item is informational only; therefore, there is no fiscal impact.

Attachment:

None.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: WRCOG Financial Report Summary through June 2016

Contact: Ernie Reyna, Chief Financial Officer, reyna@wrcog.coq.ca.us, (951) 955-8432

Date: September 12, 2016

Requested Action:

1. Receive and file.
-

Attached is WRCOG's financial statement through June 2016.

Prior WRCOG Actions:

August 18, 2016: The WRCOG Technical Advisory Committee received report.

August 10, 2016: The WRCOG Administration & Finance Committee received report.

WRCOG Fiscal Impact:

This item is informational only; therefore there is no fiscal impact.

Attachment:

1. WRCOG Financial Report Summary – June 2016.

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Item 5.D

WRCOG Financial Report Summary
through June 2016

Attachment 1

WRCOG Financial Report
Summary – June 2016

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Western Riverside Council of Governments
Monthly Budget-to-Actuals
For the Month Ending June 30, 2016

	Approved FY 15/16	6/30/2016	Remaining
	Budget	Actual	Budget
Revenues			
Member Dues	\$ 298,910	\$ 298,910	\$ -
Government Relations	960	1,170	(210)
WRCOG HERO	1,489,005	1,489,005	-
WRCOG HERO Recording	440,800	440,800	-
WRCOG HERO Commercial	22,873	25,785	(2,912)
CA HERO	5,948,521	5,948,521	-
CA HERO Recording	1,593,055	1,593,150	(95)
Gas Company Partneship	54,347	54,347	-
SCE WRELP	74,152	78,793	(4,641)
SCE Phase II & III	69,215	83,855	(14,640)
Solid Waste	91,370	91,370	-
Used Oil	258,015	233,015	25,000
Air Quality	140,500	140,500	-
SCAQMD	38,750	26,351	12,399
LTF	684,750	684,750	-
Other Miscellaneous	9,671	9,671	-
General Assembly	300,000	204,400	95,600
TUMF - 4% Administration	1,405,095	1,435,437	(30,342)
TUMF - Total Program less Admin	30,000,000	34,704,098	(4,704,098)
Fund Balance Carryover	2,234,871	-	2,234,871
Total Revenues	\$ 45,574,861	\$ 47,543,928	\$ (1,969,068)
Expenditures			
Salaries and Wages	\$ 1,892,595	\$ 1,830,016	62,579
Fringe Benefits	1,056,135	666,391	389,744
Overhead Allocation	1,500,089	1,375,082	125,007
General Legal Services	726,986	563,723	163,263
Audit Services	26,357	26,357	-
Bank Fees	81,357	81,357	0
Committee Per Diem	57,650	57,150	500
Interest Expense	57	57	0
Office Lease	140,000	133,898	6,102
Auto Fees Expense	232	232	(0)
Auto Maintenance Expense	48	48	0
Special Mail Services	2,741	2,741	(0)
Parking Validations	3,541	2,226	1,315
Staff Recognition	3,489	3,489	-
Event Support	150,287	133,834	16,453
General Supplies	31,920	21,535	10,385
Computer Supplies	9,779	7,063	2,716
Computer Software	23,740	20,402	3,338
Rent/Lease Equipment	27,871	29,711	(1,840)
Membership Dues	33,070	29,206	3,864
Subscriptions/Publications	6,589	6,589	-
Meeting Support Services	13,543	8,135	5,408
Postage	5,843	5,149	694
Other Household	2,447	2,447	(0)
COG Partnership Agreement	43,901	43,901	0
Storage	20,000	15,537	4,463
Printing Services	30,757	13,177	17,580
Computer/Hardware	5,859	5,858	1
Communications - Phone	4,146	4,146	0
Communications - Long Dist	1,200	1,059	141
Communications - Cellular	12,195	9,421	2,774
Communications - Comp Serv	17,142	12,680	4,462
Communications - Web Site	10,500	3,733	6,768
Equipment Maint - General	16,100	5,447	10,653
Equipmnet Maint-comp/Software	1,214	1,214	0
Insurance - Gen/Business Liasion	67,120	66,865	255
WRCOG Auto Insurance Expenses	1,883	1,883	-
County RIFMIS Charges	2,700	1,941	759
Data Processing Support	15,630	15,630	(0)
HERO Recording Fee	1,355,155	1,353,702	1,453
Seminars/Conference	16,075	12,290	3,785
General Assembly	300,000	117,506	182,494
Travel - Mileage Reimbursements	26,002	14,076	11,926
Travel - Ground Transportation	8,407	6,504	1,903
Travel - Airfare	31,095	28,380	2,715
Lodging	25,643	16,370	9,273
Meals	9,060	6,944	2,116
Other Incidentals	43,895	24,854	19,041
Training	3,343	647	2,696
Supplies/Materials	41,322	5,175	36,147
Newspaper Ads	8,730	4,500	4,230
Billboard Ads	5,000	3,823	1,177
Radio & TV Ads	90,748	89,262	1,486
Consulting Labor	2,310,176	1,879,789	430,387
Consulting Expenses	37,547	5,610	31,937
Gov Relations Reimbursement	243,237	243,237	0
Computer Equipment Purchase	60,588	55,313	5,275
Water Task Force Program	899	899	0
Motor Vehicles Purchased	33,037	33,037	(0)
TUMF Program less Admin Expenditures	28,800,000	31,506,189	(2,706,189)
Overhead transfer in	(1,500,000)	(1,375,082)	(124,918)
Transfer out to Reserve	\$ 5,140,260	\$ 5,140,260	-
Total Expenditures	\$ 43,214,947	\$ 44,382,613	\$ (1,167,666)



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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Regional Streetlight Program Activities Update

Contact: Tyler Masters, Program Manager, masters@wrcog.cog.ca.us, (951) 955-8378

Date: September 12, 2016

Requested Action:

1. Recommend, for those jurisdictions interested in using financing for the acquisition and retrofitting of streetlights, that they utilize Bank of America Public Capital Corporation (which was deemed the most responsive during the bid process by WRCOG staff and its Financial Advisor, Public Financial Management, for being able to provide the most competitive financing for the Regional Streetlight Program).

WRCOG's Regional Streetlight Program will assist member jurisdictions with the acquisition and retrofit of their Southern California Edison (SCE)-owned and operated streetlights. The Program has three phases, which include 1) streetlight inventory; 2) procurement and retrofitting of streetlights; and 3) ongoing operations and maintenance. The overall goal of the Program is to provide significant cost savings to the member jurisdictions.

Program Update

At the direction of the WRCOG Executive Committee, WRCOG is developing a Regional Streetlight Program that will allow jurisdictions (and Community Service Districts) to purchase the streetlights within their boundaries that are currently owned / operated by SCE. Once the streetlights are owned by the member jurisdiction, the lamps will then be retrofitted to Light Emitting Diode (LED) technology to provide more economical operations (i.e., lower maintenance costs, reduced energy use, and improvements in public safety). Local control of its streetlight system allows jurisdictions opportunities to enable future revenue generating opportunities such as digital-ready networks, and telecommunications and IT strategies.

The goal of the Program is to provide cost-efficiencies for local jurisdictions through the purchase, retrofit, and maintenance of streetlights within jurisdictional boundaries, without the need of additional jurisdictional resources. As a regional Program, WRCOG is working with each of the jurisdictions to move through the acquisition process, develop financing recommendations, develop / update regional and community-specific streetlight standards, and manage the regional operations and maintenance agreement that will increase the level of service currently being provided by SCE.

Cash-flow meeting update: WRCOG staff has conducted streetlight cash-flow meetings with the Cities of Calimesa, Eastvale, Hemet, Lake Elsinore, Menifee, Murrieta, Norco, Perris, San Jacinto, Temecula, Wildomar, the County of Riverside, and with the Rubidoux and Jurupa Community Services Districts. Meetings with remaining jurisdictions are being scheduled.

The purpose of the cash-flow meetings is to provide jurisdictional staff (i.e., Finance Director, City Manager, senior staff, etc.) with the financial information needed for staff to make a recommendation on whether it is feasible to move forward with the acquisition and retrofit of the streetlights currently owned by SCE.

On a regional basis, WRCOG is identifying a 50-60% reduction in utility bills after streetlight acquisition and retrofit to LED fixtures. These savings are due primarily to reductions in maintenance and energy costs. Additionally, WRCOG has developed a feasibility model that includes a variety of financial sensitivities, including utility cost reductions, energy cost reductions, operations and maintenance costs (including pole knockdown replacement costs), debt service of ownership, and LED retrofit for each jurisdiction's streetlight system, and also includes a re-lamp reserve. The re-lamp reserve is a reserve to set aside funds to ensure that in 15 years (when the LED streetlights are projected to wear out) each jurisdiction will have funds to retrofit to the next generation of energy efficient street lighting, without negatively impacting the jurisdiction's general fund. This model has been provided to each member jurisdiction for their review. This tool will allow City staff to toggle variables (interest rates, re-lamp reserve, number of poles, etc.) to quantify how cash flows are impacted in various scenarios.

Financing Update: On August 18, 2016, (WRCOG Technical Advisory Committee), August 10, 2016, (WRCOG Administration & Finance Committee), and July 28, 2016, (WRCOG Finance Director's Committee), Public Financial Management (PFM), consultant on this Program, provided presentations on the financing strategies being proposed. Each of the Committees have approved the requested action provided in this staff report. A copy of PFM's recommendation memo, which also outlines the bid process that was undertaken, is attached.

WRCOG and PFM staff considered numerous financing options. These options included WRCOG-pool financing, individual city-issues bonds, California Infrastructure bank loans, California Energy Commission, and direct placement lease financing options. Member jurisdictions have expressed interest in the WRCOG-pool and direct placement lease options as potential financing structures. The WRCOG-pool option would allow WRCOG to set up a single transaction and release the funds to jurisdictions on a needed basis; however, this structure could potentially encounter timing challenges given the fact that each jurisdiction will be moving through the acquisition and retrofit processes at different times. The alternative structure (Direct placement lease) would allow for additional flexibility on timing, and allow for slightly differentiated jurisdictional interest rates given credit ratings. Upon Executive Committee authorization, staff will begin to work with Bank of America to develop a financing structure for acquisition and retrofit of the streetlights.

Background on the bid process: On March 7, 2016, WRCOG released a Request for Bids (RFB) to select a financing vendor that would provide capital to member jurisdictions for the acquisition process at a competitive rate. WRCOG staff and PFM have been working with Bank of America, which was deemed the most responsive and best option during the bid process and meets the needs of the Program. Bank of America has proven to have the following:

1. Ability to provide financing to all participating jurisdictions in the Program
2. Provide financing for both purchase and LED retrofit
3. Streetlights accepted as sole collateral
4. Able to finance as either taxable or tax-exempt debt
5. Smart City usage permitted
6. The qualifications and experience of the proposing firm
7. Competitive fee proposal for all jurisdictions

Regional Demonstration Area Update: During the week of August 29 through September 2, 2016, WRCOG is creating a Regional Streetlight Demonstration Area in five different locations throughout the City of Hemet to showcase various LED streetlights from 11 different vendors. The Demonstration Areas incorporate multiple land use types (residential, commercial, industrial, etc.) that jurisdictional leaders, staff, and members of the public will be able to view and provide feedback.

To gain additional input, staff will coordinate multiple educational tours in October / November 2016. The use of electronic and physical surveys will be used to gain feedback from the public. Results from the surveys will be used to assess preferences of the LED lights and rank the selection of viable LED lights to use for the Program. The Streetlights will be marked with a designated pole tag to help stakeholders identify which lights are or are not part of the Program.

A media kit is being developed and will include sample press releases, brochures and informational items, a “frequently asked questions” sheet, signage, social media language, and a map of the Demonstration Areas. The media kit will be available for all member jurisdictions to distribute to their community within the next week.

The following is a map depicting Demonstration Area locations and a sample of the streetlight pole identification tag that will be used.



Map of Demonstration Areas



City of Hemet streetlight pole identification tag on the left.

Demonstration Area Streetlight tag identification tag on the right.

Recommendation and selection of the new lighting fixtures is expected to be provided to and considered by WRCOG Committees at the conclusion of the Demonstrations Areas in early 2017.

Prior WRCOG Actions:

August 18, 2016: The WRCOG Technical Advisory Committee recommended, for those jurisdictions interested in using financing for the acquisition and retrofitting of streetlights, that they utilize Bank of America Public Capital Corporation (which was deemed the most responsive during the bid process by WRCOG staff and its Financial Advisor, Public Financial Management, for being able to provide the most competitive financing for the Regional Streetlight Program).

August 10, 2016: The WRCOG Administration & Finance Committee recommended, for those jurisdictions interested in using financing for the acquisition and retrofitting of streetlights, that they utilize Bank of America Public Capital Corporation (which was deemed the most responsive during the bid process by WRCOG staff and its Financial Advisor, Public Financial Management, for being able to provide the most competitive financing for the Regional Streetlight Program).

WRCOG Fiscal Impact:

Activities for the Regional Streetlight Program are included in the Agency's adopted Fiscal Year 2016/2017 Budget under the Energy Department.

Attachment:

1. PFM Streetlight Financing Partner Recommendation.

Item 5.E

Regional Streetlight Program
Activities Update

Attachment 1

PFM Streetlight Financing Partner
Recommendation

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July 21, 2016

Memorandum

To: Western Riverside Council of Governments:
Rick Bishop, Executive Director
Barbara Spoonhour, Director of Energy and Environmental Programs
Tyler Masters, Program Manager
Anthony Segura, Staff Analyst

From: Public Financial Management, Inc.
Laura Franke, Managing Director
Felicia Williams, Senior Managing Consultant

CC: Phil Bowman, Muni-Fed Energy
Jim Filanc, Southern Contracting

Re: Western Riverside County of Governments:
RFP # S-727, Financing for Streetlight Acquisition & Retrofit

On behalf of Western Riverside Council of Governments (“WRCOG”), Public Financial Management, Inc. (“PFM”) has been pleased to assist with the solicitation, evaluation and additional consideration of funding partner selection for the Regional Streetlight Program. Based on the offers received and questioning of the respondents, we recommend the appointment of Bank of America Public Capital Corporation (“BAPCC”) to serve as funding partner for WRCOG’s Regional Streetlight Program (the “Program”).

On March 7, 2016, WRCOG solicited Requests For Bids from the 56 firms identified in the following table. The table indicates which of the solicited firms responded.

Lender	Response	Lender	Response	Lender	Response
Banc of America Public Capital Corp	✓	GE Capital	-	Siemens Financial Services	-
Bank of Marin	-	Hannon Armstrong	-	Signature Bank	x
Bank of the West	-	Holman Capital	-	Solano First Credit Union	-
Barclays	-	IBEW	-	SolarMax	✓
BB&T	-	I-Bank	x	Sovereign Bank	-
BBVA Compass	✓	JP Morgan Chase	x	State Street Bank and Trust Company	-
BMO Harris	-	KeyBank	-	Stifel	-
BNY Mellon	-	Lance Capital	-	STRS	-
California Bank and Trust	-	Mitsubishi	-	Sumitomo Mitsui Banking Corporation	-
CapitalOne Public Funding	-	Mizuho	-	Suntrust Bank	-
Citi	-	NECA	-	TD Bank	-
Citizens Bank	-	New Resource Bank	-	Travis Credit Union	-
City National Bank	-	Northern Trust	-	Umqua Bank	-
Comerica Leasing Corp	-	Oppenheimer	-	Union Bank	-
Deutsche Bank	-	PNC Bank	x	Wells Fargo Bank	-
Eas West Bank	-	RBC	-	Western Alliance Equipment Finance	-
First Republic Bank	-	Rockfleet Financial	-	Wulff, Hansen & Co.	✓
First Security Leasing	-	Rosemawr Management	-	Zion's Bank/NSB	-
Fremont Bank	-	Santander	-		

In evaluating the responses received, the primary considerations were:

- (1) Provide financing for all participating jurisdictions in the Program
- (2) Provide financing for both purchase and LED retrofit
- (3) Streetlights accepted as sole collateral
- (4) Able to finance as either taxable or tax-exempt debt
- (5) Smart City usage permitted
- (6) The qualifications and experience of the proposing firm
- (7) Competitive fee and interest rate proposals for all jurisdictions

After receiving the proposals, telephone interviews were scheduled with the respondents. Through these interviews PFM discerned that one of the firms was not proposing a compliant structure to serve as funding partner:

- SolarMax suggested a structure that would not be viable under the regulatory framework for streetlight acquisition. The structure suggested would require that SolarMax become the purchaser of the streetlights from Southern California Edison ("SCE" or "Edison") and then sell the streetlights to the jurisdictions after retrofitting. In addition to the financial structuring concerns, SolarMax indicated a requirement for use of their equipment, and a significantly higher borrowing rate than the other respondents. WRCOG's evaluation team discussed these concerns with SolarMax during the verbal evaluation and no additional information or follow up was provided by the bidder.

Of the remaining bidders, it was determined that BBVA was qualified but lacked the depth of specific streetlight experience of the other two bidders. Wulff, Hansen initially provided a vague level of specificity in their response; and after several conversations, provided a formal bid from an investor, Hannon Armstrong, who would actually provide capital for the transactions. Wulff, Hansen's representative is a former energy service company finance professional with experience in this type of project finance; and, Hannon Armstrong, is a real estate investment trust that specifically invests in energy-related improvements. Wulff, Hansen and Hannon Armstrong provide a reasonable alternative, but the coordination between the two firms relative to the timing of providing their bid raised concerns on their ability to meet the Program's schedule and conform to timely processing needs. The remaining bidder, Bank of America, provided a complete and timely bid, was able to respond to questions relative to the content of that bid, has demonstrated experience with other streetlight financing; and, upon request, and was able to verbally indicate pricing levels that were in the range expected by the evaluation team.

Given their experience, understanding of Program needs and competitive pricing, it is PFM's opinion and recommendation that the Program appoints Bank of America as the funding partner for the WRCOG Streetlight Program. We appreciate your consideration of this recommendation, and we are available to provide additional information or answer any questions you have.

Desired Components	Bank of America	BBVA Compass	Solar Max	Wulff, Hansen / Hannon Armstrong
Able to provide financing to all cities? ¹	Yes	Maybe	Yes	Yes
Financing for purchase, retrofit and soft costs	Yes	Yes	Yes	Yes
Enhancement / Reserve requirements	Maybe	Maybe	No	Jurisdictions will deposit one year of lease payments into a DS Reserve Fund at closing
15 year financing term	Yes	Yes	Yes	Yes (up to 23 years)
12 month construction period	Yes	Yes	Yes	Yes
Streetlights sole collateral	Yes	Yes - strong credit cities. Weaker credit cities may need essential property as additional collateral	Yes	Yes
Smart cities usage allowed	Yes	Maybe	Yes, but reserve right of first refusal. If Solar Max product exists for smart city purpose, SolarMax product must be used.	Yes
Indicative² 15 year Tax-Exempt Rate	2.25 – 2.75%	2.75 – 3.25%	No. Tax-exempt financing has no benefits to foreign investors	4.64%
Indicative 15 year Taxable Rate	3.50 – 4.25%	4.25 – 4.60%	8.0% for 15 year term	4.64%

¹ Banks are all subject to additional credit approvals, Solar Max not.

Desired Components	Bank of America	BBVA Compass	Solar Max	Wulff, Hansen / Hannon Armstrong
5 year optional call	2% premium (200 bps) on any payment date after fifth year	+15-30 bps on interest rate	No	3% premium (300 bps) on any payment date after fifth year
10 year optional call	2% premium (200 bps) on any payment date after fifth year	No additional spread/premium	No	No premium after ten years
Fees	Usual and customary fees ³ , including lender counsel	Lender counsel fee \$5k-\$10k / transaction	0.5% (50 bps) \$2,000 doc fee	Usual and customary fees, no charge for lender counsel
Flexible/open to additional retrofit financing for already owned streetlights	Yes	Yes	Yes	Yes
Flexible/open to additional jurisdictions not originally in the program	Yes	Yes	Yes	Yes

² Indicative rates were provided verbally by Bank of America and BBVA. Final rates will be subject to individual credit and market conditions at the time of pricing.

³ Fees include standard transaction closing costs: Bond Counsel, Financial Advisor, Escrow Agent, CDIAC fees, insurance.

Desired Components	Bank of America	BBVA Compass	Solar Max	Wulff, Hansen / Hannon Armstrong
Notes / Considerations	All subject to underwriting and credit approval/due diligence Has extensive experience working with streetlight financing.	All subject to underwriting and credit approval/due diligence	Financing dependent on use of Solar Max products EB-5 funding is only available to the retrofit costs and has a 5 year maximum term	All subject to underwriting and credit approval/due diligence

In addition to the responses detailed above, California I-Bank and Signature Public Funding indicated an interest in future opportunities, though likely on a city-by-city basis.

JP Morgan and PNC were not able to get approval to submit an indication of interest.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Community Choice Aggregation Program Activities Update

Contact: Barbara Spoonhour, Director of Energy and Environmental Programs,
spoonhour@wrcog.cog.ca.us, (951) 955-8313

Date: September 12, 2016

Requested Action:

1. Receive and file.
-

Community Choice Aggregation (CCA) allows cities and counties to aggregate their buying power to secure electrical energy supply contracts on a region-wide basis. In California, CCA (Assembly Bill 117) was chaptered in September 2002 and allows for CCA formation. Several local jurisdictions are pursuing formation of CCAs as a way to lower energy costs and/or provide “greener” energy supply. WRCOG’s Executive Committee has directed staff to pursue the feasibility of Community Choice Aggregation for Western Riverside County.

CCA Activities Update

In January 2016, WRCOG staff received direction from the WRCOG Executive Committee to pursue a Feasibility Study for the formation of a CCA. To achieve economies of scale and resource efficiencies, San Bernardino Associated Governments (SANBAG) and the Coachella Valley Association of Governments (CVAG) joined WRCOG’s effort to have a multi-county Study completed. To complete the Feasibility Study, WRCOG entered into an agreement with BKI.

At the August 2016 WRCOG Technical Advisory Committee (TAC) meeting, WRCOG staff presented the preliminary data and key findings regarding the feasibility of a CCA for the subregion, including the CVAG and SANBAG subregions. The initial draft of the study will be made available to Committee members by the end of August 2016.

Once the initial draft is released, WRCOG staff and its consultants will continue to bring forward updates to the WRCOG Committees, along with a number of policy decisions that will need to be made regarding moving forward, governance structure, power supply types, etc. After review of the draft Study, staff will also bring forward a recommendation regarding the feasibility of CCA at October’s Executive Committee Meeting accompanied with a presentation from a representative from Marin Clean Energy, California’s first operating CCA, established in 2010.

What are other areas doing?: Multiple cities and counties in Southern California have assessed or are currently assessing the feasibility of developing CCA’s. WRCOG staff continues to monitor and track the efforts across the subregion; below is a listing of many of the jurisdictional efforts:

- Central Coast Power (CCP): A tri-County joint effort assessing the CCA opportunity for Santa Barbara, San Luis Obispo, and Ventura Counties. CCP is requesting their electricity load data from SCE in efforts to begin developing their feasibility study.

- Lancaster Choice Energy (LCE): LCE is the first, and currently only, established CCA in Southern California Edison territory. LCE was established in 2015 and continues to operate at rates lower than SCE's.
- Los Angeles Community Choice Energy (LACCE): A potential CCA developed for unincorporated L.A. County with future potential to open to incorporated cities in L.A. County. LACCE's Business Plan was received by its County Board of Supervisors in July. A recommended action will be taken to the Board in September to approve an ordinance to submit the business plan to the CPUC to begin the process of CCA establishment.
- Riverside County: Assessing the feasibility of developing a CCA for unincorporated county only. Currently, its Board of Supervisors approved the County's preliminary economic analysis report. The County has released a Request for Proposal (RFP) for CCA consulting and implementation services.
- San Diego County: Finalizing a contract with their consultant to begin the business plan process.

Below is a table of the status of Implementation Studies within Riverside and San Bernardino County:

Status of CCA Implementation Studies

Implementation Steps / Tasks	Riverside County	WRCOG/CVAG/SANBAG
1. Conduct feasibility Study / Business Plan	Preliminary Economic Analysis for third-party model complete, additional RFP released for remaining consulting and implementation services.	Draft Complete 8/31 for presentation to WRCOG Committees in September
Load Analysis	Complete for Unincorporated County	Complete for Incorporated and Unincorporated areas
SCE Rate analysis	Not included in preliminary economic analysis report. RFP will be awarded September 22, 2016 to complete these services.	Complete: Included in business plan
Preferred supply portfolio		Complete: 28% RPS, 50%, 100% rate comparisons
Cost of Service analysis		Complete: Included in business plan
2. Adopt a Resolution of Intent	TBD	October, 2016
3. File Implementation Plan at CPUC	TBD	January, 2016
Aggregation Process	TBD	January, 2016
Organization Structure	Focus on outsourcing entire CCA operation (as identified in preliminary economic analysis).	Complete: Included in Business Plan: 1) One CCA for the three COGS, 2) Three Cogs administering separate CCAs and 3) outsource entire CCA operation.
Financial Plan for Expansion to New Cities Customer	Analysis indicates charging new cities to participate in the Program.	N/A: Including all incorporated and unincorporated jurisdictions in the planning process.
Enrollment Phasing Load Forecast and Resource	TBD	Complete: Included in Business Plan
Rate setting and Program Terms and Conditions	TBD	January, 2016
Customer Rights and Responsibilities	TBD	January, 2016
Procurement Process	TBD	January, 2016
Contingency Plan for Program Termination	TBD	January, 2016
4. Arrange power supply, data management and behind the meter programs	TBD	RFQ released November 2016
5. Complete paperwork on governance, CPUC requirements and SCE agreements	TBD	January 2016 (completed alongside CPUC Implementation Plan) through CCA Phase-out
6. Customer outreach	TBD	Subsequent CPUC Approval
7. Launch	TBD	Q2 2017

Timeline: The following is the proposed timeline for completion of the Study and, if directed, steps to develop a CCA:

	Month											
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Compile SCE Load Data												
Prepare Business Plan												
Vet Business Plan and Finalize												
Determine Governance Preference												
Decision on Moving Forward												
Select Power Supply and Data Management Vendor												
File Implementation Plan with SCE												
File Notice of Intent with SCE												
Arrange Financing												
Opt-Out Notices – 1 and 2												
Launch Phase 1												
Opt-Out Notices – 3 and 4												

Prior WRCOG Action:

August 18, 2016: The WRCOG Technical Advisory Committee received report.

WRCOG Fiscal Impact:

WRCOG's portion for Phase 1 is estimated to be \$130,000 to cover the costs of the CCA Feasibility Study, SCE data request, and WRCOG staffing. The costs for this will come from existing carryover funds and will be reflected in the Fiscal Year 2016/2017 1st Quarter Budget Amendment.

Attachment:

None.

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Western Riverside Energy Leader Partnership Update

Contact: Tyler Masters, Program Manager, masters@wrcog.coq.ca.us, (951) 955-8378

Date: September 12, 2016

Requested Action:

1. Receive and file.
-

The Western Riverside Energy Leader Partnership (WRELP) responds to WRCOG Executive Committee direction for WRCOG, Southern California Edison (SCE), and the Southern California Gas Company (SoCalGas) to seek ways to improve marketing and outreach to the WRCOG subregion regarding energy efficiency. WRELP is designed to assist local governments to set an example for their communities to increase energy efficiency, reduce greenhouse gas emissions, increase renewable energy usage, and improve air quality.

Direct Install Program

SCE has rolled out its Direct Install Program that provides FREE energy efficient retrofits to small- and medium-sized businesses. SCE has a list of qualified energy efficiency contractors that will assist the business to identify several measures to save energy. These contractors will examine lighting, refrigeration, signage, and other high consuming energy appliances that may be able to qualify for the Program. A significant benefit of the Program is that inefficient appliances / equipment may be replaced at no-cost with new energy-efficient models. A copy of the Direct Install Fact Sheet is attached for members' review.

The Program commenced on August 15, 2016, and will conclude on September 30, 2016. WRCOG staff are working with each of the jurisdictions to develop additional ways to market the Program to ensure that as many businesses participate and take advantage of the Program. The finalized schedule for 2016 is listed below.

City	Start Date	Finish Date
Canyon Lake	8/15/2016	9/30/2016
Lake Elsinore	8/15/2016	9/30/2016
Menifee	8/15/2016	9/30/2016
Murrieta	8/15/2016	9/30/2016
Perris	8/15/2016	9/30/2016
San Jacinto	8/15/2016	9/30/2016
Temecula	8/15/2016	9/30/2016

It is easy for a business to participate. They need to:

1. Make sure they are a qualified business. As a small- and medium-size business owner, you would have received notification from SCE or its certified contractor. In June / July 2016, SCE sent out notification

letters to all qualified businesses. Additionally, SCE's certified contractors are also visiting businesses and informing them about the Program.

2. Once a qualified business expresses interest in having the property surveyed, an energy expert from SCE's contracted vendor list will schedule a time to meet with the business to conduct a simple energy survey of the facility.
3. After the survey is completed, the contractor will recommend improvements that can help the business reduce its energy bill and save energy.
4. If the business agrees with the recommendations, then the contractor will help the business to complete an authorization and schedule an installation appointment.

Direct Install is not just for commercial business, it is also offered for municipal facilities. As of May 2016, the following Cities have participated in this year's Direct Install Program: Eastvale, Hemet, Menifee, Murrieta, Perris, Temecula, and Wildomar. Some measures that have been identified for these municipal facilities include updated lighting fixtures (indoor and outdoor), plug load sensors, and occupancy sensors. All of these measures have been identified and will be implemented at no cost to the participating cities.

Community Outreach

Each year, WRELP participates in local community events to provide Programs regarding energy efficiency offered by both SCE and SoCalGas. Such Programs include Income Based Programs, Energy-Efficient Starter Kits, and Demand Response Programs. At these community events, the goal is to promote energy efficiency and help local residents save on their energy bills. In addition to reducing costs, promoting energy efficiency outreach will also encourage the communities to become energy leaders and help meet California's greenhouse gas (GHG) emissions reduction goals.

On August 27, 2016, staff attended the City of Wildomar's Astronomy Night to engage with local community stakeholders and provide information about rebates for upgrading home appliances, Energy-Efficiency Starter Kits, income based programs, Demand Response, and energy education classes held at SCE's & SoCalGas' Energy Center. At this event, staff engaged with over 100 residents and handed out promotional items about the WRELP partnership and information about the utilities Programs.



SCE representative providing information to a resident

WRELP Quarterly Meeting

On July 28, 2016, WRCOG hosted its Quarterly WRELP Meeting to discuss various items of importance to all member jurisdictions. The meeting included presentations on the following topics:

The Energy Network: Program Managers Annie Secrest and Nicol Manzanares provided an overview of The Energy Network (TEN), which is authorized by the California Public Utilities Commission (CPUC) to help residents, businesses, and the public sector promote energy efficient savings in Southern California. TEN is administered by the County of Los Angeles and funded by California utility ratepayers under the auspices of the CPUC. The goal of TEN is to assist residents, businesses, and public agencies with energy efficiency

measures and promote energy conservation to help meet California's GHG emissions reduction regulations such as AB 32.

Energy Efficiency Financing: Dennis Quinn with Joule Assets provided a presentation on his organization and the programs they offer, which provides energy efficiency financing solutions to businesses and public agencies. Joule Assets encourages businesses and communities to reduce energy consumption through innovative financing and energy retrofits. Some examples of projects that Joule Assets has been involved with include lighting, building controls, and HVAC.

CALGreen Energy Code Updates: Anthony Segura, WRCOG Staff Analyst, provided an overview of the California Green Energy Code (CALGreen), which is California's first green building code and is the first state-mandated green building standard in the nation. The purpose of CALGreen is to restore current CO2 emissions back to pre-1990 levels through building retrofits and renovations. On January 1, 2017, new CALGreen measures will go into effect for construction, additions and alterations to both residential and non-residential buildings. These updates focus on water heating, lighting (indoor and outdoor), digital controls, and elevators in newly constructed residential and non-residential buildings.

Prior WRCOG Action:

August 18, 2016: The WRCOG Technical Advisory Committee received report.

WRCOG Fiscal Impact:

WRELP activities are included in the Agency's adopted Fiscal Year 2016/2017 Budget under the Energy Department.

Attachment:

1. Direct Install Fact Sheet.

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Item 5.G

Western Riverside Energy Leader
Partnership Update

Attachment 1

Direct Install Fact Sheet

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Direct Install Program



Receive Energy-Efficient Products to Boost Your Bottom Line

Today's economy is especially challenging for small businesses. Many are aggressively seeking ways to cut expenses and better manage operating costs. At Southern California Edison (SCE), we understand how energy costs can impact your bottom line...that's why we offer the Direct Install program.

The Direct Install program is an excellent way for your business to reduce energy costs and save money. This effortless program offers long-term energy savings to qualifying businesses by providing no- or low-cost energy-efficient products, including installation.

How Direct Install Works

We have contracted with highly-skilled energy efficiency experts who will come and evaluate your facility, free of charge, to identify energy-saving opportunities.

With your approval, the contractor will replace less efficient equipment with the program's more modern energy-efficient equipment. Your business will use less energy, reduce its carbon footprint, and lower your electricity costs.

Our approved contractor will complete the energy assessment and make recommendations to improve the energy efficiency of your business. If you agree with the recommendations and costs, if any, the contractor will ask you to sign an Authorization Form and schedule an appointment for a convenient time to install the equipment. Installation of recommended energy-efficient equipment is fast and efficient, without any interruption to your business.

It's really that easy. There's no catch. Simply allow us to help your business use energy more efficiently, conserve precious resources, and improve your bottom line.



Direct Install Program

Save energy and money with energy-efficient products and installation from SCE

Eligible Replacement Equipment

After your free energy evaluation and savings analysis, your contractor may recommend one or more of the following products:

- **LED Lights** — Today's LED lights have great energy savings potential in many applications and have improved product life compared to incandescent lamps.
- **Fluorescent Lighting** — Save on lighting costs every month and help lower your cooling costs!
- **Hi-Bay Lighting** — Save on Hi-Bay lighting electricity costs with equivalent linear fluorescent lights.
- **Refrigeration** — Door closers to improve the energy-efficient operation of your refrigeration equipment.
- **LED Signs (open)** — Save on signage electricity costs by using LED signs.
- **Occupancy Sensors** — Sensor lighting controls that turn off lighting when a space is unoccupied can reduce energy use.
- **Smart Power Strip** — Saves energy by automatically shutting off your computer's ancillary equipment to prevent them from drawing energy when not in use.

Remember, the installation of the recommended approved products is included.

It's Easy to Start Saving Energy and Money

After reviewing your energy evaluation, recommended energy-saving products, and costs, if any, simply sign the Authorization Form. Your approved contractor will work with you to set up a convenient time to have your new, energy-efficient equipment installed.

To learn more about Direct Install or other solutions to help you manage energy costs and improve your bottom line, visit us at sce.com/directinstall or call 1-800-736-4777.

The SCE-approved contractors for the Direct Install program are:



The Direct Install program is funded by California utility ratepayers and is administered by Southern California Edison under the auspices of the California Public Utilities Commission. The Direct Install program is available to qualified businesses using less than 200 kilowatts (kW) monthly. Installed equipment is warranted by the manufacturer for one year and the contractor warranties their work for one year. Projects are limited to a maximum of \$10,000 per Service Account for accounts with demands of 0-99 kW, and \$15,000 per Service Account for accounts with demands of 100-199 kW. Program effective until funds are exhausted. Program may be modified or terminated without prior notice.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Financing of TUMF Fees

Contact: Christopher Gray, Director of Transportation, gray@wrcog.coq.ca.us, (951) 955-8304

Date: September 12, 2016

Requested Action:

1. Approve recommendation by WRCOG staff and the WRCOG Public Works Committee to continue WRCOG's Policy of prohibiting the use of financing districts to pay for TUMF Fees.

WRCOG's Transportation Department is comprised of the Transportation Uniform Mitigation Fee (TUMF) Program, the Active Transportation Plan, and the Western Riverside County Clean Cities Coalition. The TUMF Program is a regional fee program designed to provide transportation and transit infrastructure that mitigates the impact of new growth in Western Riverside County. As administrator of the TUMF Program, WRCOG allocates TUMF to the Riverside County Transportation Commission (RCTC), groupings of jurisdictions – referred to as TUMF Zones – based on the amounts of fees collected in these groups, and the Riverside Transit Agency (RTA).

WRCOG periodically receives requests from member agencies and other stakeholder to modify elements of the TUMF Program. WRCOG recently received a request to consider whether it would allow projects to form financing districts or use other similar approaches as an alternative method to pay TUMF fees.

Background

The TUMF Program currently provides three means through which a developer can meet their TUMF obligations.

1. Payment of fees in cash at the time of the issuance of the building permit or certification of occupancy.
2. Participation in a Community Financing District (CFD), which is then responsible for the construction of a TUMF facility. The development receives TUMF credit, which then offsets their TUMF obligations. The use of a CFD is limited to larger facilities such as multi-lane arterials, interchanges, and bridges.
3. The development assumes responsibility for the construction of a TUMF facility, either the entirety of the project or a portion of the project. As with the second option, the development receives TUMF credit, which then offsets their TUMF obligation.

WRCOG staff has determined that the majority of developers pay their fees directly, though there are instances in which developers and the local agency avail themselves of the second or third option. The choice between these options depends on the size of the project, its location, whether the project is a phase of a larger project, and other considerations.

One option that is not currently available to developers is the payment of fees through some sort of financing mechanism, such as a CFD. Under this option, developers would finance their TUMF fees and pay those costs directly rather than use CFD funding to build infrastructure directly. Staff has received three separate inquiries in the last six months regarding whether this approach would be allowable. Two requests were from property owners or their representatives while the third was from the City of Lake Elsinore. Staff determined

that this approach is currently not allowed under the TUMF Administrative Plan and WRCOG would have to take some form of overt action to allow this option. A similar request was also considered in 2008, but rejected.

Financing of TUMF Fees

Based on staff's review and information provided by Best Best and Krieger (BB&K), staff anticipates that the process to finance TUMF fees could proceed using a couple of different approaches.

Under the first approach, the developer would participate in the Statewide Community Infrastructure Program (SCIP), which is administered by the California Statewide Community Development Authority (CSCDA). CSCDA would then sell bonds and the funds from the bond sale would be transferred to first to the local agency, and then WRCOG as cash payment, thereby allowing the developer to meet their obligations under the TUMF program. Additional information regarding the SCIP program can be found at [http://www.cscda.org/Infrastructure-Finance-Programs/Statewide-Community-Infrastructure-Program-\(SCIP\).aspx](http://www.cscda.org/Infrastructure-Finance-Programs/Statewide-Community-Infrastructure-Program-(SCIP).aspx).

The second approach would entail a developer forming a CFD through a local agency, which would then issue bonds. The bond proceeds would then be transferred through the local agency to WRCOG as a cash payment, thereby meeting the developer's TUMF obligations.

Implications for the TUMF Program

WRCOG staff have reviewed available information regarding this proposed approach and determined that there would be both positive and negative aspects if WRCOG were to allow projects to pay their fees through financing districts.

The strongest positive aspect is that it would allow developers another option to meet their TUMF obligation. Staff have anecdotal information that some development projects could proceed more quickly if these projects were allowed to meet their TUMF obligation in this manner; however, there is no way of verifying that information directly absent a more extensive outreach process.

There are several negative aspects which should be addressed:

- First, and likely the most problematic issue, is that WRCOG would have to certify that the funds received through these financing mechanisms are spent in a timely fashion. State law requires that funds from bond sales must be spent within three years of receipt or the agency receiving these funds becomes liable for the payment of interest. Because of these requirements, WRCOG would have to maintain separate accounting records for each of these bond issuances for the period prior to and after the funds are expended.
- Second, the TUMF Program is a pass through program in which WRCOG receives funds and then provides those funds to local agencies to reimburse expenses for TUMF Projects. Local agencies receiving these funds would have to provide additional certifications beyond those already required to demonstrate that these funds were spent appropriately. These certifications and documents would be in addition to record keeping requirements already noted in the TUMF Program. WRCOG staff could foresee additional challenges in that funds distributed through this process may go to multiple agencies, which would require these requirements to accrue to all agencies involved. For example, if funding from this source was used for projects in Banning, Wildomar, and Corona, each of these cities would have to prepare these additional documents.

One of the primary challenges with allowing fees to be paid through financing mechanisms is that unlike a City, School District, or other similar agency, WRCOG does not directly fund or construct infrastructure. WRCOG simply acts as an intermediary who collects funds and distributes these funds to local agencies to reimburse their expenses. Therefore, WRCOG may be liable for actions taken by other agencies for which we have no direct control.

Based on review, staff is not aware of another regional program similar to the TUMF Program that allows fee obligations to be paid in this manner.

Staff and Public Works Committee Recommendation

Based on the information above, staff recommends that WRCOG maintain its currently policy and prohibit the use of financing districts for the payment of TUMF fees. As part of this recommendation, the current options to allow a project to meet its TUMF obligations would be maintained. Staff is willing to reconsider this issue if additional information becomes available.

Prior WRCOG Action:

August 11, 2016: The WRCOG Public Works Committee recommended that WRCOG continue its policy of prohibiting the use of financing districts to pay for TUMF Fees.

WRCOG Fiscal Impact:

TUMF activities are included in the Agency's adopted Fiscal Year 2016/2017 Budget under the Transportation Department.

Attachment:

None.

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: WRCOG Clean Cities Coalition Activities Update

Contact: Christopher Gray, Director of Transportation, gray@wrcoq.coq.ca.us, (951) 955-8304

Date: September 12, 2016

Requested Action:

1. Receive and file.

The WRCOG Clean Cities Coalition administers several programs focusing on reducing the use of petroleum fuel and developing regional economic opportunities for deploying alternative fuel vehicles and advanced technologies. Additionally, the Coalition provides programs for students to think critically and independently about air quality and how to live healthier lives.

Good Neighbor Guidelines for Siting New and/or Modified Warehouse / Distribution Facilities

WRCOG adopted a Good Neighbor Guidelines for Siting New and/or Modified Warehouse / Distribution Facilities to guide local jurisdictions in siting and to try to integrate the new / modified facility well with its surroundings previously in 2003. The original purpose of these Guidelines were to assist developers, property owners, elected officials, community organizations, and the general public in addressing some of the complicated choices associated with siting warehouse / distribution facilities and understanding the options available when addressing environmental issues.

WRCOG conducted an effort to update these guidelines in the Summer of 2016. This update included three key elements:

- Identifying strategies used by other agencies to address similar issues
- Updating references to any technical documents in the guidelines
- Reviewing the guidelines to update them as appropriate

A copy of the best practices associated with the siting of these facilities as well as an updated copy of the Draft Guidelines is attached. Throughout the rest of 2016, WRCOG will be meeting with other parties, such as the South Coast Air Quality Management District (SCAQMD) to further update these guidelines and coordinate this effort with other similar studies in the region.

Electric Vehicle (EV) Charging Equipment Rebates

The South Coast Air Quality Management District (AQMD) provided funding, available for government and non-profit agencies, to purchase additional EV chargers. This funding was provided on a reimbursement basis and can fund the entire cost of a typical EV charger, including both the purchase and installation of these chargers. This funding was available on a first-come first-serve basis and was restricted to certain areas in Los Angeles, San Bernardino and Western Riverside Counties. The amount of the rebate was up to \$7,500 per charger, an additional \$5,000 for solar panels associated with plug-in EVs, and grant funds were limited to no more than \$42,500 per site.

The following Western Riverside County agencies were able to secure over \$120,000 of the \$300,000 reimbursement opportunity of the funding from this program:

- City of Murrieta – received approval for up to \$5,000 in reimbursement
- County of Riverside – received approval for up to \$42,500 in reimbursements
- Riverside County Transportation Commission
- WRCOG – received approval for up to \$30,000 in reimbursements
- Eastern Municipal Water District
- University of California, Riverside
- City of Norco – Naval Weapons Station

AQMD staff has indicated that additional grant applications were received and the Program is currently oversubscribed, meaning there is a backlog of projects to be funded. Our understanding is that AQMD staff have requested additional funding from the Environmental Protection Agency, which may be forthcoming.

Prior WRCOG Action:

August 18, 2016: The WRCOG Technical Advisory Committee received report.

WRCOG Fiscal Impact:

This item is informational only; therefore there is no fiscal impact.

Attachments:

1. Good Neighbor Guidelines for Siting New and/or Modified Warehouse / Distribution Facilities – Revised Draft.
2. Good Neighbor Guidelines Update – References.

Item 5.I

WRCOG Clean Cities Coalition
Activities Update

Attachment 1

Good Neighbor Guidelines for Siting
New and/or Modified Warehouse /
Distribution Facilities – Revised Draft

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**Good Neighbor Guidelines
for Siting New and/or Modified
Warehouse/Distribution Facilities**
(~~Final DRAFT, September 12, 2016~~ July 27, 2016)



Regional Air Quality Task Force
Western Riverside Council of Governments
4080 Lemon Street, 3rd Fl., MS 1032
Riverside, CA 92501-3679
(951) 955-7985

Acknowledgements

The Western Riverside Council of Governments, in conjunction with the Regional Air Quality Task Force (RAQTF), prepared the Good Neighbor Guidelines for Siting New and/or Modified Warehouse/Distribution Facilities ("Good Neighbor Guidelines") that were adopted in 2005. Beginning in 2003, WRCOG staff relied on the Regional Air Quality Task Force to provide critical and constructive input on developing and implementing environmental policies and actions.

Since the Good Neighbor Guidelines were first adopted, there have been advances on this subject matter on multiple fronts. Research on the planning of these facilities and the collaborative process has been documented by air quality agencies. "Clean" technology in vehicles and trucks has progressed, as well as new innovations that will help in mitigating the impacts of a warehouse/distribution facility. WRCOG would like to update the Good Neighbor Guidelines to better reflect these advances in order to assist jurisdictions in siting and integrating the facilities with its surroundings, as warehouse/distribution facilities continue to be a large part of this region's economic growth.

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Introduction

~~On January 16, 2003, the Riverside County Board of Supervisors (Board) directed Executive Office staff to initiate the establishment of a Regional Air Quality Task Force to study air quality issues in western Riverside County. This task force was envisioned to be an important tool for implementing air quality mitigation measures for the region.~~

~~The Regional Air Quality Task Force (RAQTF) continues to research the different areas of air quality mitigation that is needed for the subregion. Since m~~Many communities within the region either have a separate air quality element or address air quality issues in their land use section of their General Plan. ~~Warehouse/distribution centers will be a large part of this region's growth in economy and jobs, and these centers will have an effect on air quality. The RAQTF looked into possible policies for local governments to voluntarily adopt when siting new warehouse/distribution centers. the RAQTF undertook the need for a policy for local governments to voluntarily adopt when siting new warehouse/distribution centers.~~ It should be noted that air quality agencies, such as, SCAQMD and CARB have broadly addressed this issue with in their Guidance Documents and Air Quality Handbook, but have not created stand alone documentation. The Guidelines that follow appear to be the first stand alone document that local governments can use when siting warehouses.

The ~~RAQTF has developed these~~ "Good Neighbor Guidelines for Siting New and/or Modified Warehouse/Distribution Facilities," (referred to as "Good Neighbor Guidelines") ~~are intended to~~ promote and assist planning departments, developers, property owners, elected officials, community organizations, and the general public as a tool to potentially help address some of the complicated choices associated with permitting warehouse/distribution facilities and understanding the options available when addressing environmental issues. These Good Neighbor Guidelines are designed to help minimize the impacts of diesel particulate matter (PM) from on-road trucks associated with warehouses and distribution centers on existing communities and sensitive receptors located in the subregion.

Sensitive receptors are considered:

- ✚ Residential Communities;
- ✚ Schools;
- ✚ Parks;
- ✚ Playgrounds;
- ✚ Day care centers;
- ✚ Nursing homes;
- ✚ Hospitals;
- ✚ And other public places where residents are most likely to spend time.

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Objective

~~The mission of the RAQTFWRCOG is to~~ developed air quality measures that can be considered and potentially adopted by local governing bodies to address adverse air quality issues in the inland region through their planning activities.

~~The RAQTF has~~WRCOG -developed the Good Neighbor Guidelines to help achieve the following objectives:

✚ **Provide local governments with specific strategies that can be considered and implemented to minimize potential diesel impacts from new warehouse and distribution centers;**

✚ **Educate existing warehouse and distribution centers about strategies that can be implemented to minimize potential diesel impacts from their operations.**

Some communities in western Riverside County, because of their proximity to freeways, arterial highways, rail lines, and warehouse/distribution facilities experience higher diesel emissions exposure associated with warehouse/distribution centers than others. In particular, warehouse/distribution center projects sited close to sensitive receptors (homes, schools, parks, day care centers, nursing homes, hospitals and other places public places) can result in adverse health impacts. The reverse is also true – siting sensitive receptors too close to an existing source of diesel emissions can also be a problem. For these reasons, the World Health Organization and International Agency for Research on Cancer has classified diesel emissions as carcinogenic to humans. The carcinogenic effects of diesel emissions exposure are but not limited to lung cancer, respiratory issues, skin and eye irritations, and lightheadedness or nausea⁶.

Audience

These Good Neighbor Guidelines focus on the relationship between land use, permitting, and air quality, and highlight strategies that can help minimize the impacts of diesel emissions associated with warehouse/distribution centers.

The California Resources Air Board (CARB) defines warehouses/distribution centers as facilities that serve as a distribution point for the transfer of goods. Such facilities include cold storage warehouses; goods transfer facilities, and inter-modal facilities such as ports. These operations involve trucks, trailers, shipping containers, and other equipment with diesel engines.

For the purpose of these Guidelines, warehouse/distribution center means a building or premises in which the primary purpose is to store goods, merchandise or equipment for eventual distribution and may include office and maintenance areas. A warehouse or distribution center includes 3 or more loading bays, or is expected to have more than 150 diesel truck trips per day. For the purpose of these Guidelines, a warehouse and distribution center is not intended to include “big box” discount or warehouse stores that sell retail goods, merchandise or equipment, or storage and mini-storage facilities that are offered for rent or lease to the general public.

While the primary users of these Guidelines will likely be agencies responsible for land use planning and air quality, they may also be useful for:

- ✚ Planners;
- ✚ Architects;
- ✚ Developers;
- ✚ Elected officials;
- ✚ School districts;
- ✚ Community advisory councils;
- ✚ Public/community organizations.

Purpose

The purpose of the Good Neighbor Guidelines is to provide local government and developers with a variety of strategies that can be used to reduce diesel emissions from heavy-duty trucks that are delivering goods to and from warehouse and distribution centers.

In 1998, the SCAQMD conducted its second Multiple Air Toxics Emissions Study (MATES II)¹. Considered the nation's most comprehensive study of toxic air pollution to date, the study found that:

- Diesel exhaust is responsible for about 70 percent of the total cancer risk from air pollution;
- Emissions from mobile sources -- including cars and trucks as well as ships, trains and planes -- account for about 90 percent of the cancer risk. Emissions from businesses and industry are responsible for the remaining 10 percent; and
- The highest cancer risk occurs in south Los Angeles County -- including the port area--~~and~~ along major freeways.

In 2013, the SCAQMD conducted its fourth Multiple Air Toxics Emissions Study (MATES IV)⁵. Improvements in toxic air pollution mitigation from multiple jurisdictions were notable through the data collected in the study. The study found that:

- Diesel emissions across the basin were substantially reduced -- especially near Ports and central Los Angeles -- but still accounts for highest contribution to air toxic risks.
- Revised OEHHA calculation method for air toxic risk at monitoring sites yielded a higher residual risk than previous studies -- does not necessarily mean air toxic concentrations have worsened.
- Mira Loma showed the highest concentrations of air pollution in the Inland Empire -- similar to those near the Ports and central Los Angeles.

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The RAQTF ~~is recommending~~ recommended that the Good Neighbor Guidelines be approved by WRCOG member jurisdictions and considered for all new warehouse/distribution centers that attract diesel trucks and other diesel-powered engines. Implementation of the recommended guidance for proposed facilities is technically more feasible than retroactive application to existing warehouse/distribution centers. However and as previously mentioned, there is an educational component of these Guidelines aimed at existing facilities. There are mechanisms in the planning process that will encourage developers to incorporate the recommended guidelines upfront in the design phase of a project.

The RAQTF ~~recommends~~ recommended that jurisdictions consider these Guidelines when issuing permits such as conditional use permits, or zoning permits. In addition, the recommended Guidelines can be used to mitigate potentially significant adverse environmental impacts that are identified under the California Environmental Quality Act (CEQA). The recommended Guidelines are intended to be used for new warehouses and can be incorporated in the design phase of the proposed warehouse or distribution center. Many of the recommended guidelines can, however, be incorporated into existing facilities.

The recommended Guidelines format identifies the overall goal, benefits and the recommended strategies that can be implemented to achieve the goal. The Guidelines include a series of strategies that can be implemented in part or whole, or tailored to the specific needs of a project. The purpose of the guidelines is to provide a general framework for planners and developers regarding how they can achieve a specified goal.

It should be noted that CARB has adopted two airborne toxic control measures that will reduce diesel particulate materials (PM) emissions associated with warehouse/distribution centers. The

first will limit nonessential (or unnecessary) idling of diesel-fueled commercial vehicles, including those entering from other states or countries. This measure prohibits idling of a vehicle for more than five minutes at any one location. The second measure requires that transport refrigeration units (TRUs) operating in California become cleaner over time. The measure establishes in-use performance standards for existing TRU engines that operate in California, including out-of-state TRUs. The requirements are phased-in beginning in 2008, and extend to 2019.²

CARB also operates a smoke inspection program for heavy-duty diesel trucks that focuses on reducing truck emissions in California communities. Areas with large numbers of distributions centers are a high priority.

While CARB has these measures in place, local agencies need to acknowledge that the enforcement of these measures is through the California Highway Patrol and do not provide a swift resolve to local air quality issues. Local agencies can adopt local control measures, like the ones being mentioned, that can be enforced by code enforcement and law enforcement officials and provide a more immediate effect to the region's air quality.

Recommended Local Guidelines

- 1. Goal:** Minimize exposure to diesel emissions to neighbors that are situated in close proximity to the warehouse/distribution center.

Benefits:

1. Reduces exposure of diesel emissions to residences and other sensitive receptors.
2. Reduces potential future health, odor and noise related issues, particularly when in close proximity to residential neighborhoods.

Recommended Strategies:

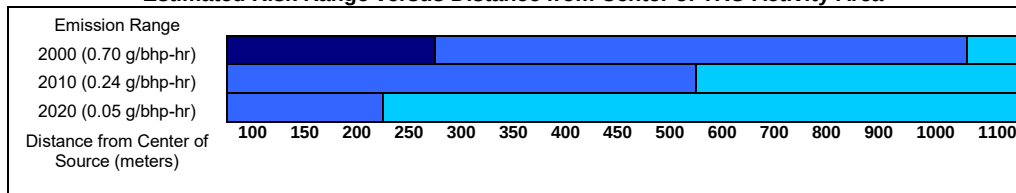
- Create buffer zone of at least 4300 meters (roughly 1,3900 feet, can be office space, employee parking, greenbelt) between warehouse/distribution center and sensitive receptors (housing, schools, daycare centers, playground, hospitals, youth centers, elderly care facilities, etc.);
- Site design shall allow for trucks to check-in within facility area to prevent queuing of trucks outside of facility;
- Take into account the configuration of existing distribution centers and avoid locating residences and other new sensitive land uses near entry and exit points³;
- Design warehouse/distribution center so that interior vehicular circulation shall be located away from residential uses or any other sensitive receptors.
- Avoid new siting of warehouses/distribution facilities in "hot spots", where Diesel PM, noise, and other air toxins already have a significant negative impact on the area's health;
- Warehouses/distribution centers should provide particulate traps or filters to residents and schools within 1500m of the facility.
- Local jurisdictions should make recommendations and mitigation measures on specific plan EIR's for warehouses/distribution centers
- Landscaping may be an option around the warehouse/distribution center to minimize the aesthetic impact of industrial parks or zones.

Why do we suggest buffer zones?

The reduction of potential cancer risk levels at locations where TRUs operate is a direct result of the reduction of diesel PM emissions. Figure 1-1 compares the cancer risk range at various distances assuming 300 hours of TRU activity per week. For year 2000, the current fleet average emission rate of 0.7 g/bhp-hr was used. In 2020, the statewide fleet PM emission rate would be reduced 92 percent from the 2000 baseline year to 0.05 g/bhp-hr. Figure 1-1 below illustrates the significant reduction of the estimated near source risk as the diesel PM emission rate is reduced from the current fleet emission rate to the much lower emission rate in 2020.⁴

Figure 1-1

Estimated Risk Range versus Distance from Center of TRU Activity Area*



KEY:

Potential Cancer Risk > 100 per million

Potential Cancer Risk ≥ 10 and < 100 per million

Potential Cancer Risk > 10 per million



*Assumes 300 hours per week of TRU engine operation at 60% load factor.

2. Goal: Eliminate diesel trucks from unnecessarily traversing through residential neighborhoods.

Benefits:

1. Reduces exposure of diesel emissions to residences and other sensitive receptors.
2. Reduces or eliminate trucks in residential neighborhoods.
3. Reduces truckers travel time and distance if key destinations are clearly identified.
4. Reduces noise levels in residential neighborhoods from trucks and other goods movement operations;
- 3-5. Improves community aesthetic with less industrial and logistic activity in the neighborhood;

Recommended Guidelines:

- Require warehouse/distribution centers to clearly specify on the facility site plan primary entrance and exit points away from residential areas and heavily-used public areas;
- Require warehouse/distribution centers to establish specific truck routes and post signage between the warehouse/distribution center and the freeway and/or primary access arterial that achieves the objective. The jurisdiction may not have an established truck route, but may take the opportunity to consider the development of one;
- Provide food options, fueling, truck repair and or convenience store on-site or within the warehouse/distribution center complex;
- Provide incentive to purchase neighborhood electric vehicles (NEV) for truckers to leave site temporarily while truck is being serviced, loaded/unloaded, queuing, or parked;
- Require warehouse/distribution centers to provide signage or flyers identifying where food, lodging, and entertainment can be found, when it is not available on site;

3. Goal: Eliminate trucks from using residential areas and repairing vehicles on the streets.

Benefits:

1. Reduces exposure of diesel emissions to residences and sensitive receptors.
2. Reduces noise levels near residences and sensitive receptors;
- 4-3. Improves community aesthetic and cleanliness;

Recommended Guidelines:

- Allow homeowners in the trucking business to acquire permits to park vehicles on property, residential areas or streets;
Note: Some jurisdictions already restrict parking of oversized vehicles on residential streets regardless of ownership.
- Establish overnight parking within the warehouse/distribution center;

- Establish a Park & Ride program with the local jurisdiction for truckers to park vehicles overnight and have reasonable transportation between destinations without having to move the diesel-powered vehicle.
- Allow warehouse/distribution facilities to establish an area within the facility for repairs.
- Provide signage for the surrounding areas to inform truckers on parking and/or repairs on surface streets are prohibited.

4. Goal: Reduce and/or eliminate diesel idling within the warehouse/distribution center

Benefits:

1. 4. Reduces exposure of diesel emissions to residences and other sensitive receptors.
2. Reduces noise levels across the facility as well as surrounding areas;

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Recommended Guidelines:

- Require the installation of electric hook-ups to eliminate idling of main and auxiliary engines during loading and unloading, and when trucks are not in use;
- Train warehouse managers and employees on efficient scheduling and load management to eliminate unnecessary queuing and idling of trucks within the facility;
- Require signage that informs truck drivers of the California Air Resources Board (CARB) regulations (which include anti-idling regulations);
- Post signs requesting that truck drivers turn-off engines when not in use;
- Restrict idling within the facility to less than ~~fiveten~~ (540) minutes.
- Provide a climate-controlled space for truckers and promote its use rather than truckers sitting in their cabs with an idling engine.
- Recommend that TRU's or other auxiliary diesel engines be plugged into an electrical source rather than running off diesel.

5. Goal: Establish a diesel minimization plan for on- and off-road diesel mobile sources to be implemented with new projects.

Benefits:

1. Reduces exposure of diesel emissions to residences and sensitive receptors.
2. Establishes long-term goal for facility to eliminate diesel emissions at the facility.
3. Reduces on- and off-road diesel emissions that are associated with use of the facility.

Recommended Guidelines:

- Encourage warehouse/distribution center fleet owners to replace their existing diesel fleets with new model vehicles and/or cleaner technologies, such as electric or compressed natural gas;
- Require all warehouse/distribution centers to operate the cleanest vehicles available;
- Provide incentives for warehouses/distribution centers and corporations which partner with trucking companies that operate the cleanest vehicles available;
- Encourage the installation of clean fuel fueling stations at facilities.

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- Encourage warehouse/distribution centers to use their existing diesel vehicles with cleanest emissions, while minimizing the hours of use of inefficient and high-emissions vehicles.

6. Goal: Establish an education program to inform truck drivers of the health effects of diesel particulate and the importance of reducing their idling time.

Benefits:

1. Educates truck drivers of the health effects of diesel particulate to encourage drivers to implement diesel reduction measures.

Recommended Guidelines:

- Provide warehouse/distribution center owners/managers with informational flyers and pamphlets for truck drivers about the health effects of diesel particulates and the importance of being a good neighbor. The following information should include:
 - Health effects of diesel particulates;
 - Benefits of minimizing idling time;
 - ARB idling regulations;
 - Importance of not parking in residential areas.
- Encourage warehouse/distribution center owners to partner with the EPA's SmartWay Program, which aims at moving goods cleanly while improving warehouse operations and reducing their impacts on surroundings.

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7. Goal: Establish a public outreach program and conduct periodic community meetings to address issues from neighbors.

Benefits:

1. Informs the community regarding proactive strategies that the warehouse/distribution center has or is doing to reduce exposure to diesel particulate.
2. Allows the warehouse/distribution center to be more proactive.
3. Encourages partnerships to develop solutions for both parties.

Recommended Guidelines:

- Encourage facility owners/management to conduct periodic community meetings inviting neighbors, community groups, and other organizations;
- Encourage facility owners/management to have site visits with neighbors and members of the community to view measures that the facility has taken to reduce/and or eliminate diesel particulate emissions;
- Encourage facility owners/management to coordinate an outreach program that will educate the public and encourage discussion relating to the potential for cumulative impacts from a new warehouse/distribution center.
- Provide facility owners/management with the necessary resources and encourage the utilization of those resources such as, the California Air Resources Board (ARB) and the South Coast Air Quality Management District regarding information about the types and amounts of air pollution emitted in an area, regional air quality concentrations, and health risks estimates for specific sources;
- Require the posting of signs outside of the facility providing a phone number where neighbors can call if there is an air quality or noise issue.

Recommended Regional Guidelines

The following guidelines can be implemented at the regional level for the siting of new and/or modified warehouses/distribution center (s):

- Develop, adopt and enforce truck routes both in and out of a jurisdiction, and in and out of facilities;
- Have truck routes clearly marked with trailblazer signs, so trucks will not enter residential areas;
- Promote the benefits of fleets rapidly adopting cleaner technologies;
- Provide incentives for local fleets to acquire cleaner technologies that can reduce idling;
- Adopt and implement the regional idling ordinance (being developed by this task force) to minimize idling at delivery locations warehouses, truck stops, etc;
- Provide local warehouses/distribution facilities incentives to reduce idling (i.e. reduce noise);
- Identify or develop secure locations outside of residential neighborhoods where truckers that live in the community can park their truck, such as a Park & Ride;
- Educate the local enforcement agencies (including law enforcement) on diesel emissions minimization strategies (specifications, how, etc.);
- Educate local governments of potential air quality impacts;
- Provide food options, fueling, truck repair and or convenience store on-site to minimize the need for trucks to traverse through residential neighborhoods; or NEV's if these accommodations are not available. -

GLOSSARY OF KEY TERMS

Buffer Zone: An area of land separating one parcel or land from another that acts to soften or mitigate the effects of one land use on the other.

California Environmental Quality Act (CEQA): A California law that sets forth a process for public agencies to make informed decisions on discretionary projects approvals. The process helps decision-makers determine whether any potential, significant, adverse environmental impacts are associated with a proposed project and to identify alternatives and mitigation measures that will eliminate or reduce such adverse impacts.

Distribution Center: See Warehouse

Hot Spot: An area of land that experiences high concentrations of air toxics and diesel emissions as a result of goods movement and other transportation.

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Idling: The operation of the engine of a vehicle while the vehicle is not in motion.

Land Use Agency: Local government agency that performs functions associated with the review, approval, and enforcement of general plans and plan elements, zoning, and land use permitting. For the purpose of these Guidelines, a land use agency is typically a local planning department.

Mobile Source: Sources of air pollution such as automobiles, motorcycles, trucks, off-road vehicles, boats, trains and airplanes.

Ordinance: A law adopted by a City Council or County Board of Supervisors. Ordinances usually amend, repeal or supplement the municipal code; provide zoning specifications; or appropriate money for specific purposes.

Risk: For cancer health effects, risk is expressed as an estimate of the increase chances of getting cancer due to facility emissions over a 70-year lifetime. This increase in risk expressed as chances in a million (e.g., 1,400 in a million).

Stationary Sources: Non-mobile sources such as manufacturing facilities, power plants, and refineries.

Warehouse(s): For the purpose of these Guidelines, warehouse/distribution center means a building or premises in which the primary purpose is to store goods, merchandise or equipment for eventual distribution and may include office and maintenance areas. A warehouse or distribution center includes 3 or more loading bays, or is expected to have more than 150 diesel truck trips per day. For the purpose of these Guidelines, a warehouse and distribution center is not intended to include "big box" discount or warehouse stores that sell retail goods, merchandise or equipment, or storage and mini-storage facilities that are offered for rent or lease to the general public

Zoning Ordinances: City councils and county boards of supervisors adopts zoning ordinances that set forth land use classifications, divides the county or city into land use zones as delineated on the official zoning, maps, and set enforceable standards for future development.

References

1. *Multiple Air Toxics Emissions Study (MATES II) (2000)*. South Coast Air Quality Management District.
2. *Air Quality and Land Use Handbook: A Community Health Perspective*. (April 2005) California Air Resources Board.
3. *Air Quality and Land Use Handbook: A Community Health Perspective*. (April 2005) California Air Resources Board.
4. *Air Quality and Land Use Handbook: A Community Health Perspective*. (April 2005) California Air Resources Board.
5. *Multiple Air Toxics Emissions Study (MATES IV) (2013)*. South Coast Air Quality Management District.
- 4,6. IARC: Diesel Engine Exhaust Carcinogenic (2012). International Agency for Research on Cancer; World Health Organization.

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Item 5.I

WRCOG Clean Cities Coalition
Activities Update

Attachment 2

Good Neighbor Guidelines Update –
References

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Good Neighbor Guidelines Update - References

MATES III: Multiple Air Toxics Exposure Study. <i>South Coast Air Quality Management District</i>. 2008.	The Multiple Air Toxics Exposure Study is a monitoring and evaluation study conducted in the South Coast Basin between 2004 and 2006. Consisting of several elements: it monitors and updates emissions inventory of toxic air contaminants, and a modeling effort to categorize risks across the basin. The study focuses on the carcinogenic effects from exposure to toxic air contaminants. Though limited in estimating mortality, It provides a good reference for creating mitigation efforts regarding goods movement and air quality.	MATES III Findings and Discussion.pdf MATES III Executive Summary.pdf MATES III Regional Modeling and Evaluation MATES III Presentation
MATES IV: Multiple Air Toxics Exposure Study. <i>South Coast Air Quality Management District</i>. 2015.	The Multiple Air Toxics Exposure Study is a monitoring and evaluation study conducted in the South Coast Basin between 2012 and 2013. Consisting of several elements: it monitors and updates emissions inventory of toxic air contaminants, and a modeling effort to categorize risks across the basin. The study focuses on the carcinogenic effects from exposure to toxic air contaminants. Though limited in estimating mortality, It provides a good reference for creating mitigation efforts regarding goods movement and air quality. An update to this study was the increased focus on ultrafine particulates in the air.	MATES IV Full Report MATES IV Presentation
Health Risk Assessment Guidance for Analyzing Cancer Risks from Mobile Source Diesel Idling Emissions for CEQA Air Quality Analysis. <i>South Coast Air Quality Management District</i>. 2003.	This document provides guidance for analyzing the cancer risks from mobile-source diesel emissions. Diesel particulate matter was found to be a toxic air contaminant through the Multiple Air Toxics Exposure Study in 2000, which found DPM accounts for more than 70% of associated cancer risks in the South Coast Basin. Furthermore, this study assessed other popular air toxic contaminants that also pose a public health risks as well as their sources. Measures for regulation and mitigation of toxic air quality with regards to goods movement and transportation are listed.	Health Risk Assessment

Air Quality Update for the Inland Empire. <i>South Coast Air Quality Management District</i>. 2013.	South Coast AQMD presented this document to the Press Enterprise Public Forum in 2013. It provided updates for the air quality updates for the Inland Empire from 1990 through 2013. Apart from drops in air toxic concentrations, there have been improved risk assessment standards which may show increases in air toxics. MATES II is mentioned and shows what areas are mostly affected by bad air quality and how they mitigate the issue. Expected problems are identified along with multiple programs and tactics to address future challenges.	Air Quality Update For Inland Empire, 2013.
Goods Movement and Distribution Centers. <i>South Coast Air Quality Management District</i>. 2013.	This presentation gives an overview of goods movement system and distribution centers in the South Coast Basin. Projected growth raises concerns regarding air quality and health, as the emissions surrounding goods movement are considered detrimental to our health. The South Coast AQMD's role in warehouse development is explained in air quality mitigation and possible solutions are recommended such as EIR review, construction/operation changes, and goals to be reached in the coming years.	Goods Movement and Distribution Centers
Update On Warehouses In the Inland Empire. <i>South Coast Air Quality Management District</i>. 2013.	This presentation identifies the emission sources and future growth of warehouses and other goods movement operations in the Inland Empire. Descriptions of local and regional impacts from diesel emissions sources are identified. Moreover, there are summaries of CEQA reviews on the goods movement industry in the Inland Empire. Furthermore, there are suggested mitigation measures and policy implications from the regional and state governments.	SCAQMD 2013 Inland Empire Warehouses Update.pdf

SANBAG Freight Movement Strategy - Working Paper. <i>San Bernardino Associated Governments</i>. 2014.	San Bernardino County is identified as a major goods movement corridor due to the Cajon Pass's connection to the Midwest. The benefits and negative impacts of goods movement are analyzed with respect to the County and its current air quality issue. Goods movement is identified as a major contributor to smog and toxic air in San Bernardino County. An evaluation of S.B. County's role in current and future goods movement and air quality mitigation efforts are stated along with expected challenges and solutions.	SANBAG 2014 Freight Movement Strategy
San Diego County General Plan EIR: Air Quality. <i>San Diego Association of Governments</i>. 2013.	This document summarizes information from the Air Quality/Global Climate Change Analysis 2012 prepared for San Diego's General Plan EIR. Furthermore, it evaluates existing conditions for air quality plans in the County, hazardous air pollutants, and ways of reaching air quality goals. The document concludes by providing air quality mitigation measures regarding toxic air pollutants and odors.	San Diego County EIR Air Quality Mitigation
Guidance Document for Addressing Air Quality Issues in General Plans and Local Planning. <i>South Coast Air Quality Management District</i>. 2005.	Local government planning, zoning, and permitting can be a tool to be used to reduce air toxic emissions and associated health risks. This document explores various ways local government can mitigate warehouse impacts and associated risks through careful land use. Sources of air toxics are identified and guidelines are recommended based on proximity to sensitive receptors, truck routes and travel time/distance, and planning future residences near eco- and health-friendly facilities.	Guidance Document for Addressing Air Quality Stationary Sources of Air Pollution
Mira Loma Case Study on Mixed Use Zoning: The Consequences of Incompatible Land Uses in Rural-Residential Areas. <i>California Air Resource Board</i>. 2004.	A case study conducted in the Mira Loma area of Riverside County, shows the mixed use zoning implemented. Moreover, the consequences due to mixed use zoning in Mira Loma are shown including the worst levels of particulate matter in the nation. Furthermore, the study shows how planning/zoning can help mitigate the impacts from mixed use zoning, more specifically warehouse/distribution centers associated with the inland port.	Mira Loma Case Study On Mixed Use Zoning

Inland Ports of Southern California – Warehouses, Distribution Centers, Intermodal Facilities: Impacts, Costs, and Trends. <i>Center for Community Action and Environmental Justice</i> . 2009.	As globalization and the expansion of international trade increases, imports and the goods movement industry are also growing. The impacts, costs, and trends of the goods movement industry are detailed from the point of arrival in the Ports of Los Angeles/Long Beach to the distribution facilities across Southern California. The inland port is identified and evaluated from an economic, environmental, and public health standpoint.	Inland Ports of Southern California
Air Toxics Hot Spots Program – Guidance Manual for Preparation of Health Risk Assessments. <i>Office of Environmental Health Hazard Assessment</i> . 2015.	The Air Toxics Hot Spots program was designed to provide government agencies and general public information on the extent of airborne emissions and their potential health impacts. This program also developed a health risk assessment based on reference exposure levels and the tiered analysis of the risk estimates. This document helps address the permitting of existing, new, or modified stationary sources of toxic emissions	Air Toxics Hot Spots Program
Sustainable Freight: Pathways to Zero and Near-Zero Emissions. <i>California Air Resources Board</i> . 2015.	Southern California must take effective actions to transition to a zero-emission freight transportation system. This document analyses CARB strategies and provides steps to attaining healthy air quality, climate, and sustainability goals. Moreover, it shows how private and public entities can work conjunctively to fund infrastructural projects, vehicle and equipment purchases, technological and transport system management.	Sustainable Freight: Zero and Near-Zero Emissions
IARC: Diesel Engine Exhaust Carcinogenic. <i>World Health Organization: International Agency for Research on Cancer</i> . 2012.	As a result of week-long meetings with international experts, the WHO has reclassified diesel engine exhaust as a Group 1 carcinogen, meaning repeated exposure will likely cause cancer in humans. Since 1998, diesel exhaust has been a high priority for the IARC and WHO since the studies on specific workers raised awareness on the emissions carcinogenicity. Due to the large scale exposure to emissions in the South Coast Basin, it raises serious concern for the health of all those impacted.	Diesel Emissions Carcinogenic

Warehouse Truck Trip Study Data Results and Usage. <i>South Coast Air Quality Management District</i> . 2014.	This study provides guidance on how to quantify warehouse truck emissions for CEQA air quality analysis. Daily truck trips to and from a warehouse or distribution center were accounted for. Upon examining the data, some solutions are proposed with the steps to attain air quality goals. Furthermore, this study also explains the mitigation measures and how local governments are applying them.	Warehouse Truck Trip Study
Storing Harm: the Health and Community Impacts of Goods Movement, Warehousing, and Logistics. <i>Trade, Health, and Environmental Impact Project</i> . 2012.	Southern California has experienced increased goods movement as a result of higher import rates. As imports and goods movement increase, more warehouses and distribution facilities in the region are being built. This document analyses a case study of the Inland Valley's goods movement industry and its negative impacts on public health. Policy recommendations are suggested as well as proactive measures for expected challenges in the future.	Storing Harm
SCAQMD Role in Warehouse Development. <i>South Coast Air Quality Management District</i> . 2013.	This presentation identifies the role that South Coast AQMD has with regards to warehouse development. SCAQMD must only provide comments and analysis on air quality, and does not have authority in land use decisions. Air quality impacts to the community are noted as well as mitigation measures that can be taken to resolve the land use and air quality issue.	SCAQMD Role in Warehouse Development

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: WRCOG Executive Fellowship Update

Contact: Jennifer Ward, Director of Government Relations, ward@wrcoq.coq.ca.us, (951) 955-0186

Date: September 12, 2016

Requested Action:

1. Receive and file.

In partnership with higher education institutions, WRCOG developed and launched a Public Service Fellowship Program that will provide local university graduates with career opportunities within local governments and agencies in a way that is mutually beneficial to both the Fellow and Agency.

Background

In February 2016, the Executive Committee approved the creation of a one-year pilot Public Service Fellowship Program, to be administered by WRCOG in Western Riverside County, in partnership with the University of California, Riverside (UCR), and California Baptist University (CBU). The goal of this Program is to retain local students to fulfill the subregion's needs for a robust public sector workforce and to combat the often-mentioned "brain drain" that Riverside County experiences when local students graduate but then leave the region to seek full-time employment elsewhere. The Fellowship Program is geared towards students graduating from UCR and CBU to engage them in career opportunities with local governments and agencies in a way that is mutually beneficial to both the Fellows and the agency.

WRCOG is responsible for general Program administration and oversight, administering employment of the Fellows, soliciting interest from local government agencies, serving as the liaison between member agencies and the universities, providing Program funding, and coordinating payment of Fellowship stipends. UCR and CBU are responsible for soliciting interest from students, reviewing applications and conducting interviews, and recommending local government and agency placements. WRCOG, UCR, and CBU also provide ongoing training to Fellows on career readiness and other theoretical topics during regular Academic Sessions to support their hands-on work experience. A representative from each university serves as an "advisor" to answer questions from the Fellows or host agencies, monitor the Fellows' performance, handle HR-related issues or complaints in collaboration with WRCOG, and provide needed support to ensure that the Fellowship placement is successful.

Fellowship Program Status: For the first round of the Program, 18 Fellows (12 from UCR and 6 from CBU) have been placed in WRCOG member jurisdictions. The Fellows are currently in their 3rd month of the Program. There have been two Academic Sessions for the Fellows; August 5 and August 26, 2016. The Fellows heard presentations from City of Riverside City Manager, John Russo, and City of Riverside Museum and Cultural Affairs Director, Sarah Mundy.

The Fellows have been working on a wide array of projects from outreach / city events to legislative matters. Two Fellows have even made presentations to their respective City Council. WRCOG has received positive feedback from the fellows and they are all very pleased to be a part of the Program.

Prior Action:

None.

WRCOG Fiscal Impact:

Activities for the Fellowship Program are included in the Agency's adopted Fiscal Year 2016/2017 Budget under the Government Relations Department.

Attachment:

None.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: WRCOG Representation on the Environmental Leadership Institute Advisory Board

Contact: Rick Bishop, Executive Director, bishop@wrcog.coq.ca.us, (951) 955-8303

Date: September 12, 2016

Requested Action:

1. Approve WRCOG participation as an Advisory Board Member of the Environmental Leadership Institute at California State University, San Marcos (Temecula).

Background

On August 10, 2016, the WRCOG Administration & Finance Committee approved WRCOG's participation as a voting Executive Committee member on the Advisory Board of the Environmental Leadership Institute (ELI) at Cal State University San Marcos at Temecula. Representation on the ELI Advisory Board will elevate priorities outlined by WRCOG leaders in WRCOG's Economic Development & Sustainability Framework to regional discussions being held by other visionaries dedicated to improving quality of life in inland and greater Southern California. The Administration & Finance Committee approved an allocation of \$15,000 for WRCOG to support the work of the ELI and to participate on the Advisory Board for one year. WRCOG's Executive Director will serve as the representative to the Advisory Board, which meets quarterly, and at the conclusion of this first year, staff will report back to the WRCOG Committees on the experience and benefits gained from the Agency's participation.

Additionally, as an ELI Advisory Board member, WRCOG receives two complimentary registrations for the Environmental Leadership Academy (ELA), which could be utilized by any individuals associated with the Agency (e.g., Committee members, staff, etc.). Additional details on the ELA are provided below.

About the ELI

The ELI, located at Cal State University San Marcos at Temecula, is an institutional forum built on a collaborative partnership between education, business, government, and science, representing a diverse cross-section of industries, perspectives, and issues. ELI serves as an environmental resource center and information clearinghouse to seek innovative solutions and effective decision-making impacting environmental challenges within our region.

As an independent and unbiased authority, ELI provides education, professional services, and international partnerships based on the best available research and science for issues related to energy, water resources, waste management, land use planning, air quality, and transportation. ELI achieves its goals through three central program areas: the Environmental Leadership Academy, special projects, and contract services. The Advisory Board to the ELI plays a critical role in determining the organization's areas of focus and resource allocation. WRCOG staff believes the goals outlined by the ELI align significantly with the priorities established by WRCOG's leadership, specifically the six topics called out in the Economic Development & Sustainability Framework: economic development, education, health, transportation, energy / environment, and water. Staff also considers participation on the ELI as a good opportunity to strengthen the Agency's partnership with

institutions of higher education in Southwest Riverside County, as WRCOG currently has strong relationships with the University of California, Riverside, and the California Baptist University. Finally, as a non-partisan entity serving as a leader on issues around growth and regional planning, staff views the dialogue being held at the ELI forum as an important conversation that WRCOG should be a part of to help enhance quality of life in Western Riverside County.

Program Areas

The Environmental Leadership Academy (ELA): The ELA seeks to foster “visionary, spirited, and thoughtful leadership toward a just and sustainable future.” The four-month educational program functions to heighten awareness and engage individuals in critical thinking around environmental issues affecting quality of life such as climate change, air and water quality, land use change, endangered species, energy, and waste. The curriculum is designed to meet the needs of professionals in private, governmental, and non-profit sectors.

As an Advisory Board member, tuition (typically \$450) would be waived for up to two registrants to participate in the ELA beginning in fall 2016. These registrations could be offered to WRCOG Committee members or WRCOG staff. The fall 2016 ELA schedule is as follows:

Dates	Location
September 8 – 9, 2016	Alpine Meadows Compound Retreat, Angelus Oaks
October 13 – 14, 2016	Temecula Creek Inn, Temecula
November 3 – 4, 2016	Santa Rosa - San Jacinto Mountains National Monument Visitor Center, Palm Desert
December 8 – 9 2016	TBA, Riverside
Times for all sessions: Thursdays, 10 a.m. – 7 p.m., and Fridays, 8 a.m. – 3 p.m.	

Special Projects – Wildfire: ELI is currently working with CAL FIRE and the California Department of Forestry on the Wildfire Project, funded by the Federal Emergency Management Agency. The Wildfire Project seeks to improve understanding of exposure risks, evaluate tools for assessing and predicting hazards, and recommend safeguards for improving health and safety of firefighters and others involved in a wildfire incident.

Professional Services: ELI offers independent, non-partisan professional services to deliver unbiased assessments in the areas of environmental review, environmental mediation, and policy initiatives.

Environmental Leadership Institute Advisory Board

ELI’s Advisory Board focuses on six core areas of concern in the Southern California region: land, water, waste, energy, transportation, and air. Below is a listing of current Board members and/or agencies represented on the ELI Advisory Board:

- Sempra Energy
- SoCalGas
- Southern California Edison
- CR&R Environmental Services
- CAL FIRE
- CAL FIRE Local 2881
- Metropolitan Water District

Becoming a voting Board member of ELI will give WRCOG a voice amongst a small group of prominent leaders in the region to guide ELI’s work, thereby influencing what resources and studies are availed to WRCOG communities.

Prior Actions:

August 18, 2016:

The WRCOG Technical Advisory Committee received report.

August 10, 2016:

The WRCOG Administration & Finance Committee 1) authorized the WRCOG Executive Director to allocate \$15,000 for WRCOG to serve as an Executive Committee Member on the Environmental Leadership Institute Advisory Board for a period of one year; and 2) appointed the Executive Director as WRCOG's representative to the Environmental Leadership Institute Advisory Board.

WRCOG Fiscal Impact:

The \$15,000 contribution to the Environmental Leadership Institute will come from the Administration Department, which contains sufficient funds in the line item of the Fiscal Year 2016/2017 budget.

Attachment:

1. Environmental Leadership Institute General Information Flyer.

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Item 5.K

WRCOG Representation on the
Environmental Leadership Institute
Advisory Council

Attachment 1

Environmental Leadership Institute
General Information Flyer

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The Environmental Leadership Institute is an institutional forum built on a collaborative partnership between education, business, government and science; representing a diverse cross-section of industries, perspectives and issues. The Institute serves as an environmental resource center and information clearinghouse to seek innovative solutions and effective decision-making impacting emerging and adaptive environmental challenges within our region. Serving as an independent and unbiased authority, the Institute provides education, professional services and international partnerships based on the best available research and science for issues related to energy, water resources, waste management, land use planning, air quality and transportation.

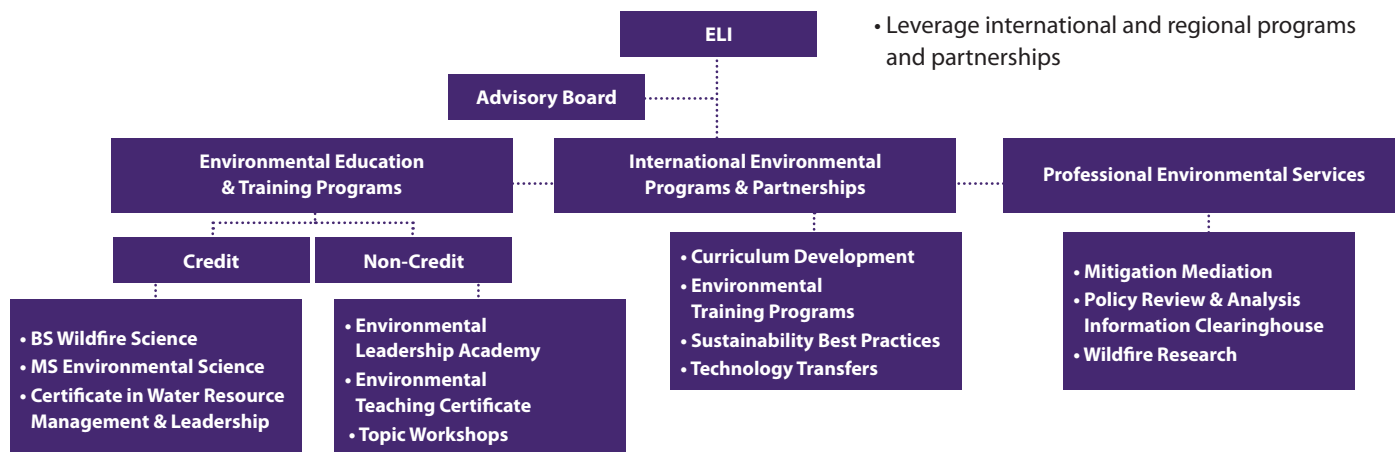
Regional Environmental Issues

Vision

- Resolve emerging and adaptive environmental challenges through collaborative partnerships
- Inspire innovation and change through the best available research, science and education
- Serve as an academic clearinghouse and resource center for issues and innovation



ELI Structure



Mission

- Identify, research, collaborate and educate on key environmental issues
- Align leadership and academic needs and priorities based on regional needs
- Offer professional environmental services for effective decision-making
- Leverage international and regional programs and partnerships

California State University
SAN MARCOS
at Temecula



ENVIRONMENTAL LEADERSHIP INSTITUTE

Partnerships and Advisory Board

The Environmental Leadership Institute is driven by an Advisory Board that serves as an ally in the success of the Institute; representing industry leaders, government, professional service providers and organizations that wish to serve as an instrument of change, both as a sounding board for new ideas and as a body that can inspire innovation and strategic decision-making. The Advisory Board can connect experts across the diverse fields of environmental sciences, policy, education and planning to provide independent and qualified review and analysis of some of the region's most critical issues. Board members help to establish priority projects, while providing consistency, longevity and institutional memory to ensure that the intent of the Institute is being met.

Advisory Board Members

- Operate as stewards for environmental leadership and independent decision-making
- Serve as expert/industry leaders in their fields of expertise
- Seek science and policy-based solutions
- Help define and elevate key environmental issues
- Collaborate to understand and resolve conflict, contradiction and emotion
- Provide expertise, financial and promotional support

Benefits for Advisors

- Automatic participation in the Environmental Leadership Academy
- Promote and drive their organization's environmental leadership and stewardship
- Develop vision, strategy and overall objectives through collaboration with key stakeholders
- Influence and guide policy framework
- Drive industry best practices and standards through the development of evidence-based toolkits
- Reveal and mitigate controversial issues through education, technical and/or scientific analysis
- Receive recognition for their leadership, service and commitment

Advisory Board Membership Levels

Executive Committee Members – Voting Members

- Founders/visionaries/stewards for environmental leadership
- Provide expertise, new thinking and best practices for evolving priorities
- Establish priority Institute projects
- Annual funding commitment (\$15-30K)

Partner Board Members – Committee Members

- Key stakeholders/professional services providers
- Provide professional expertise and serve as advisors to Executive Committee
- Annual funding commitment (\$5-10K)

Individual Board Members – Committee Members

- Independent professional services providers
- Provide professional expertise and serve as advisors to Executive Committee
- Annual funding commitment (\$2,500)

Contributors – Supporting Sponsors

- Regional organizations/stakeholders
- Provide support for specific services or events
- Sponsor commitment (\$1-5K)

For more information, visit csusm.edu/temecula/ela or call (760) 750-4004



California State University
SAN MARCOS
at Temecula



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Californians for Water Security Coalition

Contact: Jennifer Ward, Director of Government Relations, ward@wrcoq.coq.ca.us, (951) 955-0186

Date: September 12, 2016

Requested Action:

1. Authorize WRCOG to join the “Californians for Water Security” Coalition to support the California Water Fix.

Background

Californians for Water Security (CWS) is a Coalition of residents, business leaders, laborers, farmers, local governments, public safety groups, water experts, environmentalists, infrastructure experts, and many others that have joined together to form a campaign in support of the plan to fix California’s aging water distribution system, through implementation of the California Water Fix (CWF).

The CWF is an upgrade to the state's 50-year-old water infrastructure that will make it easier to move water in an environmentally-friendly manner. According to experts, the current system is outdated and unreliable, and dependent on levees that put the state’s clean water supply at risk of being compromised by earthquakes or sea level rise. Experts have stated that without the needed fixes, a moderate-sized earthquake in the Sacramento-San Joaquin Bay Delta (Delta) region could collapse our water system and leave millions without water for weeks, months, or even years. The CWF is a new sub-alternative of the Bay Delta Conservation Plan (BDCP), which WRCOG previously took action to support. In March 2016, WRCOG’s Executive Committee also took action to oppose AB 1713, which would have prohibited the construction of a peripheral canal in the Delta unless approved by the voters through a ballot initiative. AB 1714 has since died; however, the CWS Coalition is dedicated to continue supporting the CWF.

Overview of the California Water Fix

Specifically, the CWF seeks to:

- Fix California’s aging water infrastructure by protecting water supplies and delivering them through a modern water pipeline rather than relying solely on today’s deteriorating dirt levee system.
- Use modern engineering and technology to improve the security of the state’s water system by using innovative technologies and engineering practices.
- Create water security by building a water delivery system that is able to protect California’s water supplies from earthquakes, floods, and other natural disasters.
- Improve the ability to move water to storage facilities throughout the state so that the state can capture it for use in dry years.
- Restore the state’s habitat to make more natural water flow above ground in rivers and streams in order to reduce impacts on endangered fish and other wildlife.

By WRCOG signing onto this coalition, WRCOG agrees that CWS may list the Agency's name in support of the CWF to repair the states aging water distribution system. CWS will also work with WRCOG on ways to move this project forward, through grassroots outreach, public relations, regulatory and legislative outreach, and media. More information on the CWS is available on their website at www.watersecurityca.com.

Local organizations in support of the CWF include:

- Desert Valleys Builders Association
- Eastern Municipal Water District
- Greater Riverside Chambers of Commerce
- International Brotherhood of Electrical Workers Local 440
- Moreno Valley Chamber of Commerce
- Southern California Water Committee
- Southwest California Legislative Council
- Southwest Riverside County Association of Realtors
- Temecula Valley Chamber of Commerce
- Western Municipal Water District

Prior WRCOG Action:

None.

WRCOG Fiscal Impact:

None.

Attachment:

None.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Legislative Activities Update

Contact: Jennifer Ward, Director of Government Relations, ward@wrcog.cog.ca.us, (951) 955-0186

Date: September 12, 2016

Requested Actions:

1. Adopt a position of "OPPOSE" for Assembly Bill (AB) 1217 by Assembly Member Daly, and authorize the WRCOG Executive Director to transmit a request to veto letter to Governor Brown on behalf of WRCOG.
 2. Adopt a position of "SUPPORT" for Assembly Bill (AB) 2693 by Assembly Member Dababneh, and authorize the WRCOG Executive Director to transmit a request to sign letter to Governor Brown on behalf of WRCOG.
 3. Adopt a position of "SUPPORT" for Senate Bill (SB) 817 by Senator Roth, and authorize WRCOG Executive Director to transmit a request to sign letter to Governor Brown on behalf of WRCOG.
-

AB 1217

Background of AB 1217: This bill addresses an issue relating to the Orange County Fire Authority (OCFA), which was created in 1995 under a Joint Powers Agreement (JPA). The OCFA consists of 25 Board members and 24 alternate members representing 23 municipal agencies. To reduce bureaucracy, last year the OCFA voted to eliminate the alternate positions on the Board.

Summary of AB 1217: This bill would codify at the State level the action of eliminating alternate members of the OCFA Board. Additionally, it expresses the intent of the Legislature to reevaluate the structure of the OCFA Board within a reasonable period between the bill's effective date to consider the effectiveness of the Board's size and structure.

WRCOG Opposition of AB 1217: AB 1217 is an attempt of the California State Legislature to intervene in local control of a JPA and would duplicate measures already taken by the OCFA. The governance structure of a JPA is decided upon by local agency participants; the very essence of a JPA is local control. This bill undermines local control by surpassing the authority of the JPA to set its own policies. It endangers the ability of local governments to determine for themselves the governance structure of JPA's. If passed, this bill would set a precedent of legislative interference in JPA governance. Because this bill jeopardizes local control, as stated under "General Advocacy" in the WRCOG's adopted 2015/2016 Legislative Platform (www.wrcog.cog.ca.us/wrcog-at-work/advocacy), staff is requesting approval to transmit a letter of correspondence to Governor Brown asking him to veto AB 1217.

AB 2693

Background of AB 2693: Property Assessed Clean Energy (PACE) Programs have been widely promoted in California as an innovative and alternative form of financing for environmental improvements for the benefit of its citizens and the environment. PACE financing is now a popular and widespread form of alternative financing for consumers seeking solar energy, water conservation, energy efficiency, and earthquake

retrofitting improvements and has proven to provide additional benefits, including the provision of contracting jobs for the workforce. Because of the relative newness of PACE, the consumer obligation to repay voluntary contractual assessments created by participation in a PACE Program is sometimes not clearly articulated and thus misunderstood.

Summary of AB 2693: AB 2693 requires that borrowers receive a disclosure designed to inform them about the financial terms and conditions associated with their PACE loan.

WRCOG Support of AB 2693: The passage of AB 2693 is important to promote standardized disclosures and protections for consumers. WRCOG opposed prior versions of this bill, but is now supportive because onerous restrictions have been removed and the bill now serves the important function of standardizing disclosures to consumers. Staff is requesting approval to transmit a letter of correspondence to Governor Brown asking him to sign AB 2693.

SB 817

Background of SB 817: In 2011, SB 89 was passed, which eliminated vehicle license fee (VLF) revenue allocated to newly incorporated cities and annexed areas. SB 89 was one of the steps the California Legislature took to close California's budget gap. Since then, four new cities in Riverside County have lost millions of dollars in VLF funding: the Cities of Eastvale, Jurupa Valley, Menifee, and Wildomar.

Summary of SB 817: This bill would restore VLF to the four cities that were lost due to SB 89.

WRCOG Support of SB 817: This bill aligns with WRCOG's mission of assisting its member jurisdictions with regional issues and advocacy goal to oppose legislation that seeks to limit local control, reduce funding opportunities to local jurisdiction, as stated in the Agency's adopted 2015/2016 Legislative Platform, and as such, staff is requesting approval to transmit a letter of correspondence to Governor Brown asking him to sign SB 817.

Prior WRCOG Action:

None.

WRCOG Fiscal Impact:

This item is informational only; therefore there is no fiscal impact.

Attachments:

1. AB 1217 Draft Veto Letter.
2. AB 2693 Draft Request for Signature Letter.
3. SB 817 Draft Request for Signature Letter.

Item 5.M

Legislative Activities Update

Attachment 1

AB 1217 Draft Veto Letter

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September 6, 2016

The Honorable Jerry Brown
Governor, State of California
c/o State Capitol, Suite 1173
Sacramento, CA 95814

Subject: AB 1217 (Daly) – REQUEST TO VETO

Dear Governor Brown:

On behalf of the Western Riverside Council of Governments (WRCOG), a Joint Powers Authority (JPA) representing the County of Riverside, 17 cities, two regional water districts, the Morongo Band of Mission Indians, and the Riverside County Superintendent of Schools, I am writing to express our opposition of AB 1217.

At WRCOG, our mission is to respect local control while providing regional perspective. The very essence of a JPA is local control, and by definition is an expression of local government in which two or more local public agencies are authorized to enter into an agreement to jointly exercise any power common to the voluntarily contracting parties for a mutually agreed upon purpose. If passed, this bill would interfere with a JPA's ability to exercise local control.

AB 1217 is an attempt by the Legislature to unjustifiably interfere with the governance structure of a JPA, when there are already mechanisms under existing law to remedy any problems. Not only that, but this bill will duplicate measures already taken by the Orange County Fire Association to self-reform; they recently eliminated the alternate positions of their Board of Directors. This bill is attempting to fix something that is not broken.

Governor Brown, if you sign this bill into law, it will endanger the ability of local governments to determine for themselves the governance structure of JPA's, and for this reason WRCOG cannot support AB 1217.

For the above stated reasons, WRCOG respectfully requests that you **VETO AB 1217**. Should you have any questions on this veto request, please contact Rick Bishop, WRCOG Executive Director, at (951) 955-8303 or bishop@wrcog.cog.ca.us.

Sincerely,

Ben Benoit
Chair, WRCOG Executive Committee

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Item 5.M

Legislative Activities Update

Attachment 2

AB 2693 Draft Request for
Signature Letter

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September 6, 2016

The Honorable Jerry Brown
Governor, State of California
c/o State Capitol, Suite 1173
Sacramento, CA 95814

Subject: AB 2693 (Dababneh) – REQUEST FOR SIGNATURE

Dear Governor Brown:

On behalf of the Western Riverside Council of Governments (WRCOG), which represents the County of Riverside, 17 cities, two regional water districts, the Morongo Band of Mission Indians, and the Riverside County Superintendent of Schools, I am writing to express support of AB 2693.

WRCOG is pleased to support AB 2693 because it helps ensure that adequate disclosures and consumer protections are in place for all potential Property Assessed Clean Energy (PACE) homeowners. If signed in law, this bill will bring transparency to consumers before they enter into a PACE loan.

We applaud Assemblyman Dababneh's leadership and the efforts of his staff in working with WRCOG to refine this bill over the past several months to ensure the continued success of PACE programs in bringing energy efficiency, renewable energy, and water conservation to homeowners throughout California.

For the above stated reasons, WRCOG respectfully requests that you sign AB 2693 in law. Should you have any questions on WRCOG's support of AB 2693, please contact Rick Bishop, WRCOG Executive Director, at (951) 955-8303 or bishop@wrcog.cog.ca.us.

Sincerely,

Ben Benoit
Chair, WRCOG Executive Committee

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Item 5.M

Legislative Activities Update

Attachment 3

SB 837 Draft Request for Signature
Letter

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September 6, 2016

The Honorable Jerry Brown
Governor, State of California
c/o State Capitol, Suite 1173
Sacramento, CA 95814

Subject: SB 817 (Roth) – REQUEST FOR SIGNATURE

Dear Governor Brown:

On behalf of the Western Riverside Council of Governments (WRCOG), which represents the County of Riverside, 17 cities, two regional water districts, the Morongo Band of Mission Indians, and the Riverside County Superintendent of Schools, I am writing to express support of SB 817.

WRCOG supports restoring funding stability to four recently incorporated Cities in Riverside County - Eastvale, Jurupa Valley, Menifee, and Wildomar – all cities that are members of WRCOG. These cities have been experiencing severe financial hardship since 2011, when the State swept away all remaining shares of city vehicle license fee (VLF) revenues.

While all cities were affected by the loss of city shares of VLF, these four cities were particularly hard hit in that due to prior legislative tinkering with local revenue sources, they were much more reliant on the VLF than all of the State's other 478 cities.

For the above stated reasons, WRCOG respectfully requests that you sign SB 817 into law. Should you have any questions on WRCOG's support of SB 817, please contact Rick Bishop, WRCOG Executive Director, at (951) 955-8303 or bishop@wrcog.cog.ca.us.

Sincerely,

Ben Benoit
Chair, WRCOG Executive Committee

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: HERO Program Activities Update

Contact: Michael Wasgatt, Program Manager, wasgatt@wrcog.coq.ca.us, (951) 955-8301

Date: September 12, 2016

Requested Actions:

1. Accept the Cities of Half Moon Bay, Paradise, Redding, Watsonville, and Weed as Associate Members of the Western Riverside Council of Governments.
2. Adopt WRCOG Resolution Number 34-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Declaring its Intention to Modify the California HERO Program Report so as to Increase the Program Area within which Contractual Assessments may be offered and Setting a Public Hearing Thereon.
3. Accept the proposed changes to the WRCOG Energy Efficiency and Water Conservation Administrative Guidelines and Program Report and the Samas Commercial Handbook.

WRCOG's HERO Program provides financing to property owners to implement a range of energy saving, renewable energy, and water conserving improvements to their homes and businesses. Improvements must be permanently fixed to the property and must meet certain criteria to be eligible for financing. Financing is paid back through a lien placed on the property tax bill. The HERO Program was initiated in December 2011 and has been expanded (an effort called "California HERO") to allow for jurisdictions throughout the state to join WRCOG's Program and allow property owners in these jurisdictions to participate.

Overall HERO Program Activities Update

Residential: As of this writing, more than 96,600 homeowners in both the WRCOG and California HERO Programs have been approved to fund more than \$5.6 billion in eligible renewable energy, energy efficiency and water efficiency projects.

WRCOG Subregion: Over 33,200 property owners located in Western Riverside County have been approved for funding through the WRCOG HERO Program, totaling over \$1.4 billion. Over 20,600 projects, totaling over \$396 million, have been completed (Attachments 1 & 2).

Statewide Program: As of this writing, 352 jurisdictions outside the WRCOG and San Bernardino Associated Governments subregions have adopted Resolutions of Participation for the California HERO Program. Over 63,300 applications have been approved for the California HERO Program to fund over \$4.2 billion in eligible renewable energy, energy efficiency and water efficiency projects. Over 33,700 projects have been completed, totaling nearly \$718 million (Attachment 3).

The table below provides a summary of the total estimated economic and environmental impacts for projects completed in both the WRCOG and the California Programs to date:

Economic and Environmental Impacts Calculations	
KW Hours Saved – Annually	515 GWh
GHG Reductions – Annually	134,017 Tons
Gallons Saved – Annually	318 Million
\$ Saved – Annually	\$67 Million
Projected Annual Economic Impact	\$1.9 Billion
Projected Annual Job Creation/Retention	9,466 Jobs

New Associate Members: The following jurisdictions have adopted or will be adopting resolutions consenting to the inclusion of such city in the California HERO Program and approving the “Amendment to Joint Powers Agreement Adding the City/County of XXX as an Associate Member of the Western Riverside Council of Governments to Permit the Provision of Property Assessed Clean Energy (PACE) Program Services within the City” (the “JPA Amendment”), by and between Authority and such City/County to as an Associate Member of WRCOG for the purposes of implementing the California HERO Program prior to the September 12, 2016, Executive Committee meeting.

Half Moon Bay – August 16, 2016
Paradise – August 9, 2016
Redding – August 16, 2016
Watsonville – August 16, 2016
Weed – June 9, 2016

The next step in the California HERO Program is for the Executive Committee to adopt WRCOG Resolution Number 34-16 (Attachment 7), which accepts the above mentioned Cities as Associate Members of WRCOG for the purposes of participating in the Program and approve the execution of the Joint Powers Agreement Amendment for each such City and County and set their public hearing for October 3, 2016.

At the October 3, 2016, Executive Committee meeting, staff will bring forward the revised Appendix B “Boundary Map” from Program Report for consideration and potential approval; the Executive Committee will hold the Program’s required public hearing and, following the closing of the public hearing, will be asked to consider the adoption of a WRCOG resolution approving the revised Appendix B “Boundary Map” from the Program Report.

Commercial Program: To date, the SAMAS Commercial PACE Program has funded 34 projects for over \$3.4 million. There are a number of different steps in the financing of a commercial project; these include the application, lender acknowledgement, construction, and funded phases. The following is an overview of commercial projects:

Approved Pipeline:

Completed and funded:	34 projects = \$3.4+ million
Completed construction:	4 projects = \$3.8+ million
Mid-construction:	5 projects = \$296,000
PPA:	6 projects = \$941,579
Investor Review:	21 projects = \$11.8+ million
Assessment Contract:	13 projects = \$1.7+ million
Grand total:	83 projects = \$21.8+ million

Application Pipeline:

Pending applications:	29 projects = \$10.7+ million
In-Process:	25 projects = \$10.1+ million
Lender Acknowledgement:	46 projects = \$7.1+ million
Grand total:	100 projects = \$28+ million

Currently, the largest commercial project in the subregion is the Temecula Towne Center project at \$2.9M. The Towne Center project included streetlight retrofits, a new cool roof, and new water fixtures.

Commercial Project Minimum Threshold: WRCOG staff is requesting that the Executive Committee approve changes to WRCOG's Energy Efficiency and Water Conservation Administrative Guidelines and Program Report (Program Report), as well as the SAMAS Commercial California Program Handbook, to lower the minimum project threshold to \$25,000.00. A copy of the amended sections in each of the Program Reports and Handbooks are attached for member's review and consideration (Attachments 4, 5, and 6).

4-unit projects: WRCOG staff is requesting that the Executive Committee approve changes to WRCOG's Energy Efficiency and Water Conservation Administrative Guidelines and Program Report (Program Report), as well as the SAMAS Commercial California Program Handbook, to exempt projects that are 4-units from the requirement to obtain lender acknowledgement. A copy of the amended sections in each of the Program Reports and Handbooks are attached for member's review and consideration (Attachments 4, and 5).

The reasoning for bringing this issue before the Executive Committee is there are different definitions for residential and commercial properties in the California Alternative Energy and Advanced Transportation Finance Authority (CAEATFA) PACE Loan Loss Reserve Program, in which WRCOG has its residential Program enrolled, and the definitions used by the residential and commercial lending institutions. The PACE Loan Loss Reserve Program was set up to allow residential mortgage holders to receive pay-back for any delinquent PACE assessments they may have made during a residential foreclosure process, and defines residential as 3 units or less and commercial as anything more than 3 units. However, mortgage lending institutions commonly issue residential mortgages for properties up to 4 units and commercial mortgages are commonly issued for 5 or more units. This difference in definitions leaves one sector (4-units) in a difficult position when trying to determine whether or not the commercial lender acknowledgement should be required.

Within the current Program Reports and Handbooks, commercial projects are expected to receive lender acknowledgement from the first mortgage holder. This is mainly due to the fact that commercial mortgage holders have a stronger relationship with their client, the length of the commercial loans are shorter than residential, and in some cases may have provisions within their loan covenants requiring that the mortgage hold be made aware of any lien being placed on the property.

Recently, Samas Capital (WRCOG's only commercial provider pending launch of HERO Commercial) has received applications for 4-unit projects, which are subject to residential mortgages. Under our current Program Reports, these types of projects would require lender acknowledgement. However, since the projects are subject to residential mortgages serviced by a residential mortgage holders, and the residential Program does not require lender acknowledgement, WRCOG staff have had discussion with our financial advisor, Public Financial Management (PFM), as well as, WRCOG's Bond Counsel (Best Best & Krieger) regarding this issue, and are recommending to the Executive Committee that the project parameters for 4-units should not require lender acknowledgement.

Prior WRCOG Actions:

August 18, 2016: The WRCOG Technical Advisory Committee received report.
August 1, 2016: The WRCOG Executive Committee 1) received summary of the Revised California HERO Program Report; 2) conducted a Public Hearing Regarding the Inclusion of the Cities of Blue Lake, Dorris, Etna, Fremont, Portola Valley, San Leandro, Sutter Creek, Tehama, Yuba City, and the County of Shasta Unincorporated Areas, for purposes of considering the modification of the Program Report for the California HERO Program to increase the Program Area to include such additional jurisdictions and to hear all interested persons that may appear to support or object to, or inquire about the Program; 3) adopted WRCOG Resolution Number 30-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Confirming Modification of the California HERO Program Report so as to expand the Program Area within which Contractual Assessments may be offered; 4) adopted WRCOG Resolution Number 31-

16: A Resolution of the Executive Committee of the Western Riverside Council Of Governments Amending Resolution Number 24-16 to Authorize the Levy of Special Assessments in Fiscal Year 2016/2017 on Additional Parcels of Property Within Kern County Pursuant to the California HERO Program; 5) adopted WRCOG Resolution Number 32-16: A Resolution of the Executive Committee of the Western Riverside Council Of Governments Amending Resolution Number 29-16 to Authorize the Levy of Special Assessments in Fiscal Year 2016/2017 on Additional Parcels of Property within Yolo County Pursuant to the California HERO Program; and 6) authorized the WRCOG Executive Director to execute the Compliance Certification and Hold Harmless Statement for the County of Tulare County.

WRCOG Fiscal Impact:

HERO revenues and expenditures for the WRCOG and California HERO Programs are allocated annually in the Fiscal Year Budget under the Energy Department.

Attachments:

1. WRCOG Program Summary.
2. WRCOG HERO Snapshot.
3. California HERO Snapshot.
4. Amended section of the WRCOG Energy Efficiency and Water Conservation Program Administrative Guidelines and Program Reported dated September 12, 2016.
5. Amended section of the WRCOG SAMAS Commercial Handbook dated September 12, 2016.
6. Amended section of the Statewide Samas Commercial Handbook dated September 12, 2016.
7. WRCOG Resolution Number 34-16; A Resolution of the Executive Committee of the Western Riverside Council of Governments Declaring its Intention to Modify the California HERO Program Report so as to Increase the Program Area within which Contractual Assessments may be offered and Setting a Public Hearing Thereon.

Item 7.A

HERO Program Activities Update

Attachment 1

WRCOG Program Summary

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HERO Program Summary Update

(Launch through 08/26/16)

City	Approved Apps	Approved Amount
Banning	449	\$11,704,493
Calimesa	146	\$5,466,275
Canyon Lake	499	\$25,853,810
Corona	2,779	\$148,711,282
County	5,354	\$259,510,788
Eastvale	766	\$47,498,977
Hemet	963	\$23,557,418
Jurupa Valley	1,805	\$71,415,885
Lake Elsinore	1,206	\$44,776,466
Menifee	2,206	\$76,203,702
Moreno Valley	4,104	\$134,791,640
Murrieta	2,412	\$110,691,658
Norco	648	\$36,494,262
Perris	811	\$24,855,187
Riverside	5,386	\$223,069,297
San Jacinto	635	\$17,707,826
Temecula	2,257	\$114,963,996
Wildomar	793	\$30,235,032
	33,219	\$1,407,507,993

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Item 7.A

HERO Program Activities Update

Attachment 2

WRCOG HERO Snapshot

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17,843

Homes Improved

12/14/2011

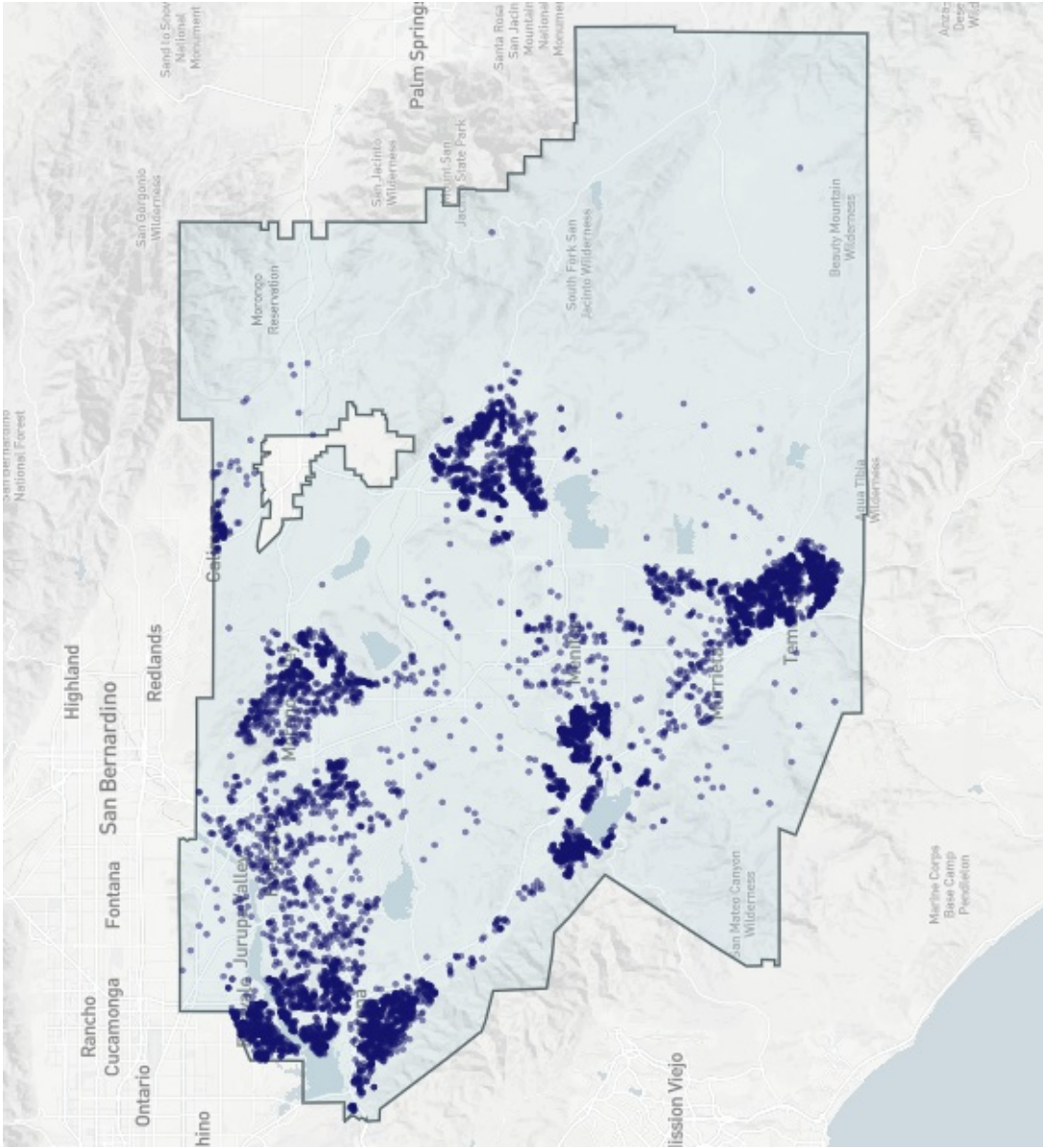
HERO Launch Date

460,539

Housing Count

01/01/2011 - 08/26/2016

Report Range



Improvements

Type	Total Installed	Bill Savings
Energy	23.5K	\$274M
Solar	11.7K	\$490M
Water	1,363	\$8.97M

Lifetime Impact

Applications Submitted	49.1K
Applications Approved	33.2K
Funded Amount	\$396M
Economic Stimulus	\$686M
Jobs Created	3,364
Energy Saved	2.95B kWh
Emissions Reduced	800K tons
Water Saved	997M gal

Learn how these numbers are calculated at <https://www.herogov.com/faq>

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Item 7.A

HERO Program Activities Update

Attachment 3

California HERO Snapshot

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30,124

Homes Improved

02/10/2014

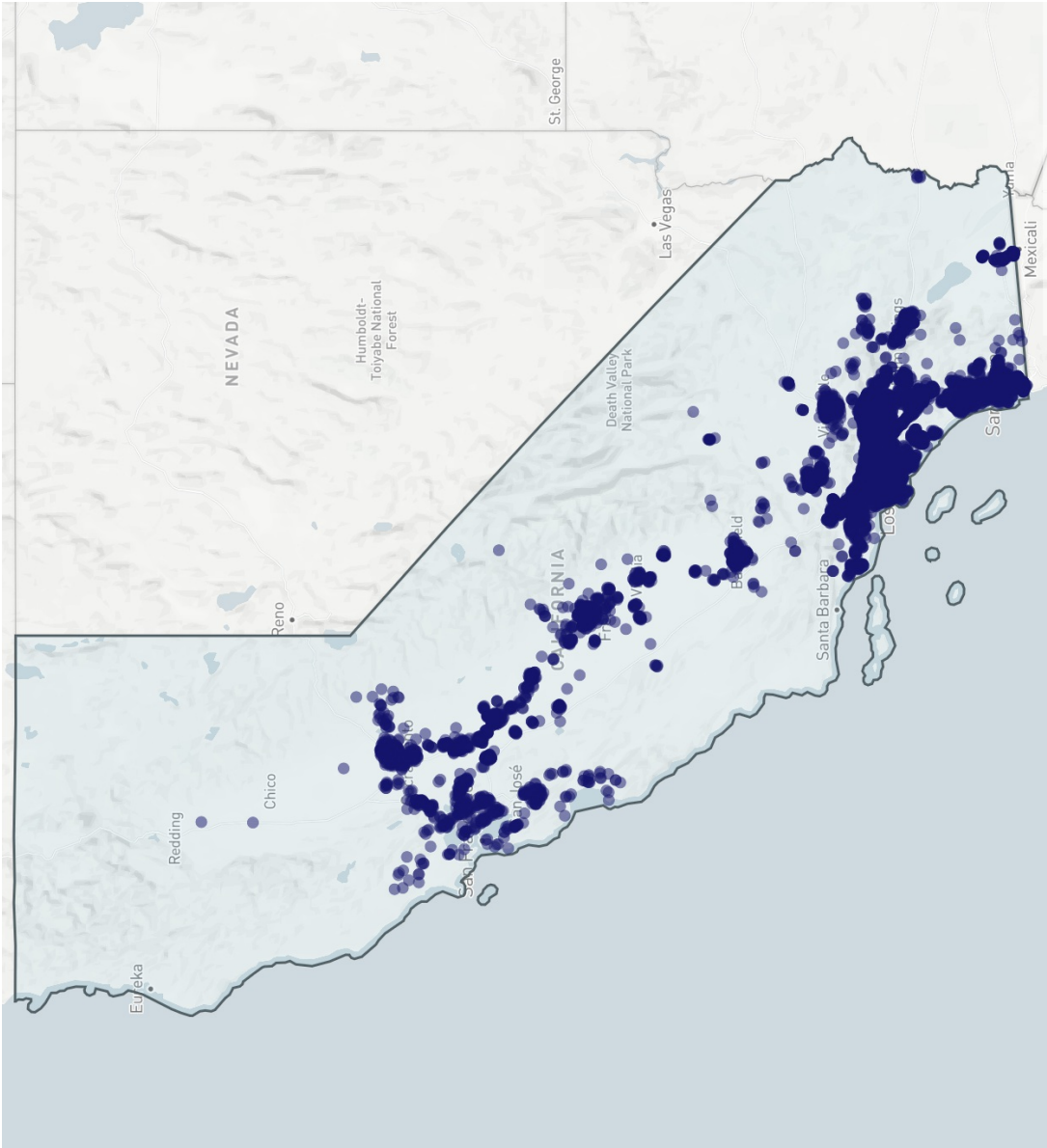
HERO Launch Date

02/10/2014 - 08/26/2016

Report Range

5,644,800

Housing Count



Type	Total Installed	Bill Savings
Energy	41.2K	\$494M
Solar	17.7K	\$842M
Water	2,933	\$22.7M

Lifetime Impact

Applications Submitted	85.9K
Applications Approved	63.4K
Funded Amount	719M
Economic Stimulus	\$1.24B
Jobs Created	6,102
Energy Saved	4.60B kWh
Emissions Reduced	1.22M tons
Water Saved	2.48B gal

Learn how these numbers are calculated at <https://www.herogov.com/faq>

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Item 7.A

HERO Program Activities Update

Attachment 4

Amended section of the WRCOG
Energy Efficiency and Water
Conservation Program Administrative
Guidelines and Program Reported
dated September 12, 2016

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ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM FOR WESTERN RIVERSIDE COUNTY



ADMINISTRATIVE GUIDELINES AND PROGRAM REPORT

ADOPTED: JUNE 7, 2010 - AMENDED: JANUARY 12, 2011 - AMENDED: JUNE 6, 2011
AMENDED: JULY 29, 2011 - AMENDED: SEPTEMBER 12, 2011 - REVISED OCTOBER 7, 2011
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PREPARED BY:
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
4080 LEMON STREET, 3RD FLOOR
RIVERSIDE, CA 92501
PHONE: (951) 955-7985
FAX: (951) 787-7991
WWW.WRCOG.CO.G.CA.US



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III. PROGRAM REQUIREMENTS FOR PARTICIPATION IN HERO COMMERCIAL FINANCING FOR COMMERCIAL PROPERTIES

If financing is provided for the Program by Renovate America, Inc. for commercial properties, the following eligibility requirements will apply:

A. ELIGIBLE PROPERTY OWNERS AND ELIGIBLE PROPERTIES

HERO Commercial financing is available for commercial property owners and will finance alternative energy systems, energy efficiency, and water conservation improvements, using Renovate America financing.

Property owners may be individuals, associations, business entities, cooperatives, and virtually any owner of Commercial property for which real property taxes are paid or assessments may otherwise be collected on the property tax bill. Certain eligibility criteria must be satisfied and financing may be approved only if all of the following criteria are met:

- Applicant property owner(s) must be the property owner(s) of record.
- Mortgage debt lender(s) have given consent to Program financing, unless the property is 4-units.
- Property owner(s) must be current on property taxes and the property owner(s) certify(ies) that such owner(s) have not had a late payment on their property tax more than once during the prior three (3) years (or since the purchase of the property, if owned by such property owner(s) less than three (3) years).
- Property owners must be current on all property debt for a period of six (6) months prior to the application, including no payment defaults or technical defaults (or since purchase if the property has been owned less than six (6) months by the current owner(s)), through funding.
- Property owner(s) or their affiliated companies have not been involved in a bankruptcy proceeding during the past seven (7) years and the property proposed to be subject to the contractual assessment must not currently be an asset in a bankruptcy proceeding.
- All individual property owners must sign the application, assessment contract and all required notices. For properties owned by corporations, LLC's or LLP's, signatures by authorized representatives and/or corporate resolutions are required.
- Property must not have any liens other than lender debt or liens recorded by community facility districts or similar financing districts.
- Eligible Product costs are reasonable in relation to property value. Proposed Eligible Products must not exceed 20% of the market value of the property.
- Mortgage-related debt on the property plus the principal amount of the contractual assessment does not exceed 90% of the market value of the property.
- The total annual property tax and assessments, including the contractual assessment, on the property will not exceed 5% of the property's market value, as determined at the time of approval of the contractual assessment.
- Minimum financing amount is \$25,000.00

Program financing is not currently available for properties that are not subject to secured property taxes, such as governmental entities and certain non-profit corporations. Program financing may, however, be available to such properties if assessments levied on such properties may be placed on the tax roll. Property owners may make more than one application for funding under the Program if additional energy and water



improvements are desired by the owner and the eligibility criteria and maximum assessment amount criteria are met.

The eligibility requirements for HERO Commercial financing may be clarified as deemed necessary by the Program Administrator without amending the Administrative Guidelines and Program Report if such clarification will not result in a substantial revision of such eligibility requirements.

B. ELIGIBLE PRODUCTS

The Program affords commercial property owners in Western Riverside County the opportunity to take advantage of a wide range of energy-savings and water conservation/efficiency measures, consistent with the following provisions:

1. The Program is intended principally for retrofit activities to replace outdated inefficient equipment and to install new equipment that reduces energy or water consumption or produces renewable energy. However, the Program is also available for purchasers of new businesses that wish to add eligible energy efficiency, renewable energy, and water conservation/efficiency Products to such homes or businesses after taking title to the property.
2. The Program provides financing only for Eligible Products that are permanently affixed to real property.
3. The Program provides financing only for Eligible Products specified in Appendix A of the report. Broadly, these include:
 - a. Water Conservation/Efficiency Eligible Products
 - b. Energy Efficiency Eligible Products
 - c. Renewable Energy Systems
 - d. Approved Custom Eligible Products
4. The property owner must ensure that any and all permits required by the jurisdiction for the installation of the Eligible Products are acquired,
5. Financing is also available for projects that combine Eligible Products, such as bundling of water conservation/efficiency, energy efficiency and renewable energy measures. For instance, a property owner may choose to replace an aging and inefficient furnace, install weather stripping, install low flow toilets and install a photovoltaic system as part of a single project.

C. ELIGIBLE COSTS

Eligible costs of the improvements include the cost of equipment and installation. Installation costs may include, but are not limited to, energy and water audit consultations, labor, design, drafting, engineering, permit fees, and inspection charges.

The cost of installation of Eligible Products shall be eligible to be financed only if such installation is completed by a contractor that is registered with the Program or by the property owner is self-installing subject to the limitation in the last sentence of this paragraph. A list of contractors registered with the Program shall also be located on the Program website; however, WRCOG will not make recommendations for contracting



assistance. Eligible costs do not include labor costs for property owners that elect to do the work themselves.

Property owners who elect to engage in broader projects – such as business remodeling – may only receive Program financing for that portion of the cost of retrofitting existing structures with renewable energy, energy efficiency and water conservation/efficiency improvements. Repairs and/or new construction do not qualify for Program financing except to the extent that the construction is required for the specific approved improvement. Repairs to existing infrastructure, such as water and sewer laterals, are considered repairs and are not eligible.

Program staff will evaluate conditions in the construction and installation market for the proposed Eligible Products and may require the property owner to obtain additional bids to determine whether costs are reasonable. While the property owner may choose the contractor, the amount available for financing may be limited to an amount determined reasonable by Program staff, and may be reviewed by the Program Administrator.

All available reservation rebates will be deducted from the assessment amount at the time of financing. State or federal tax credits and performance-based incentives such as the CSI PBI rebate will not be deducted from the assessment amount, but property owners may wish to consider these additional benefits in determining the amount of their financing request.

D. ADMINISTRATIVE COSTS/FEES

As required pursuant to Section 5898.22 of Chapter 29, WRCOG met and consulted with the staff of the County Auditor-Controller's office on March 29, 2010 concerning the additional fees, if any, that will be charged to WRCOG for incorporating the proposed contractual assessments into the assessments of the general taxes on real property. The consultations revealed that the Auditor-Controller will charge WRCOG the same fees applicable to other fixed charges to be placed on the secured property tax roll as are established from time to time by the Board of Supervisors. The payment of such fees shall be included as a part of annual assessment administration and collection costs which will be added each year to the annual assessment on property tax bills. Such annual administration and collection costs are described below and in Section III.D.

The Program will cover all or a portion of its costs through an expense component to be added to the amount of the financing request, not to exceed 7%. In addition, there are six other costs that are not covered in the expense component and will be borne by the property owners. These costs include:

1. An application fee may be required and will not exceed the greater of \$250 or one percent (1%) of the financing amount per application for commercial properties; provided however, such fee may not exceed the actual cost of processing the application. The owner may not include this cost in the financing request. Except as otherwise provided in applicable federal or state law, the application fee is nonrefundable, unless the property owner is deemed ineligible and the unused portion of the application fee may be prorated, however, may be waived by Renovate America.
2. Title and recording costs, including title insurance, where required, will be paid by the property owner.



3. Permitting costs. Property owners are required to verify whether or not a permit is required by the participating jurisdictions. Permit costs will be paid by the property owner and are an eligible cost to include in the financing.
4. Annual assessment administration and collection costs will be added each year to the annual assessment on property tax bills and will be adjusted in subsequent years for cost of living increases using the U.S. Department of Labor, Bureau of Labor Statistics, and Consumer Price Index for all urban consumers for the Los Angeles, Riverside, and Orange Counties.
5. Environmental Reports and/or appraisals, as required by the Program.
6. Onsite Validation Fees. Onsite validation fees may be required for Program staff to confirm proposed eligible energy efficiency, water efficiency, and/or renewable generation Products were actually installed prior to funding; provided, however, such fee may not exceed the actual cost to undertake such validation.
7. The Program may offer multiple disbursements for assessments by a third-party provider. If multiple disbursements are offered, the partial disbursement funding requests may be subject to an additional processing fee; provided, however, that such fee may not exceed the actual cost of providing such service. The property owner will need to provide sufficient proof of purchased and delivered construction materials and/or completion of Eligible Products as required by the executed Assessment Contract. The terms of the financing provided by the third-party will be subject to the credit of the borrower. A draft Assessment Contract is provided in Appendix C of this report.



IV. Program Requirements for Participation in SAMAS Commercial Financing for Commercial Properties

If financing is provided for the Program by Samas Capital, LLC for commercial properties, the following eligibility requirements will apply:

A. *ELIGIBLE PROPERTY OWNERS AND ELIGIBLE PROPERTIES*

SAMAS Commercial financing is available for commercial property owners and will finance alternative energy systems, energy efficiency, and water conservation improvements, using Samas Capital financing.

Property owners may be individuals, associations, business entities, cooperatives, and virtually any owner of Commercial property for which real property taxes are paid or assessments may otherwise be collected on the property tax bill. Certain eligibility criteria must be satisfied and financing may be approved only if all of the following criteria are met:

- Applicant property owner(s) must be the property owner(s) of record.
- Mortgage debt lender(s) have given consent to Program financing unless the property is 4-units.
- Property owner(s) must be current on property taxes and the property owner(s) certify(ies) that such owner(s) have not had a late payment on their property tax more than once during the prior three (3) years (or since the purchase of the property, if owned by such property owner(s) less than three (3) years).
- Property owners must be current on all property debt for a period of six (6) months prior to the application, including no payment defaults or technical defaults (or since purchase if the property has been owned less than six (6) months by the current owner(s)), through funding.
- Property owner(s) or their affiliated companies have not been involved in a bankruptcy proceeding during the past seven (7) years and the property proposed to be subject to the contractual assessment must not currently be an asset in a bankruptcy proceeding.
- All individual property owners must sign the application, assessment contract and all required notices. For properties owned by corporations, LLC's or LLP's, signatures by authorized representatives and/or corporate resolutions are required.
- Property must not have any liens other than lender debt or liens recorded by community facility districts or similar financing districts.
- Eligible Product costs are reasonable in relation to property value. Proposed Eligible Products must not exceed 20% of the market value of the property.
- Mortgage-related debt on the property plus the principal amount of the contractual assessment does not exceed 90% of the market value of the property.
- The total annual property tax and assessments, including the contractual assessment, on the property will not exceed 5% of the property's market value, as determined at the time of approval of the contractual assessment.

Program financing is not currently available for properties that are not subject to secured property taxes, such as governmental entities and certain non-profit corporations. Program financing may, however, be available to such properties if assessments levied on such properties may be placed on the tax roll. Property owners may make more than one application for funding under the Program if additional energy and water



improvements are desired by the owner and the eligibility criteria and maximum assessment amount criteria are met.

The eligibility requirements for SAMAS Commercial financing may be clarified as deemed necessary by the Program Administrator without amending the Administrative Guidelines and Program Report if such clarification will not result in a substantial revision of such eligibility requirements.

B. ELIGIBLE PRODUCTS

The Program affords commercial property owners in Western Riverside County the opportunity to take advantage of a wide range of energy-savings and water conservation/efficiency measures, consistent with the following provisions:

1. The Program is intended principally for retrofit activities to replace outdated inefficient equipment and to install new equipment that reduces energy or water consumption or produces renewable energy. However, the Program is also available for purchasers of new businesses that wish to add eligible energy efficiency, renewable energy, and water conservation/efficiency Products to such homes or businesses after taking title to the property.
2. The Program provides financing only for Eligible Products that are permanently affixed to real property.
3. The Program provides financing only for Eligible Products specified in Appendix A of the report. Broadly, these include:
 - a. Water Conservation/Efficiency Eligible Products
 - b. Energy Efficiency Eligible Products
 - c. Renewable Energy Systems
 - d. Approved Custom Eligible Products
4. The property owner must ensure that any and all permits required by the jurisdiction for the installation of the Eligible Products are acquired,
5. Financing is also available for projects that combine Eligible Products, such as bundling of water conservation/efficiency, energy efficiency and renewable energy measures. For instance, a property owner may choose to replace an aging and inefficient furnace, install weather stripping, install low flow toilets and install a photovoltaic system as part of a single project.

C. Eligible Costs

Eligible costs of the improvements include the cost of equipment and installation. Installation costs may include, but are not limited to, energy and water audit consultations, labor, design, drafting, engineering, permit fees, and inspection charges.

The cost of installation of Eligible Products shall be eligible to be financed only if such installation is completed by a contractor that is registered with the Program or by the property owner is self-installing subject to the limitation in the last sentence of this paragraph. . A list of contractors registered with the Program shall also be located on the Program website; however, WRCOG will not make recommendations for contracting



assistance. Eligible costs do not include labor costs for property owners that elect to do the work themselves.

Property owners who elect to engage in broader projects – such as business remodeling – may only receive Program financing for that portion of the cost of retrofitting existing structures with renewable energy, energy efficiency and water conservation/efficiency improvements. Repairs and/or new construction do not qualify for Program financing except to the extent that the construction is required for the specific approved improvement. Repairs to existing infrastructure, such as water and sewer laterals, are considered repairs and are not eligible.

Program staff will evaluate conditions in the construction and installation market for the proposed Eligible Products and may require the property owner to obtain additional bids to determine whether costs are reasonable. While the property owner may choose the contractor, the amount available for financing may be limited to an amount determined reasonable by Program staff, and may be reviewed by the Program Administrator.

All available reservation rebates will be deducted from the assessment amount at the time of financing. State or federal tax credits and performance-based incentives such as the CSI PBI rebate will not be deducted from the assessment amount, but property owners may wish to consider these additional benefits in determining the amount of their financing request.

D. ADMINISTRATIVE COSTS/FEES

As required pursuant to Section 5898.22 of Chapter 29, WRCOG met and consulted with the staff of the County Auditor-Controller's office on March 29, 2010 concerning the additional fees, if any, that will be charged to WRCOG for incorporating the proposed contractual assessments into the assessments of the general taxes on real property. The consultations revealed that the Auditor-Controller will charge WRCOG the same fees applicable to other fixed charges to be placed on the secured property tax roll as are established from time to time by the Board of Supervisors. The payment of such fees shall be included as a part of annual assessment administration and collection costs which will be added each year to the annual assessment on property tax bills. Such annual administration and collection costs are described below and in Section IV.D.

The Program will cover all or a portion of its costs through an expense component to be added to the amount of the financing request, not to exceed 7%. In addition, there are six other costs that are not covered in the expense component and will be borne by the property owners. These costs include:

1. An application fee may be required and will not exceed the greater of \$250 or one percent (1%) of the financing amount per application for commercial properties; provided however, such fee may not exceed the actual cost of processing the application. The owner may not include this cost in the financing request. Except as otherwise provided in applicable federal or state law, the application fee is nonrefundable, unless the property owner is deemed ineligible and the unused portion of the application fee may be prorated, however, may be waived by SAMAS Capital.
2. Title and recording costs, including title insurance, where required, will be paid by the property owner.



3. Permitting costs. Property owners are required to verify whether or not a permit is required by the participating jurisdictions. Permit costs will be paid by the property owner and are an eligible cost to include in the financing.
4. Annual assessment administration and collection costs will be added each year to the annual assessment on property tax bills and will be adjusted in subsequent years for cost of living increases using the U.S. Department of Labor, Bureau of Labor Statistics, and Consumer Price Index for all urban consumers for the Los Angeles, Riverside, and Orange Counties.
5. Environmental Reports and/or appraisals, as required by the Program.
6. Onsite Validation Fees. Onsite validation fees may be required for Program staff to confirm proposed eligible energy efficiency, water efficiency, and/or renewable generation Products were actually installed prior to funding; provided, however, such fee may not exceed the actual cost to undertake such validation.
7. The Program may offer multiple disbursements for assessments by a third-party provider. If multiple disbursements are offered, the partial disbursement funding requests may be subject to an additional processing fee; provided, however, that such fee may not exceed the actual cost of providing such service. The property owner will need to provide sufficient proof of purchased and delivered construction materials and/or completion of Eligible Products as required by the executed Assessment Contract. The terms of the financing provided by the third-party will be subject to the credit of the borrower. A draft Assessment Contract is provided in Appendix C of this report.

Item 7.A

HERO Program Activities Update

Attachment 5

Amended section of the WRCOG
SAMAS Commercial Handbook
dated September 12, 2016

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Commercial Handbook

September 12, 2016

A low cost financing program for commercial, industrial, and multi-family buildings in your community

residential and commercial buildings.

3 Future Program Changes

The Program Authority reserves the right to change the Program and its terms at any time; however, any such change will not affect a property owner's existing obligation to pay the contractual assessment agreed to in an executed Assessment Contract.

A property owner's participation in the Program will be subject to this Handbook and other documents signed as part of the Program. If any provisions of this Handbook are determined to be unlawful, void, or for any reason unenforceable, then that provision shall be deemed severable from the Handbook and shall not affect the validity and enforceability of any remaining provisions.

4 Program Eligibility Requirements

Potential property applicants should carefully review this section in order to determine whether they are eligible for the Program before submitting an application.

4.1 Eligible Applicants

In addition to the property eligibility requirements, commercial property owners must meet specific criteria in order to be eligible to participate in the Program. The eligibility criteria for commercial property owners are set forth below.

4.1.1 Qualification Criteria:

- Applicant property owner(s) must be the property owner(s) of record.
- Mortgage debt lender(s) have given consent to Program financing, exempting projects of 4-units.
- Property owner(s) must be current on property taxes and the property owner(s) certify(ies) that such owner(s) have not had a late payment on their property tax more than once during the prior three (3) years (or since the purchase of the property, if owned by such property owner(s) less than three (3) years).
- Property owners must be current on all property debt for a period of six (6) months prior to the application, including no payment defaults or technical defaults (or since purchase if the property has been owned less than six (6) months by the current owner(s)), through funding.
- Property owner(s) or their affiliated companies have not been involved in a bankruptcy proceeding during the past seven (7) years and the property proposed to be subject to the contractual assessment must not currently be an asset in a bankruptcy proceeding.
- All individual property owners must sign the application, assessment contract and all required notices. For properties owned by corporations, LLC's or LLP's, signatures by authorized representatives and/or corporate resolutions are required.
- Property must not have any liens other than lender debt or liens recorded by community facility districts or similar financing districts.
- Eligible Product costs are reasonable in relation to property value. Proposed Eligible Products must not exceed 20% of the market value of the property.
- Property has a debt service coverage ratio of 105% or higher.
- Mortgage-related debt on the property plus the principal amount of the contractual assessment does not exceed 90% of the market value of the property.
- The total annual property tax and assessments, including the contractual assessment, on the property will not exceed 5% of the property's market value, as determined at the time of approval of the contractual assessment.
- Non-profit organizations must stipulate that they have not claimed an exemption from taxes.
- Minimum financing amount shall be \$25,000.00

the property owner is self-installing subject to the limitation in the last sentence of this paragraph.. Eligible costs do not include labor costs for property owners that elect to do the work themselves

For property owners who elect to complete their Program retrofits at the same time as a larger capital project, financing is only available for retrofitting or new installations on the existing structure with Eligible Products. Repairs to the existing building's envelope, systems, and/or infrastructure are not eligible except where they are caused by the installation of the Eligible Product. If a property owner is planning to finance Eligible Products included in a larger remodeling project, they should first contact Program Representatives to determine what costs will be eligible for financing.

The cost of installing the Eligible Products must be reasonable and accomplished within industry cost guidelines. The Program shall have the right to refuse to advance funding for any portion of a Completion Certificate that exceeds such guidelines, and/or to request additional documentation or other information to determine the reasonableness of any Completion Certificate.

4.4 Eligible Contractors

Only contractors who have registered with the Program may complete Program financed installation work. Contractors may register with the Program if they have an active license with the California Contractors State License Board ("CSLB"), including meeting the CSLB's bonding and workers compensation insurance requirements and agree to all Program terms and conditions. In addition, contractors may only install Eligible Products for which they have the appropriate CSLB license. All Solar PV and solar thermal systems must be installed by a CSI registered installer holding the correct contractor's license.

Property owners independently choose which contractors will work on the installation of their Eligible Products. The Program Authority, Samas Capital, and the Program do not endorse contractors who register with the Program, any other person involved with the installed products, or the design of the products, or warrant the economic value, energy savings, safety, durability or reliability of the Eligible Products.

A current listing of contractors registered for the Program who have also attended the Program orientation can be found on the Program website ().

4.5 Eligible Assessment Amounts

- I The minimum assessment amount is ~~\$5,000~~. The maximum assessment amount is 20% of the value of the \$25,000.00 property not to exceed a combined mortgage and assessment contract amount of 90% of the value of the property or not to exceed \$5,000,000.

For commercial properties, the value of the property will be the market value based on either the assessed value of the property or a recent appraisal. You may choose to pay for an appraisal from a licensed appraiser and the Program will review the appraisal and determine whether it may be used for eligibility calculations.

4.6 Eligible Assessment Term(s)

Assessment Contracts may include financing with a 5-, 10-, 15-, 20-, or 25-year term, but the financing term may not exceed the "useful life" of the installed Eligible Product. When installing multiple Eligible Products, each Eligible Product will have its own financing term and the payment schedule will show the total of the amounts owed for that year for the financed Eligible Products. For example, if an HVAC system is financed for 15 years and a solar PV system is financed for 20 years, the first 15 years will include the costs for both Eligible Products and the last five years will only include the costs for the solar PV system because the HVAC financing will already be fully paid.

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Item 7.A

HERO Program Activities Update

Attachment 6

Amended section of the Statewide
Samas Commercial Handbook dated
September 12, 2016

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Statewide Commercial Handbook

April 2016

September 12, 2016

A low cost financing program for commercial, industrial, and multi-family
buildings in your community

California Code of Regulations Title 24
regulations for new construction of and
retrofitting of residential and commercial
buildings.

3 Future Program Changes

WRCOG reserves the right to change the Program and its terms at any time; however, any such change will not affect a property owner's existing obligation to pay the contractual assessment agreed to in an executed Assessment Contract.

A property owner's participation in the Program will be subject to the regulations and terms set forth in this Handbook and other documents that constitute the agreement between the Agent and the property owner. If any provisions of this Handbook are determined to be unlawful, void, or for any reason unenforceable, then that provision shall be deemed severable from the Handbook and shall not affect the validity and enforceability of any remaining provisions.

4 Program Eligibility Requirements

Potential property applicants should carefully review this section in order to determine whether they are eligible for the Program before submitting an application.

4.1 Eligible Applicants

In addition to the property eligibility requirements, commercial property owners must meet specific criteria in order to be eligible to participate in the Program. The eligibility criteria for commercial property owners are set forth below.

4.1.1 Qualification Criteria:

- Applicant property owner(s) must be the property owner(s) of record of the property upon which the Eligible Products are to be installed.
- Mortgage debt lender(s) have given consent to Program financing, exempting 4-units.
- Property owner(s) must be current on property taxes on the property upon which the Eligible Products are to be installed and the property owner(s) certify(ies) that such owner(s) have not had a late payment on their property tax more than once during the prior three (3) years (or since the purchase of such property, if owned by such property owner(s) less than three (3) years).
- Property owners must be current on all property debt on the property upon which the Eligible Products are to be installed for a period of six (6) months prior to the application, including no payment defaults or technical defaults (or since purchase if such property has been owned less than six (6) months by the current owner(s)), through funding.
- Property owner(s) or their affiliated companies have not been involved in a bankruptcy proceeding during the past seven (7) years and the property proposed to be subject to the contractual assessment must not currently be an asset in a bankruptcy proceeding.
- All individual property owners must sign the application, Assessment Contract and all required notices. For properties owned by corporations, LLC's or LLP's, signatures by authorized representatives and/or corporate resolutions are required.
- Non-profit organizations must stipulate that they have not claimed an exemption from taxes.
- Minimum financing amount shall be \$25,000.00

4.2 Eligible Properties

To be eligible for participation in the Program, the property upon which the Eligible Improvements are to be installed must meet the following requirements:

4.5 Eligible Contractors

Only contractors who have registered with the Program may undertake Program financed installation work. Contractors may register with the Program if they have an active license with the California Contractors State License Board (“CSLB”), including meeting the CSLB’s bonding and workers compensation insurance requirements and agree to all Program terms and conditions. In addition, contractors may only install Eligible Products for which they have the appropriate CSLB license. All Solar PV and solar thermal systems must be installed by a CSI registered installer holding the correct contractor’s license.

PROPERTY OWNERS ARE SOLELY RESPONSIBLE FOR AND MUST INDEPENDENTLY CHOOSE AND CONTRACT WITH THE CONTRACTORS TO WORK ON THE INSTALLATION OF THEIR ELIGIBLE PRODUCTS. THE AGENT, SAMAS CAPITAL AND EACH OF THE PARTICIPATING ENTITIES, THEIR RESPECTIVE OFFICERS, EMPLOYEES, AGENT AND ASSIGNS NEITHER ENDORSE NOR RECOMMEND CONTRACTORS WHO REGISTER WITH THE PROGRAM, NOR DO THEY GUARANTEE, WARRANTY OR OTHERWISE INSURE THE COMPLETION OF THE INSTALLATION OF THE ELIGIBLE PRODUCTS OR THE OPERATION OF THE ELIGIBLE PRODUCTS, ANY OTHER PERSON INVOLVED WITH THE INSTALLED PRODUCTS, OR THE DESIGN OF SUCH PRODUCTS, OR WARRANT THE ECONOMIC VALUE, ENERGY SAVINGS, SAFETY, DURABILITY OR RELIABILITY OF THE ELIGIBLE PRODUCTS.

A current listing of contractors registered for the Program who have also attended the Program orientation can be found on the Program website ().

4.6 Eligible Assessment Amounts

- I The minimum assessment amount is \$5,000. The maximum assessment amount is 20% of the value of the \$25,000.00 property not to exceed a combined mortgage and Assessment Contract amount of 90% of the value of the property or not to exceed \$5,000,000.

For commercial properties, the value of the property will be the market value based on either the assessed value of the property or a recent appraisal. You may choose to pay for an appraisal from a licensed appraiser and the Program will review the appraisal and determine whether it may be used for eligibility calculations.

4.7 Eligible Assessment Term(s)

Assessment Contracts may include financing with a 5-, 10-, 15-, 20-, or 25-year term, but the financing term may not exceed the “useful life” of the installed Eligible Product.

The Program reserves the right to approve a different assessment term than requested based on the useful life of the Eligible Product(s) to be installed.

4.8 Eligible Rebate Programs and Tax Credits

For energy efficiency, renewable energy, and water efficiency Eligible Products, various federal tax credits, state and local rebates, and incentive programs exist.

Not all Eligible Products eligible under the Program will qualify for federal tax credits and/or state or local utility rebates. For example, some of the federal tax credit specifications require a higher energy efficiency standard than those required by the Program.

Neither the Agent, Samas Capital, LLC, the Participating Entities nor their respective officers, employees, agents and assigns make any representation or warranty whatsoever that any Eligible Product or Eligible Products will qualify for or be granted any tax credits, rebates or other incentives.

For information on rebates and tax credits, please visit the rebates pages listed in Section 2.4 above, including Energy Upgrade California at <https://energyupgradeca.org/county/riverside/overview>, which allows a zip code

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Item 7.A

HERO Program Activities Update

Attachment 7

WRCOG Resolution Number 34-16;
A Resolution of the Executive
Committee of the Western Riverside
Council of Governments Declaring its
Intention to Modify the California
HERO Program Report so as to
Increase the Program Area within
which Contractual Assessments may
be offered and Setting a Public
Hearing Thereon

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Western Riverside Council of Governments

County of Riverside • City of Banning • City of Calimesa • City of Canyon Lake • City of Corona • City of Eastvale • City of Hemet • City of Jurupa Valley
City of Lake Elsinore • City of Menifee • City of Moreno Valley • City of Murrieta • City of Norco • City of Perris • City of Riverside • City of San Jacinto
City of Temecula • City of Wildomar • Eastern Municipal Water District • Western Municipal Water District • Morongo Band of Mission Indians
Riverside County Superintendent of Schools

RESOLUTION NUMBER 34-16

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS DECLARING ITS INTENTION TO MODIFY THE CALIFORNIA HERO PROGRAM REPORT SO AS TO INCREASE THE PROGRAM AREA WITHIN WHICH CONTRACTUAL ASSESSMENTS MAY BE OFFERED AND SETTING A PUBLIC HEARING THEREON

WHEREAS, the Executive Committee of the Western Riverside Council of Governments (WRCOG) previously initiated proceedings pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the "Chapter 29") to permit the provision of Property Assessed Clean Energy (PACE) services within those cities that had taken action to become Associate Members of WRCOG as of the date of the initiation of such proceedings and did, by the adoption of its Resolution Number 10-13 on June 3, 2013, (the "Resolution Confirming the Program Report"), approve a report (the "Program Report") addressing all of the matters set forth in Section 5898.22 and 5898.23 of Chapter 29 and establish and order the implementation of a voluntary contractual assessment program to be known as the "California HERO Program" (the "Program") to assist property owners within the jurisdictional boundaries of such Associate Members with the cost of installing distributed generation renewable energy sources, energy and water efficient improvements and electric vehicle charging infrastructure that are permanently fixed to their properties ("Authorized Improvements"); and

WHEREAS, in approving the Program Report, the Executive Committee also established the jurisdictional boundaries of such Associate Members as the initial territory within which voluntary contractual assessments may be offered (the "Program Area") to provide for financing of the installation of Authorized Improvements on properties within such Program Area; and

WHEREAS, subsequent to the establishment of the Program, the Executive Committee has undertaken proceedings pursuant to Chapter 29 to expand the Program Area within which contractual assessments may be offered to include the jurisdictions of certain counties and additional cities that had taken action to become Associate Members of WRCOG since the establishment of the Program; and

WHEREAS, now the legislative bodies of the Cities of Half Moon Bay, Paradise, Redding, Watsonville, and Weed, have taken action to become Associate Members of WRCOG and thereby enable the Executive Committee to consider modifying the Program Report by increasing the Program Area to include the jurisdictions of such Additional Associate Members so as to enable voluntary contractual assessments to be offered pursuant to the Program to the owners of properties within such jurisdictions to finance the installation of Authorized Improvements on such properties; and

WHEREAS, the Executive Committee desires to initiate proceedings pursuant to Chapter 29 to modify the Program Report to include the jurisdictions of the Cities of Half Moon Bay, Paradise, Redding, Watsonville, and Weed (the "Additional Associate Members") in the Program Area.

NOW, THEREFORE, BE IT RESOLVED by the Executive Committee of the Western Riverside Council of Governments as follows:

Section 1. The Executive Committee declares its intention to remove the Counties as Association Members and modify the Program Report so as to modify the Program Area within which contractual assessments may be offered pursuant to the California HERO Program to include the jurisdictions of the Additional Associate Members.

Section 2. Public Hearing. Pursuant to Chapter 29, the Executive Committee hereby orders that a public hearing to be held before the Executive Committee in the First Floor Board Chambers, County of Riverside Administration Center, 4080 Lemon Street, Riverside, California, at 2:00 p.m. on October 3, on the proposed modification to the Program Report to increase the Program Area. At the public hearing all interested persons may appear and hear and be heard and object to or inquire about the proposed modifications to the Program Report to increase the Program Area.

Section 3. Notice of Public Hearing. The Secretary of the Executive Committee is hereby directed to provide notice of the public hearing by publishing such notice once a week for two weeks, pursuant to Section 6066 of the California Government Code, and the first publication shall occur not later than 20 days before the date of such hearing in a newspaper of general circulation published within the jurisdiction of each of the Additional Associate Members or, if there is no such newspaper of general circulation published within any such jurisdiction of any such Additional Associate Member, then in a newspaper of general circulation published nearest thereto.

Section 4. Effective Date of Resolution. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Executive Committee of the Western Riverside Council of Governments held on September 12, 2016.

Ben Benoit, Chair
WRCOG Executive Committee

Rick Bishop, Secretary
WRCOG Executive Committee

Approved as to form:

Best Best & Krieger, LLP
WRCOG Bond Counsel

AYES: _____ NOES: _____ ABSENT: _____ ABSTAIN: _____



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Administration of Additional Property Assessed Clean Energy Programs in the WRCOG Subregion

Contact: Barbara Spoonhour, Director of Energy and Environmental Programs,
spoonhour@wrcog.cog.ca.us, (951) 955-8313

Date: September 12, 2016

Requested Action:

1. Direct and authorize the WRCOG Executive Director to enter into contract negotiations and execution of any necessary documents to include CaliforniaFIRST under WRCOG's PACE umbrella.

Additional Property Assessed Clean Energy (PACE) Providers in the WRCOG Subregion

Background: On June 6, 2016, the WRCOG Executive Committee established an Ad Hoc Committee to review and complete the vetting process and provide recommendations on the possible inclusion of additional PACE providers under the WRCOG "umbrella" for the subregion. The Ad Hoc Committee consists of representation from the Cities of Banning, Jurupa Valley, Moreno Valley, and Wildomar, with assistance from WRCOG staff and WRCOG's Bond Counsel (Best Best & Krieger).

In mid-June 2016, WRCOG staff distributed a solicitation to PACE providers to provide an opportunity for them, if interested, to operate their Program in the WRCOG subregion under the WRCOG PACE "umbrella." Under this structure, WRCOG would serve as the bond issuer. WRCOG would then retain oversight of the Program and be responsible for Program management, ensuring the application of consistent consumer protections and other operational factors among these Programs throughout the subregion, and recording the assessments on the property.

To date, WRCOG staff has received documentation from three PACE Providers: CaliforniaFIRST, PACE Funding, and Spruce to begin the vetting process for these Programs to operate under WRCOG's umbrella. On July 27, 2016, WRCOG staff conducted a site visit with CaliforniaFIRST and on August 23 and 29, 2016, WRCOG staff conducted site visits at both of Spruce's locations. PACE Funding was scheduled for August 24, 2016; however, they have since corresponded with WRCOG indicating they will not participate under WRCOG's umbrella at the current time.

On August 3, 2016, the Ad Hoc Committee met with each of the interested providers to seek additional information regarding their respective Programs and learn how the interaction between the provider and WRCOG would occur. Based on the information received from the providers and their respective interviews with the Ad Hoc Committee, the Ad Hoc Committee recommended that the Administration & Finance Committee bring CaliforniaFIRST under WRCOG's PACE umbrella upon approval of the Executive Committee at its meeting on September 12, 2016. The Ad Hoc Committee also directed staff to continue with the scheduled site visits for PACE Funding and Spruce and to hold another Ad Hoc Committee meeting on September 12, 2016, to review the findings from those site visits.

On August 10, 2016, the Administration & Finance Committee approved the Ad Hoc Committee's recommendation to request that the WRCOG Executive Committee move forward with accepting CaliforniaFirst and for WRCOG staff to continue working with Spruce and PACE Funding.

On August 18, 2016, the WRCOG Technical Advisory Committee received a presentation and supported the WRCOG's Administration & Finance Committee's recommendation to the WRCOG Executive Committee to accept CaliforniaFirst and to continue working with Spruce and PACE Funding.

The following is an overview of general information on each of the Providers:

- **CaliforniaFIRST:** CaliforniaFIRST is based in Oakland, has over 200 employees, and anticipates reaching 300 employees by 2017. CaliforniaFIRST offers both a commercial and residential PACE Program, with three call centers (which are linked together) in Oakland, Roseville, and Allentown, PA. During the past tax year, CaliforniaFIRST has placed approximately 5,000 assessments on the tax roll and are scheduled to place an additional 15,000 for this tax year. The interest rates and fees being charged by the Program are in line with other Providers. CaliforniaFIRST already adheres to the PACE Consumer Protection Policies that the Executive Committee adopted in December 2015, and is comfortable with the underwriting criteria that WRCOG uses to administer the HERO Program.
- **Spruce:** Spruce is based in San Francisco, with an office in Anaheim, and is in the process of developing a residential PACE Program. Spruce anticipates having its documents, computer platform, and processes in place for a late 2016 launch. The company has over 200 employees and is strong in currently offering consumer financing for solar and energy efficient projects in excess of \$880 million nationwide. Spruce is working on its interest rates and fees but believe they will be in line with the other Providers. Spruce already adheres to the PACE Consumer Protection Policies that the Executive Committee adopted in December 2015, and is comfortable with the underwriting criteria that WRCOG uses to administer the HERO Program. WRCOG staff conducted a site visit on August 23 and 29, 2016.
- **PACE Funding:** PACE Funding is based in Los Gatos and is new to the PACE market. PACE Funding has funded 10 projects in California and has processed over 100 applications. PACE Funding has outlined its plans for expansion over the next year to accommodate growth and would offer a residential PACE Program. The interest rates and fees being charged by the Program are in line with other Providers. PACE Funding already adheres to the PACE Consumer Protection Policies that the Executive Committee adopted in December 2015, and is comfortable with the underwriting criteria that WRCOG uses to administer the HERO Program. WRCOG staff was scheduled a site visit for August 24, 2016, however, this was cancelled at the request of PACE Funding.

On August 22, 2016, WRCOG staff received notification that PACE Funding was pulling back its interest to participate under WRCOG's umbrella but may be interested in pursuing at a later date. The reasoning they provided was, *"...our management team is presently very focused on optimizing our weekly bond issuance process with our municipal agency, bond counsel and an additional funding partner. We also anticipate that we may be asked to make some operational changes to fit into the WRCOG program and are open to hearing those suggestions at a future date that is mutually convenient."* A copy of their letter is attached for member's information.

Prior WRCOG Actions:

- August 18, 2016:** The WRCOG Technical Advisory Committee supported WRCOG Administration & Finance Committee's recommendation to request that the WRCOG Executive Committee direct and authorize the WRCOG Executive Director to enter into contract negotiations and execution of any necessary documents to include CaliforniaFIRST under WRCOG's PACE umbrella.
- August 10, 2016:** The WRCOG Administration & Finance Committee supported the Ad Hoc Committee recommendation to request that the WRCOG Executive Committee direct and authorize the WRCOG Executive Director to enter into contract negotiations and execution of any

June 6, 2016:

necessary documents to include CaliforniaFIRST under WRCOG's PACE umbrella. The WRCOG Executive Committee 1) approved for WRCOG member agencies to place a 60-day review in considering requests by additional PACE Providers to implement Programs in WRCOG jurisdictions; 2) directed WRCOG staff to reach out to PACE Providers that wish to operate in the subregion and seek agreements for WRCOG to act as Program bond issuer and administrator, as it does with the HERO Program, for these additional Programs; 3) directed staff to return to the WRCOG Executive Committee with additional PACE Provider agreements that meet the criteria (i.e., practices and policies are consistent with WRCOG's Consumer Protection Policies and Program Report and are able to demonstrate compliance) to operate under the WRCOG PACE umbrella; 4) directed staff to regularly notify members regarding which Provider programs are and are not under the WRCOG administrative umbrella; 5) directed the WRCOG Executive Director to make any necessary changes to the WRCOG / Renovate America Administrative Agreement to allow WRCOG to provide oversight to additional PACE Providers in the subregion; and 6) created an Ad Hoc Committee to address all of the comments, concerns, and thoughts provided today by the Committee members and speakers.

WRCOG Fiscal Impact:

HERO revenues and expenditures for the WRCOG and California HERO Programs are allocated annually in the Fiscal Year Budget under the Energy Department.

Attachment:

1. Correspondence from PACE Funding.

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Item 7.B

Administration of Additional Property
Assessed Clean Energy Programs in
the WRCOG Subregion

Attachment 1

Correspondence from PACE Funding

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August 22, 2016

Barbara Spoonhour
Director of Energy and Environmental Programs
Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor
Riverside, CA 92501

RE: WRCOG PACE Program

Dear Barbara,

Thank you for the invitation to apply as a participant in the expansion of Western Riverside Council of Governments' PACE program. We appreciate the leadership WRCOG has provided over the last several years in developing the first scalable residential program. PACE Funding Group LLC (PFG) has benefitted from your work and has implemented best practices and standards from our inception.

PFG has a differentiated business model and is well positioned to serve the expanding residential PACE market nationwide. To date, our firm has been approved to serve hundreds of communities in both California and Florida. We have the software platform, existing contractor networks and funding to become one of the leading residential PACE programs and are confident of our ability to meet the highest level of quality standards of any program. We also currently offer the lowest interest rates which benefits consumers.

Unfortunately, this is not a good time for us to pursue a relationship with WRCOG as our management team is presently very focused on optimizing our weekly bond issuance process with our municipal agency, bond counsel and an additional funding partner. We also anticipate that we may be asked to make some operational changes to fit into the WRCOG program and are open to hearing those suggestions at a future date that is mutually convenient.

We appreciate your understanding and look forward to a future conversation about how we can assist WRCOG in creating an open and competitive environment that serves the greatest number of homeowners.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Giles", written in a cursive style.

Robert Giles
Chief Executive Officer

PACE Funding Group LLC

100 Cooper Court

Los Gatos, CA 95032

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: CEQA Cases in the WRCOG Subregion and the SCAG Region

Contact: Christopher Gray, Director of Transportation, gray@wrcoq.coq.ca.us, (951) 955-8304

Date: September 12, 2016

Requested Action:

1. Discuss and provide input.
-

Members of the WRCOG Administration & Finance Committee have requested WRCOG staff to analyze California Environmental Quality Act (CEQA) cases in Western Riverside County. On August 10, 2016, WRCOG staff provided information to the Administration & Finance Committee an analysis of California Environmental Quality Act (CEQA) cases in Western Riverside County. This report summarizes the number of cases, case types, and case petitioner(s).

Active CEQA cases in Western Riverside County

CEQA is a statute that requires state and local agencies to identify the significant environmental impacts of their actions and to avoid or mitigate those impacts, if feasible. Projects that undergo the approval process at a governmental agency are subject to challenges and many WRCOG jurisdictions have experienced project delays and/or project termination.

As of July 15, 2016:

- The WRCOG subregion has 16 active CEQA cases (Riverside County has 20)
 - 1 additional case includes WRCOG subregion – Riverside County Comprehensive General Plan update and Climate Action Plan preparation
- Five cases are inter-agency (public agency petitioner and public agency respondent)
- Five cases are in the City of Moreno Valley on the World Logistics Center
 - Please note: Moreno Valley has recently settled with the County of Riverside and Riverside County Transportation Commission regarding their lawsuit
- 13 cases involved new construction
 - Seven of the 13 cases involve new industrial / warehouse / logistics center construction
- 15 of the 20 cases are challenges that the contested project will have impacts on air quality, greenhouse gases, noise, traffic, transportation, and/or water supply / resources
- Some of the more active petitioner's include:
 - Friends of the Northern San Jacinto Valley
 - Residents for Intelligent Planning
 - Advocates for Better Community Development
 - Raymond Johnson of Johnson & Sedlack is the Attorney for Petitioner(s) for five cases

CEQA cases in the SCAG Region

According to a report authored by Jennifer Hernandez, David Friedman, and Stephanie DeHerrera of Holland & Knight, “In the Name of the Environment”, approximately 33 percent of the CEQA lawsuits filed between 2013 and 2015 were aimed to stop approved housing projects within the SCAG region. The SCAG region accounts for 48 percent of California’s population. The next closest types of lawsuits were lawsuits targeting public services and infrastructure and agency plan/regulations related – accounting for about 14 percent each of lawsuits filed in the SCAG region.

A few more items the study noted were:

- 99 percent of residential units targeted by CEQA lawsuits in the SCAG region were located entirely within the boundaries of existing cities or in unincorporated county locations surrounded by existing development.
- Higher density residential projects, which includes transit-oriented development, have made up 71 percent of CEQA lawsuits in the SCAG region.
 - It is important to note these higher density residential projects were often located in areas long planned for high density
- The expansion of CEQA to require project-level review of GHG to assess global warming impacts enhances petitioners’ ability to block projects.
 - New buildings must comply with California’s stringent energy and water conservation measures, which results in lower GHG emissions per unit. Projects with deeper financial backing are able to conduct studies to “prove the negative”.

In conclusion, the Holland & Knight study stated:

“CEQA litigation has increased in our most recent study period, and in the SCAG region is being used primarily to challenge the higher density, infill housing projects that are most often supported by environmental and climate policy activists. Building new housing is critically needed to help address the acute housing shortage, and housing affordability challenges, that have caused California to have the highest poverty rate in the nation. Using CEQA litigation as a surrogate for unlegislated density and climate policies continues to create compliance uncertainty and judicial unpredictability, and this outcome disproportionately affects the young, the poor and the talented new Californians that need housing – and will help shoulder the tax burdens imposed by the current generation of political leaders. Ending CEQA litigation abuse would be an outstanding legacy that would benefit many future generations inside and outside California and complements the state’s global commitment to environmental and climate leadership.” (Hernandez, Friedman, and DeHerrera 14)

Previous WRCOG Efforts:

WRCOG, the Riverside County Transportation Commission (RCTC), and other agencies in Western Riverside County have participated in several efforts to modernize or update CEQA to address concerns about the misuse of CEQA.

In 2013, the WRCOG Executive Committee adopted WRCOG Resolution Number 13-13:

A Resolution of the Executive Committee of the Western Riverside Council of Governments in Support of CEQA Modernization and authorized the WRCOG Executive Committee Chair to sign and transmit the Resolution to the Governor and members of the Legislature.

A copy of the resolution is attached for reference.

After this resolution was adopted, WRCOG joined the CEQA Working Group, which was a statewide coalition to modernize CEQA. More information about this Coalition can be found here:

<http://ceqaworkinggroup.com/>

One of the main efforts related to the CEQA Working Group was to act as a clearinghouse for specific project examples around the State where CEQA was employed to delay a project. This information was distributed to various news outlets throughout the State including newspapers and other websites. Several of these case studies were used in editorials such as one in the Los Angeles Times. The CEQA Working Group was particularly active until the Fall of 2015 and has had limited activity since then based on a review of postings on their website

The 2015-2016 WRCOG Legislative Platform contains some limited references to CEQA reform, specifically stating the following:

- Support legislation that seeks to streamline environmental processing (CEQA and National Environmental Policy Act) for infrastructure projects that help implement or address SB 375.

Recent WRCOG efforts have primarily focused on collaborative efforts with partner agencies such as RCTC and SCAG. For example, WRCOG participated in a regional comment letter on SB 743 that was authored by SCAG with involvement from the other COG's and CTC's.

Prior WRCOG Actions:

August 18, 2016: The WRCOG Technical Advisory Committee received report.

August 10, 2016: The WRCOG Administration & Finance Committee received report.

WRCOG Fiscal Impact:

CEQA case activities are included in the Agency's adopted Fiscal Year 2016/2017 Budget under the Transportation Department.

Attachments:

1. WRCOG Resolution Number 13-13, a Resolution of the Executive Committee of the Western Riverside Council of Governments in Support of CEQA Modernization and authorized the WRCOG Executive Committee Chair to sign and transmit the Resolution to the Governor and members of the Legislature.
2. "In the Name of the Environment" Report, Jennifer Hernandez, David Friedman and Stephanie DeHerrera, Holland & Knight. 2016.

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Item 7.C

CEQA Cases in the WRCOG
Subregion and the SCAG Region

Attachment 1

WRCOG Resolution Number 13-13,
a Resolution of the Executive
Committee of the Western Riverside
Council of Governments in Support
of CEQA Modernization and
authorized the WRCOG Executive
Committee Chair to sign and transmit
the Resolution to the Governor and
members of the Legislature

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RESOLUTION NUMBER 13-13

RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS IN SUPPORT OF CEQA MODERNIZATION

WHEREAS, for the past 40 years, the California Environmental Quality Act (CEQA) has served as a vital tool to protect our environment, to protect local communities and to enhance local control by ensuring that all proposed local development projects undergo a rigorous environmental review process and that the impacts of new projects on the environment are adequately mitigated; and

WHEREAS, CEQA is an important law to ensure local governments have the information and tools to protect our local communities, and to allow for citizen involvement in local land-use decisions; and

WHEREAS, today, many important local projects are being held-up by CEQA challenges or even the threat of challenges, often times for reasons that have nothing to do with environmental protection or mitigation; and

WHEREAS, it is much easier to challenge a CEQA decision than any other type of local land-use decision. This means that local governments must spend a lot of time and resources – which could otherwise be spent on actual environmental mitigation or some other local purpose – taking excessive steps to protect against litigation and the threat of litigation; and

WHEREAS, CEQA challenges and the threat of CEQA challenges, also undermine the ability of local governments to approve projects that carry out important State policies such as infill development and affordable housing; and

NOW, THEREFORE, BE IT RESOLVED, that Western Riverside Council of Governments urges the Legislature and Governor to adopt legislation that would modernize the California Environmental Quality Act to preserve the law's original intent – environmental protection and public disclosure and participation – while allowing environmentally responsible local decision-making, local economic development and jobs, and 21st century growth.

PASSED AND ADOPTED at a Meeting of the Executive Committee of the Western Riverside Council of Governments held this 14th day of June 2013.

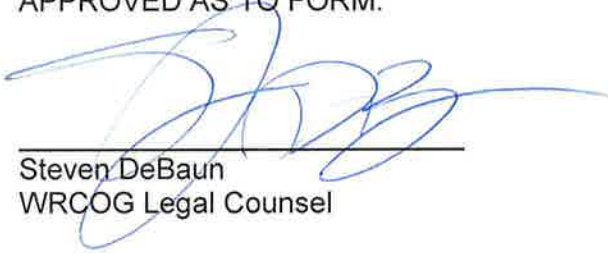


Jeff Stone, Chair
WRCOG Executive Committee



Rick Bishop, Secretary
WRCOG Executive Committee

APPROVED AS TO FORM:



Steven DeBaun
WRCOG Legal Counsel

AYES: 15 NOES: 0 ABSENT: 8 ABSTAIN: 0

Item 7.C

CEQA Cases in the WRCOG
Subregion and the SCAG Region

Attachment 2

“In the Name of the Environment”
Report, Jennifer Hernandez, David
Friedman and Stephanie DeHerrera,
Holland & Knight. 2016

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Holland & Knight

IN THE NAME OF THE ENVIRONMENT

13,946 Housing Units – and 200-bed Homeless Shelter – Targeted by Recent CEQA Lawsuits Filed in Los Angeles Region

Jennifer Hernandez, David Friedman and Stephanie DeHerrera | Holland & Knight



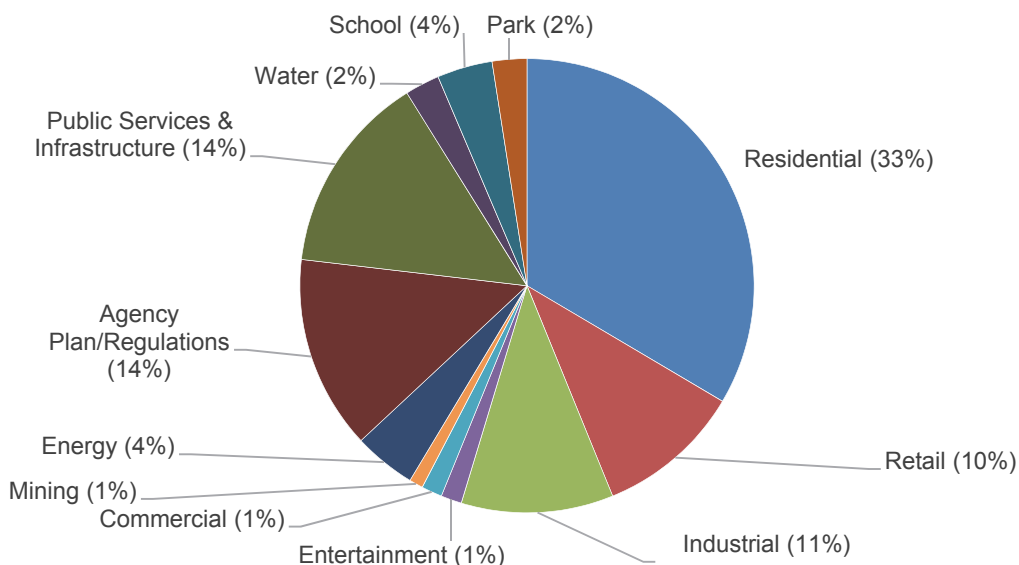
13,946 Housing Units – and 200-bed Homeless Shelter – Targeted by Recent CEQA Lawsuits Filed in Los Angeles Region “In the Name of the Environment”

By Jennifer Hernandez, David Friedman and Stephanie DeHerrera

In 2015, we published “In the Name of the Environment,” the first comprehensive statewide report of all lawsuits filed under the California Environmental Quality Act (CEQA) during a three-year study period (2010-2012) that began during the Great Recession and ended with the beginning of the current economic recovery.ⁱ Our team is now completing an update to this statewide report that covers the most recent three years (2013-2015). The governor’s May budget revision proposal to require “by right” ministerial approvals of infill multifamily housing projects that comply with local zoning requirements, include affordable units and meet other qualifying criteria (By Right Proposal), prompted us to accelerate a portion of the update and share the facts about CEQA lawsuits that target housing projects in California’s most populous region: the six counties and 191 cities within the Southern California Association of Governments (SCAG). About 48 percent of all Californians live in the SCAG region, which includes all Southern California counties except San Diego.ⁱⁱ

In our statewide report, projects that included the construction of residential units were targeted by 21 percent of CEQA lawsuits. In the updated study of the SCAG region (SCAG Update), where soaring rent and home prices, especially in coastal communities, have been widely reported as creating a housing supply and affordability crisis,ⁱⁱⁱ a whopping 33 percent of the CEQA lawsuits filed between 2013 and 2015 were aimed at stopping approved housing projects. Figure 1 shows regional CEQA lawsuit targets by project types:

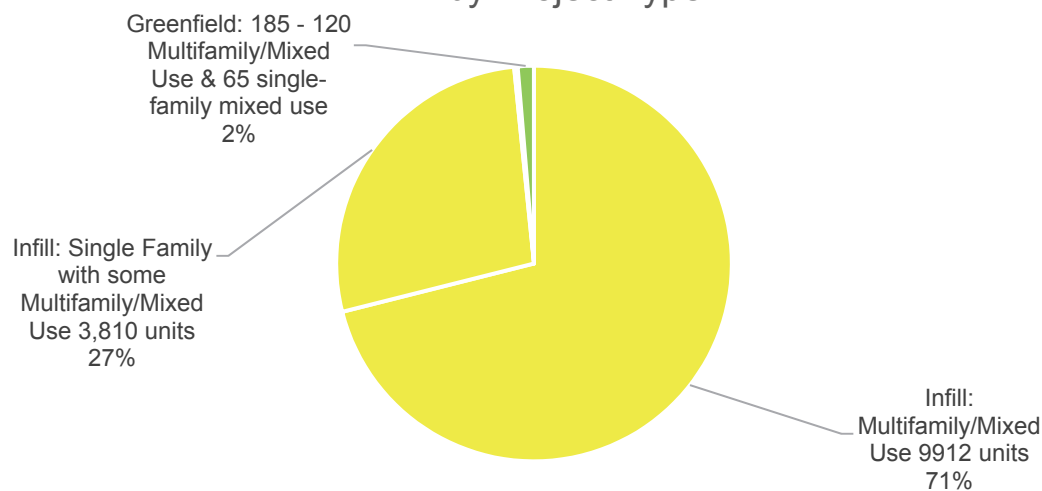
Figure 1: CEQA Lawsuits Targeting Taxpayer-Funded & Privately-Funded Projects (SCAG, 2013-2015)



99 Percent of Targeted Residential Units in SCAG Region Were Proposed in Existing Communities

Although vast areas of the SCAG region are “greenfields” – a combination of natural open space, agricultural and grazing lands and sparsely developed rural areas – about 99 percent of the residential units targeted by CEQA lawsuits in the SCAG region were located entirely within the boundaries of existing cities or in unincorporated county locations that were surrounded by existing development. In our statewide report, we called these “infill” locations, consistent with the infill definition used by the Governor’s Office of Planning & Research (OPR).^{iv} We included this metric to address policy arguments made by defenders of the CEQA lawsuit status quo that CEQA is critical to combatting development “sprawl” into natural, agricultural and rural greenfield lands. Figure 2 of the statewide report showed that only 20 percent of all types of construction projects targeted by CEQA lawsuits challenged greenfield projects. Figure 2 below shows even more vividly that within the SCAG region, 99 percent of CEQA lawsuits are aimed at housing units within the region’s existing communities – and only about 1 percent of the residential units targeted in CEQA lawsuits were located on greenfield natural, agricultural and rural lands outside existing cities and established county communities.

Figure 2: Housing Units Targeted by CEQA Lawsuits
In SCAG Region (2013-2015)
by Project Type



Note: Infill: Construction or Remodel of One Single Family Home: 39 units (too small to show as wedge on chart)

Of the 13,946 housing units challenged in the SCAG region during the three-year study period, 13,855 (more than 99 percent) were within existing cities and developed county communities, and only 185 were in greenfield unincorporated county areas not already surrounded by development.

The Ever-Shrinking “Infill” Definition

Prompted in part by our statewide report, the term “infill” has emerged a flashpoint of political debate. The critiques of our statewide report, for example, opined that infill was a product type (high-density, multifamily, served by public transit) or should be used in only higher density urbanized areas and not to a vacant lot in a smaller city’s downtown. The governor’s By Right Proposal has renewed this debate, by requiring an infill site to be surrounded on 75 percent of its edges (exclusive of waterfront) by existing development. In sharp criticisms of the By Right Proposal, the Planning & Conservation League (PCL) responded that the By Right Proposal contribute to “sprawl” because it covers cities with densities of fewer than 5,000 people per acre.

Restricting the applicability of the By Right Proposal according to PCL’s density-based infill definition would exclude the entirety of major California cities such as Sacramento, San Diego, San Francisco and San Jose.^v It is also noteworthy that, notwithstanding its reputation for “sprawl” development patterns, the U.S. Census Bureau has concluded that the Los Angeles region already has the highest density of any urbanized area in the nation, at just under 7,000 people per square mile. Even the less dense Bay Area is the second-most densely populated urban area in the nation, at 6,226 per square mile.^{vi} Many communities in Los Angeles, including, for example, portions of the Hollywood, Westside and downtown areas that are flashpoints of density debates – and account for greatest concentration of anti-housing unit CEQA lawsuits – have population densities well in excess of the Los Angeles urbanized area average, also as reported by the U.S. Census.

Other major environmental organizations opposed to the governor’s By Right Proposal promoted even more restrictive infill boundaries dependent on distance to frequent transit service: a one-half mile radius around either a ferry terminal, train or light rail line (which collectively comprise far less than 1 percent of California lands), or a bus stop requiring up to eight shifts of bus drivers to provide 15-minute service intervals for at least one hour during each of the morning and evening weekday peak commute periods, plus additional minimum service standards on weekends.^{vii}

In the vast SCAG region, where the City of Los Angeles alone covers 600 square miles, rapidly-evolving transportation technologies (e.g., electric cars, bikes and scooters), roadway designs discouraging single occupancy vehicles and increasing transportation capacity within existing rights-of-way (e.g., computer-based signalization of ramps, as well as additions of carpool and express lanes), and transportation services (e.g., car share, rideshare, employer-based transit and on-demand services such as those provided by Uber and Lyft) provide a dramatically evolving and expanding suite of multimodal solutions that the region’s transportation needs demand. In the midst of this explosion of transportation options, ridership on public transit systems is continuing to

fall, notwithstanding substantial increases in public funding of transit infrastructure.^{viii} Limiting infill to the half-mile radius around a bus stop staffed by eight shifts of drivers and 15-minute headways in an era of declining bus ridership would disqualify as infill huge parts of large cities such as Los Angeles, Hollywood and Santa Monica that do meet the PCL 5,000 people per acre density criteria. What is even more remarkable (and less understood by environmental density advocates) is that most dense cities in California include smaller and less wealthy cities such as Bell Garden, Maywood and Cudahay – all of which make the top 10 list for the most dense cities in California.^{ix}

These definitions of infill are not useful policy tools, as they would exclude large portions of (or even the entirety of) major cities, the precise locations where new housing must be developed in order to meet the state's rapidly growing housing needs without causing loss of natural open space and agricultural lands.

We continue to use the OPR definition of infill in this SCAG Update: 99 percent of the targeted housing units were within existing city limits or within unincorporated county areas entirely surrounded by development.

Higher Density Multifamily Housing Targeted In 71 Percent of CEQA Lawsuits

In our earlier statewide report, multifamily housing projects – primarily rental apartments, including those built above retail or office space in mixed use projects – were the most frequent housing project type targeted by CEQA lawsuits: 45 percent of CEQA housing lawsuits challenged these types of projects.

In our SCAG Update, these higher density residential projects, which are favored by smart growth and climate advocates seeking to promote a rapid shift toward a higher density, transit-oriented housing patterns, have emerged as the dominant target (71 percent) of CEQA lawsuits.

As we reported at length in our statewide report, these higher density projects, particularly apartments, were often located in areas long planned for high density, such as Hollywood, where lawsuits have been a staple in heated policy disputes about the land use and transportation future of these established, and evolving, communities. On one side, residents and interested parties who seek to preserve the existing character of California communities, including a California vision of bungalows and backyards, and who oppose a new California vision of “balcony kids” raised in high-rise buildings and going to urban schools and parks that serve ever-increasing populations, have used CEQA lawsuits to stop plans and projects promoting density. New battlegrounds for this side of the policy debate, which includes supporters from the progressive left to the conservative right, also promise to hit the ballot box with citizen initiatives, such as an initiative proposed in the City of Los Angeles that would create new legal and policy barriers to increased density.^x On the other side of the debate, environmental, business and a different subset of progressives (e.g., young urbanites) and conservatives (e.g., retired homeowners seeking to build an accessory dwelling unit in a larger home or lot to accommodate in-laws, kids or others priced out of the local housing market) support increasing density to reduce greenhouse gas emissions, conserve water and energy,

promote healthier lifestyles by avoiding long automobile commutes and accommodate housing demand closer to employment centers with existing infrastructure service. CEQA lawsuits allow this fundamental policy disagreement to be repeatedly fought through multiyear court battles for each land use plan and each project (even projects that comply with plans).

Although CEQA creates an unusually costly crucible for this density debate, it is a cost perceived to be paid primarily by developers that is not generally translated by the public or media to result in smaller housing supplies and higher housing costs for all, despite an increasing number of non-partisan reports documenting how California's housing shortage and affordability crisis have caused California's poverty levels to skyrocket to the highest in the nation.^{xi} The state's insufficient housing supply and soaring housing prices have doomed about nine million people to substandard and unaffordable housing, often located far from available jobs, and have caused an explosion in the state's homeless population.

Notwithstanding liberal progressive support for CEQA, its litigious structure also favors the wealthy and harms the poor. CEQA lawsuits pick at whether nearly 100 environmental topics have been adequately studied and adequately mitigated. Projects with the greatest financial resources are often most able to run the judicial review gauntlet with thousands, and sometimes tens of thousands, of pages of environmental documentation. Conversely, projects with lower profit margins, or financed by finite resources such as a government grant, cannot afford to "armor up" with the cast of technical experts retained to proactively prepare defensive paperwork against all possible litigation claims.

Stories Behind the Stats

Our statewide report included anecdotes to help illustrate the stories behind the CEQA statistics. Some stories that made the cut for this regional update include:

Proposed Homeless Shelter Had Zoning, But Not CEQA – Project Derailed, Notwithstanding California's "By Right" Emergency Shelter CEQA Exemption

Both in the SCAG region and in the Bay Area,^{xii} projects to house the homeless were targeted by CEQA lawsuits – a fact made more noteworthy given that the California State Legislature and governor just agreed to direct \$2 billion in funding approved by voters to pay for mental health services and to help build supportive housing for the homeless and mentally ill. Legislative leaders brushed aside concerns that without corresponding policy reforms, CEQA lawsuits would be used to delay, derail and drive up the cost of these taxpayer-funded, critically-needed housing projects.^{xiii}

In Santa Ana, a 200-bed homeless shelter was sued by two adjacent business property owners who alleged that the project would cause adverse traffic and pedestrian/bicycle safety impacts, cause public transportation delays, increase demand at the site for emergency and other civil services, and cause adverse parking and noise impacts. The project was a "by right" use under Santa Ana's zoning ordinance, which had been

amended in 2013 to comply with Senate Bill (SB) 2 (Cedillo), a 2008 state law requiring cities to designate at least one zone in a city where emergency shelters would be allowed “by right” (i.e., without a conditional use permit that could be denied by the city, and without CEQA review). SB 2 did not extend the CEQA exemption to an agency’s acquisition of property on a site designated for “by right” use as a homeless shelter. Since they could not file a CEQA lawsuit to block construction of homeless shelter, the two adjacent property owners sued to block the agency’s acquisition of the site, which was necessary for the viability of the project as homeless shelter projects virtually always require funding and/or property provided by a public agency. Neighbors and other stakeholders also objected to the project, and it was ultimately abandoned after the CEQA lawsuit was filed. Other proposals for emergency shelters in Santa Ana also struggled and were abandoned based on community opposition.^{xiv} Affordable housing stakeholders are lobbying the governor to close this loophole in his By Right Proposal, which does not extend CEQA relief to agency decisions to help fund, acquire or provide properties for affordable housing.

CEQA Lawsuits Challenge Two Nearly Identical 80-Unit Infill Affordable Housing Projects: One Survived, One Still Stalled by CEQA’s “Gotcha” Mandate to “Prove the Negative”

In 2015, the city council for the City of Orange unanimously approved the construction of a 100 percent affordable housing development, including 82 two- and three-bedroom apartments in four 3-story buildings on a converted industrial site. A controversial former Orange councilmember, who had been called out in the press for anti-Islamic comments and for fabricating a discussion with a Mexican-American that never occurred,^{xv} sued to block the project under CEQA nearly two years after the project had obtained zoning approvals, and at the edge of a 2015 deadline to qualify for the public financing, which would be required to complete the project. The project qualified for streamlined CEQA processing as an infill project and for bonus units authorized for affordable projects under state law. With a happy ending, the CEQA lawsuit failed to stop the project. One of the fortunate new residents, a single mom with two sons, reported that the family moved from an expensive one-bedroom unit where the landlord prohibited them from using the kitchen and indoor bathroom.

Not as fortunate were the future residents of the Highland Park Transit Village, an 80-unit project of a similar scale (3- to 4-story structures) that included a mix of market rate and affordable housing in the City of Los Angeles. The project site was a city-owned property used for surface parking (alternate parking would be provided for nearby businesses in new underground spaces built as part of the project). The newly-formed petitioner group that sued the project included cultural preservation activists, environmental justice advocates and individual residents who endeavored to save the Los Angeles area’s substantial rural, cultural and environmental resources for future residents. The project site was located a block away from the historic Route 66 corridor – the highway that spans several states – and was challenged as adversely impacting this “cultural resource” and the aesthetics of the neighborhood, and causing greenhouse gas (GHG) emissions that contribute to global warming.

The trial court rejected the cultural and aesthetics allegations, but ruled against the city on the GHG issue – in another vivid example of the ongoing legal uncertainty caused by the expansion of CEQA to require project-level review of GHG to assess global warming impacts more than 10 years ago.^{xvi} Although there is overwhelming evidence that the construction of this 80 apartment project would not contribute to climate change, including, but by no means limited to, the fact that new buildings must comply with California’s stringent energy and water conservation measures (which result in lower GHG emissions per unit), as well as the fact that smaller housing units located within existing, transit-served neighborhoods have low per capita and per unit GHG. However, these facts were so obvious that they were not documented in painstaking detail by the city or project applicant as part of the “prove the negative” paper chase that wealthier projects pay to have completed during the pre-litigation CEQA paperwork process. After a CEQA lawsuit is filed, agencies are not generally allowed to file new documentation to “prove the negative” (i.e., provide the absence of a significant adverse environmental impact). This project was sent back to the drawing board after the judge vacated the city’s approvals.

More than 50 CEQA lawsuits remain pending against the City of Los Angeles.

CEQA Reform Update

Our 2015 statewide report described legislative CEQA reform activities over the past decade, and suggested three reforms to curtail CEQA litigation abuse while still preserving the CEQA compliance process, including requirements to ensure comprehensive evaluation and feasible mitigation, meaningful public input and accountability by the public officials charged with review, approval or denial of projects that are subject to CEQA.

Our CEQA litigation abuse reform proposals included: 1) extending CEQA transparency to those filing lawsuits and ending anonymous CEQA lawsuits funded by shadowy interests using CEQA for private gain rather than environmental protection; 2) ending duplicative CEQA lawsuits for projects that comply with previously-approved projects and plans for which a CEQA process has already been completed, and 3) reserving the extraordinary judicial remedy of vacating project approvals to projects that could actually harm the natural environment, public health or irreplaceable tribal resources – while preserving the litigation remedy of requiring adequate study and mitigation of project impacts.

While the 2016 CEQA reform season has just reached the mid-year mark, the only CEQA reform legislation enacted to date is a “buddy bill” to benefit . . . the Legislature’s own office renovation project. The governor’s By Right Proposal remains under consideration by the Legislature, and would dramatically reduce CEQA litigation risks for the type of multifamily housing projects most often targeted by CEQA lawsuits in the SCAG region. Finally, two bills that would have extended CEQA’s transparency mandate to CEQA lawsuits were defeated in policy committees on party-line votes, one of which ironically occurred at the same hearing that the CEQA litigation status quo advocates were united in urging more transparency at the Coastal Commission.

Meanwhile, with critics noting the absence of any authorizing legislation, in January 2016, the OPR proposed the most dramatic new expansion to CEQA in decades by adding two new impacts to the nation's most litigious and quixotic environmental law: "vehicle miles travelled" and "induced traffic."

CEQA Reform for Me, Not Thee. The only significant CEQA legislation to be enacted by this year's Legislature is the extension of the "Kings Arena" remedy reform to the proposal to remodel the Legislature's own office building. This CEQA litigation reform pathway was enacted in SB 743 (Steinberg, 2013) to allow Sacramento to meet the construction deadlines demanded by the National Basketball Association to keep the Kings in Seattle, and effectively prohibited a judge deciding a CEQA lawsuit from vacating the arena approvals or otherwise preventing construction of the project, while allowing judges to order corrections to deficient CEQA studies (which could result in more mitigation while allowing the project itself to proceed). As described in our statewide report, legislative leaders in 2013 were tone-deaf to a chorus of objections, including charges of hometown hypocrisy, by editorials published by several of California's major newspapers that observed that there are many of projects deserving this level of protection from CEQA lawsuits that are often filed for non-environmental reasons. Maintaining its tone-deaf track record, the 2016 Budget Bill extended the Kings Arena remedy reform to its own legislative office renovation project. The Legislature can now rest easy that its office renovation can be completed on-time, and on-budget, without those delay and cost over-run risks of a pesky CEQA lawsuit.

"Labor unions, environmentalists are biggest opponents of Gov. Brown's affordable housing plan."^{xvii} This May 24, 2016 headline by LA Times reporter Liam Dillon reported the controversy that erupted within the core Democratic Party labor, environmental, affordable housing and poverty constituencies when the governor proposed to require "by right" approvals for attached housing projects such as apartments and condominiums on infill locations that already had approved zoning for such uses. For qualifying projects, the By Right Proposal would not require additional CEQA processing for housing units, since the zoning approval had itself triggered prior CEQA review and approval. The By Right Proposal was released as part of the governor's revised May budget and followed a series of non-partisan reports confirming that the severity of California's housing supply and affordability crisis had caused California to have the highest poverty rate in the nation, and that CEQA and other local permit processing obstacles have caused jobs-rich coastal areas to have an increasingly acute jobs-housing imbalance that condemns working Californians to ever-longer and more congested commutes (and higher tailpipe emissions of greenhouse gases as well as other pollutants). The By Right Proposal also required "by right" projects to include deed-restricted affordable units and to meet other qualifying criteria.

In his budget message, the governor documented the average cost of building a single affordable housing apartment-scale unit in different areas of California:^{xviii}

Governor's 2016 May Revise Budget Proposal
2011-2015 Affordable Housing Construction by County¹
(Dollars in Thousands)

	Cost Per Unit
San Francisco	\$591
San Mateo	442
Santa Cruz	436
Alameda & Contra Costa	418
Santa Clara	405
Ventura	400
Los Angeles	372
Napa & Sonoma	356
San Diego	350
Orange	340
San Luis Obispo	335
Solano & Yolo	312
El Dorado, Nevada & Placer ²	311
Monterey & San Benito	310
San Bernardino	298
Sacramento	287
Santa Barbara	283
Imperial & Riverside	281
San Joaquin ²	269
Colusa & Lake	261
Butte, Glenn, Sutter & Yuba	256
Kern	255
Shasta ²	255
Madera, Merced & Stanislaus	244
Del Norte, Humboldt & Mendocino	237
Fresno	212
Kings & Tulare	207
STATEWIDE	\$332

¹ Reflects all new construction projects for counties receiving tax credits from the Tax Credit Allocation Committee. Some projects include total development costs, while others exclude land cost.

² Figures for counties with fewer affordable housing projects were subject to a small sample size.

Based on this data and several authoritative, non-partisan reports documenting local obstacles to new housing approvals, the governor concluded that California could not spend its way to funding the necessary number of housing units, and the necessary range of affordability, required to meet the acute needs of California's existing population.

The governor himself had recently acknowledged the political difficulty of changing CEQA over labor objections, given his remarks of just a few weeks earlier that CEQA reform was politically impossible because unions use CEQA litigation threats as a "hammer" to force project sponsors (public or private) to enter into project labor agreements (PLA).^{xix} PLAs are typically confidential agreements that give effective control of construction jobs to the union leaders using this CEQA litigation tactic.

Notwithstanding the expected labor challenge, the governor also was responding to other strong Democratic Party voices urging increased investment of state taxpayer dollars into affordable housing; the By Right Proposal also expressly links the availability of \$400 million in funding to subsidize affordable housing to enactment of the By Right Proposal.

Mayors of cities feeling the most acute housing crunches, including Los Angeles Mayor Eric Garcetti and several Bay Area mayors, weighed in with general support for the By Right Proposal, as did a broad coalition of business leaders and associations that have long identified housing as a key challenge for keeping and growing businesses in California. Other cities and counties objected to the state's insistence on a "by right" approval process that bypasses local control to disapprove projects, including projects that comply with local zoning requirements.

Several of the state's most powerful building trades, who pioneered and remain the most active in filing or threatening to file CEQA lawsuits as a "hammer" to secure PLAs, have indeed emerged as the most vociferous opponents of the By Right Proposal.^{xx} Other public and private sector unions remain aligned with the building trades, and remain in strong opposition to the By Right Proposal, notwithstanding the fact that the housing availability and affordability crunch have condemned union stalwarts such as teachers, nurses, first responders and service workers to experience daily commute times of two and three hours or more – to "drive until they qualify" for the less costly rents and home prices in the inland areas of the SCAG region.

How unaffordable is housing? The "standard rule" is that people should not spend more than about 30 percent of their income on housing (rent or mortgage payments), and those paying in excess of 50 percent of their income on housing costs are considered "severely" burdened by housing costs.^{xxi} In a recent analysis completed by the California Infill Federation, workers in even the generally more affordable San Gabriel Valley are literally "off the charts" in being unable to afford to purchase housing; with a median housing price of \$611,000, even assuming that buyers can amass the \$140,530 required for a 20 percent down payment and other one-time expenses, the estimated monthly mortgage payment assuming taxes and insurance would consume 71 percent of a teachers' salary (\$59,000), 83 percent of a public safety worker's salary (\$57,500), 197 percent of a retail clerk's or barista's likely income (\$22,000), 73 percent of a UPS delivery driver's wages (\$65,500), and 72 percent of a nurse's salary (\$66,600).^{xxii}

Negotiations over the By Right Proposal continue, with no outcome expected before August.

Transparency's Good for the Coastal Commission, But Not CEQA. Two bills were introduced this year – Assembly Bill 2026 (Hadley) and SB 1248 (Moorlach) – that would have prohibited anonymous CEQA lawsuits, while allowing those concerned with being "outed" as project opponents to confidentially disclose their identity and interest solely to the judge deciding the case. Both of these bills fell in committee hearings on party-line votes. In an irony born of the Legislature's committee calendar, AB 2026 was considered at the same hearing as legislation requiring greater disclosure and

transparency in Coastal Commission proceedings. The identical labor and environmental advocates who supported Coastal Commission transparency testified against CEQA transparency. The building trades representative testifying in “strong opposition” to CEQA litigation transparency concluded that prohibiting anonymous CEQA lawsuits would result in “dismantling CEQA.”^{xxiii}

End Traffic Congestion as a CEQA Impact in Transit-Served Areas by . . . Adding Two New Statewide Impacts to CEQA? Traffic congestion remains a flashpoint for voters, including those in the SCAG region. In another of our CEQA studies, air quality (mostly from tailpipe emissions) and traffic congestion were the two most commonly litigated CEQA topics in reported appellate court cases over a 15-year study period.^{xxiv} There are decades of CEQA judicial opinions making traffic congestion a CEQA impact due to factors such as causing more air pollution (from the longer travel time), longer periods of higher noise volumes, and greater public safety impacts such as higher accident risks and emergency vehicle delays.

Prior CEQA court decisions, as well as other state and federal laws requiring reduced traffic congestion, create an environmental policy clash for climate advocates and urban designers seeking to promote high-density urban development that is expressly planned to discourage automobile use and promote transit as well as active transportation modes such as walking and biking, while also achieving other environmental benefits such as reduced consumption (on a per unit and per capita basis) of energy and water. Increased traffic congestion in these transit-oriented communities is a planned goal, and using CEQA to require studies and roadway improvements to “mitigate” congestion impacts undermines those environmental policy goals.

The Legislature agreed to eliminate use of traffic congestion as a CEQA impact in these planned higher density, transit-oriented communities, and in the 2013 Kings Arena remedy reform bill (SB 743) directed OPR to develop an alternate transportation metric under CEQA by the end of 2015. In anticipation, several local jurisdictions, including Pasadena and San Francisco, amended their local criteria for assessing whether an impact is “significant” under CEQA by eliminating traffic delay – measured with “Level of Service” grades for how long it takes to cross an intersection – as a CEQA transportation metric for each project. These jurisdictions have instead begun using vehicle miles travelled (VMT) as a CEQA transportation metric for the neighborhood where the project is located, allowing them to conclude that projects within areas of very frequent transit service have much lower per capita VMT than a regional average per capita VMT. VMT is a locational metric that corresponds to high frequency transit service (and the high density required to support such transit levels).

Instead of expressly endorsing this CEQA transportation metric as adopted by local agencies, OPR issued more than 60 pages of proposed changes to CEQA and “technical guidance” on how to implement these changes. The bottom line is that OPR’s proposal, in its current form, is the most dramatic administrative expansion of CEQA in decades. It applies statewide, not simply in frequent transit neighborhoods, and is explained as necessary for the state to achieve the 80 percent reduction in GHG emissions from 1990 levels, without regard to population growth or any other

environmental objective – the same 80 percent reduction mandate that the Legislature has repeatedly declined to impose as a blanket legal mandate.

OPR's 2016 CEQA Guidelines proposal includes adding two new impacts to CEQA:

- Vehicle Miles Travelled (VMT) Impact. Each public sector plan, program and project (and each private sector project) must calculate how many miles will be driven over the lifetime of a project in a passenger vehicle or light truck (even an electric vehicle). The “significance” of these VMT impacts must then be assessed, and feasibly mitigated, by each project.
- Induced Traffic Impact. Each project that adds or funds one or more new miles of capacity added to a highway or major roadway is a new CEQA impact, requiring a significance assessment and imposition of all feasible mitigation and/or a less impactful alternative. This new impact applies retroactively to long-planned transportation projects, even if the increase in capacity results from more efficient use of existing highway rights-of-way; even if the project is a carpool lane; even if the project was included in a voter-approved transportation bond measure (including the improvements in the proposed Los Angeles County Measure M2 under consideration for the November 2016 ballot); and even if the project has already been included in an approved regional or local plan for which CEQA has already been completed (and even if the California Air Resources Board has approved the plan as meeting applicable GHG reduction targets and applicable federal and state Clean Air Act mandates and even if the U. S. Environmental Protection Agency has agreed that it is meeting federal Clean Air Act targets). Only new toll road miles would get a pass from what OPR calls a statewide “road diet,” notwithstanding social and economic equity critiques of toll roads.

OPR's 2016 proposal followed the firestorm of criticism OPR received from a similar proposal in 2014. Critics have noted that the OPR proposal would enable any party to use CEQA lawsuits to try to thwart decisions by voters, local officials, state and local transportation agencies, and regional, state and national environmental agencies, to provide for and enhance transportation mobility. Others have noted that the OPR proposal would further undermine the logistics industry (which by some accounts powers about 40 percent of the regional economy) by creating new obstacles to improved goods movement, even for the electric and automated fleets of the future, and undermine the viability and global competitiveness of the Ports of Long Beach and Los Angeles, along with transportation-dependent economic sectors, such as agriculture. Experienced CEQA lawyers have commented that the OPR proposal is extremely complex and will substantially increase both CEQA compliance costs and litigation risks.^{xxv}

OPR is reviewing comments, and intends to proceed to the formal rulemaking process in October.

Conclusion

CEQA litigation has increased in our most recent study period, and in the SCAG region is being used primarily to challenge the higher density, infill housing projects that are most often supported by environmental and climate policy activists. Building new housing is critically needed to help address the acute housing shortage, and housing affordability challenges, that have caused California to have the highest poverty rate in the nation. Using CEQA litigation as a surrogate for unlegislated density and climate policies continues to create compliance uncertainty and judicial unpredictability, and this outcome disproportionately affects the young, the poor and the talented new Californians that need housing – and will help shoulder the tax burdens imposed by the current generation of political leaders. Ending CEQA litigation abuse would be an outstanding legacy that would benefit many future generations inside and outside California and complements the state's global commitment to environmental and climate leadership.

About the Authors:

Holland & Knight's West Coast Land Use and Environmental Practice Group

Holland & Knight is a global law firm with more than 1,200 lawyers and other professionals in 27 offices throughout the world. Our lawyers provide representation in litigation, business, real estate and governmental law. Interdisciplinary practice groups and industry-based teams provide clients with access to attorneys throughout the firm, regardless of location.

The authors of this report are attorneys in the West Coast Land Use and Environmental Practice Group.

Jennifer Hernandez, co-chair of Holland & Knight's National Environmental Team, leads Holland & Knight's West Coast Land Use and Environment Practice Group. She is also a member of the firm's Directors Committee. Ms. Hernandez has written two books and more than 50 articles on environmental and land use topics, and has taught in law school and college classes at Stanford, Hastings, Berkeley and UC Davis. She is a graduate of Harvard University and Stanford Law School, received the California Lawyer of the Year Award from the California Bar Association, was named a top minority lawyer by The National Law Journal, and has for decades been included in the top ranks of land use and environmental practitioners and litigators by the legal ranking firms of Chambers USA, Best Lawyer and Superlawyers. Ms. Hernandez has spent decades on the boards of non-profit environmental advocacy groups, was appointed by President Bill Clinton as a trustee for the San Francisco Presidio, and has won numerous awards on environmental and land use pro bono advocacy work for minority and underserved communities – including the Big Brain Award from the Greenlining Institute and a Proclamation from then-Mayor Willie Brown naming October 9, 2002, as “Jennifer Hernandez Day in San Francisco” for her work as a “warrior on the brownfields.” Ms. Hernandez grew up in Pittsburg, California as the daughter and granddaughter of steelworker members of the AFL-CIO.

David Friedman is of counsel in Holland & Knight's Government Section and practices in the firm's Los Angeles office. He focuses on land use and development, state and federal resource policy and regulatory counseling. His experience includes the analysis and legal support of project water supply assessments, endangered species impacts, and wetlands and water permitting. Dr. Friedman received his J.D. from UCLA Law School (Order of the Coif) and his Ph.D. from the Massachusetts Institute of Technology. Dr. Friedman served as a Fulbright Fellow in Japan, a National Science Foundation Fellow, a Senior Fellow at the New America Foundation and a fellow at the Progressive Policy Institute (the think tank for the Democratic Leadership Council under President Bill Clinton).

Stephanie DeHerrera is an associate in Holland & Knight's West Coast Land Use and Environment Practice Group. She received her J.D. from Hastings College of the Law, where she was a member of the board of the Hastings Constitutional Law Quarterly. Ms. DeHerrera previously interned in the San Francisco City Attorney's land use division and was program director at the Organizing and Leadership Academy.

Other Recent CEQA and Land Use/Environmental Publications

Holland & Knight's West Coast Land Use and Environmental Group periodically publishes analyses of California legal and policy data, including information documenting the use, and abuse, of CEQA. Other recent reports on CEQA include the following:

- **In the Name of the Environment: Litigation Abuse Under CEQA**, *Holland & Knight*, August 2015, our Statewide Study, is available at https://issuu.com/hollandknight/docs/ceqa_litigation_abuseissuu?e=16627326/14197714
- **CEQA Judicial Outcomes: Fifteen Years of Reported California Appellate and Supreme Court Decisions**, *Holland & Knight alert*, May 2015, available at <https://www.hklaw.com/files/Uploads/Documents/Articles/0504FINALCEQA.pdf>
- **California Environmental Quality Act, Greenhouse Gas Regulation and Climate Change**, *Chapman University Center for Demographics and Policy*, 2015, available at <http://www.chapman.edu/wilkinson/files/GHGfn.pdf>
- **California's Social Priorities**, *Chapman University Center for Demographics and Policy*, 2015, available at <http://www.chapman.edu/wilkinson/files/CASocPrioFnSm2.pdf>
- **The National Environmental Policy Act in the Ninth Circuit: Once the Leader, Now the Follower?** *Environmental Practice*, December 2014, available at <https://www.hklaw.com/Publications/The-National-Environmental-Policy-Act-in-the-Ninth-Circuit-Once-the-Leader-Now-the-Follower-12-31-2014/>

• **Analysis of Recent Challenges to Environmental Impact Reports**, *Holland & Knight alert*, December 2012, available at <https://www.hklaw.com/publications/Analysis-of-Recent-Challenges-to-Environmental-Impact-Reports-12-01-2012/>

• **Is CEQA “Fixed” – Do Infill CEQA Reforms Help or Handicap Your Project?** *Holland & Knight alert*, September 13, 2012, available at <https://www.hklaw.com/files/Publication/04664546-629b-4477-a59e-c6ee4537a7c7/Presentation/PublicationAttachment/e1e11da8-a7ae-41dc-a105-db1b0210a5f1/IsCEQAFixed.pdf>

• **Judicial Review of CEQA Categorical Exemptions from 1997-Present**, *Holland & Knight alert*, August 2012, available at <https://www.hklaw.com/files/Publication/6c8c1fd0-7a6b-4c2f-822f-19c3ff4b95ec/Presentation/PublicationAttachment/4f319f3a-f238-4e9a-87c3-1a355deb0eaa/JudicialReviewofCEQACategoricalExemptions.pdf>

Contact Us

Please contact us for more information on this report and our other publications, or for assistance with land use, environmental and real estate matters.

Jennifer L. Hernandez

Holland & Knight LLP

Partner | Leader, West Coast Land Use and Environmental Group

415.743.6927 | San Francisco

213.896.2400 | Los Angeles

jennifer.hernandez@hklaw.com

David Friedman

Holland & Knight LLP

Of Counsel

213.896.2431 | Los Angeles

david.friedman@hklaw.com

Stephanie DeHerrera

Holland & Knight LLP

Associate

415.743.6971 | San Francisco

stephanie.deherrera@hklaw.com

ⁱ Our 2015 report, “In the Name of the Environment: Litigation Abuse Under CEQA,” is available on our website: <https://www.hklaw.com/publications/In-the-Name-of-the-Environment-Litigation-Abuse-Under-CEQA-August-2015/>. As always, preparation of these reports is made possible by a team of dedicated land use, environmental, real estate, and litigation attorneys working in our California offices. A special thanks goes to Abigail Alter, Susan Booth, Bradley Brownlow, Carrie Friesen-Meyers, Daniel Golub, Tara Kaushik, Julia Kingsley, Jessica Lanier, Joanna Meldrum, Perla Parra, Tamsen Plume, Joseph Taboada and Genna Yarkin. As was the case with our statewide report, the authors are grateful to these and other parties who are focused on the need to modernize CEQA to end CEQA litigation abuse, but the opinions in this regional update are the authors’ and should not be attributed to any other person or organization. Also, as was the case with our statewide report, this update cites to media reports and other specified sources for factual information and examples of CEQA lawsuits; the information included in these media reports were not independently investigated by the authors.

ⁱⁱ “Your Guide to SCAG (2013-14),” Southern California Association of Governments (2014), available at: <https://www.scag.ca.gov> and <http://www.scag.ca.gov/Documents/scagGeneral2013.pdf>

ⁱⁱⁱ “Los Angeles Housing is Wildly Unaffordable,” BuzzFeed News (8/16/15), reporting on housing affordability reports by UCLA and Zillow, available at: https://www.buzzfeed.com/jimdalrympleii/los-angeles-is-facing-a-housing-affordability-crisis?utm_term=.jn5RWBwy9P#.syv5o0j6ZV.

^{iv} The Governor’s Office of Planning & Research definition used in our reports follow: “The term “infill development” refers to building within unused and underutilized lands within existing development patterns, typically but not exclusively in urban areas. Infill development is critical to accommodating growth and redesigning our cities to be environmentally and socially sustainable,” available at: http://www.opr.ca.gov/s_infilldevelopment.php.

^v “Governor’s By-Right Development Proposal (modified version), Planning & Conservation League (6/6/16), available on request from Holland & Knight.

^{vi} “California Cities Most Densely Populated in US,” San Francisco Chronicle report on US census data (3/11/12), available at: <http://www.sfgate.com/bayarea/place/article/California-cities-most-densely-populated-in-U-S-3436611.php>

^{vii} “Development ‘By Right’ Proposal for Affordable Housing,” State Buildings & Construction Trade Council, NRDC, et al (5/18/16), available at: <http://twitdoc.com/view.asp?id=272010&sid=5TVU&ext=PDF&lcl=Development-By-Right-for-Affordable-Housing-Oppose-All-Assembly-Sen-.pdf&usr=dillonliam>.

^{viii} “Billions spent, but fewer people are using public transportation in Southern California,” LA Times (2/15/16) available at: <http://www.latimes.com/local/california/la-me-ridership-slump-20160127-story.html>

^{ix} “California Density City Population Rank,” USA.Com, available at <http://www.usa.com/rank/california-state--population-density--city-rank.htm>

^x “Activists seek ballot measure for moratorium on L.A. ‘mega projects’,” LA Times (11/18/15), available at: <http://www.latimes.com/local/lanow/la-me-ln-ballot-measure-mega-projects-city-hall-20151118-story.html>.

^{xi} See, e.g., “California’s High Housing Costs: Causes and Consequences,” California Legislative Analyst Office (2105), available at: <http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0ahUKEwjX3cS7poPOAhXLLSYKHZgBAkAQFggfMAA&url=http%3A%2F%2Fwww.lao.ca.gov%2Freports%2F2015>

[%2Ffinance%2Fhousing-costs%2Fhousing-costs.pdf&usq=AFQjCNF0wGgQUrEYExtS_8stUkH6nWC9_w](#); “Struggling to Get By: the Real Cost Measure in California 2015,” United Ways of California, available at: <https://www.unitedwaysca.org/realcost>.

^{xii} We will report on the Bay Area homeless project targeted by a CEQA lawsuit in our upcoming regional update report on lawsuits filed between 2013-2015 in the Bay Area region.

^{xiii} See, e.g., “California Lawmakers Approve \$2 Billion Plan to Help the Homeless,” Wall Street Journal (6/30/16), available at: <http://www.wsj.com/articles/california-lawmakers-approve-2-billion-plan-to-help-the-homeless-1467317216>.

^{xiv} “Hundreds Turn Out to Protect Santa Ana Homeless Shelter,” Voice of Orange County 98/20/14), available at <http://voiceofoc.org/2014/08/hundreds-turn-out-to-protest-santa-ana-homeless-shelter/>

^{xv} “Orange Councilmember Jon Dumitru Caught Lying to Reporter While Slurring Longtime Resident, OC Weekly (8/18/10), available at: <http://www.ocweekly.com/news/orange-councilmember-jon-dumitru-caught-lying-to-reporter-while-slurring-longtime-resident-6466742>; see also, <http://www.ocweekly.com/news/update-cair-demands-apology-dumitru-tries-to-cover-his-illiterate-tracks-jon-dumitru-orange-councilmember-posts-anti-islam-facebook-status-update-6458307>.

^{xvi} The judicial uncertainty surrounding GHG and CEQA reached a near-crescendo with the first major GHG CEQA lawsuit to reach the California Supreme Court, *Center for Biological Diversity v. California Department of Fish and Wildlife*, 62 Cal. 4th 204 (2015). In that case, the Supreme Court upheld a portion of the state’s GHG analysis of a master planned community project but rejected another portion based on the absence of documentation on the record on an issue that had not been briefed or argued by any party – and also declined to opine at all on how to address GHG after 2020. The Supreme Court declined to uphold the GHG analysis in the EIR at issue in that case notwithstanding being urged to do so by the respondent on that CEQA lawsuit (a state agency that had been advised by the state’s attorney general in crafting the GHG CEQA analysis), and notwithstanding being urged to do so by the Office of Planning and Research (the state agency charged with preparing the CEQA Guidelines interpreting CEQA’s requirements), and notwithstanding being urged to do so by expert air quality agencies. The Supreme Court identified “potential” CEQA compliance “pathways” which “may” suffice for considering GHG emissions and climate change, and remanded the matter back to the lower courts for further consideration, kicking off the second decade of judicial uncertainty about CEQA and GHG.

^{xvii} “Labor unions, environmentalists are biggest opponents of Gov. Brown’s affordable housing plan,” LA Times (5/24/16), available at: <http://www.latimes.com/politics/la-pol-sac-labor-enviro-housing-20160524-snap-story.html>.

^{xviii} Table reprinted from the “Housing and Local Government” component of the governor’s revised budget proposal (May 2016), available at: <http://www.ebudget.ca.gov/2016-17/Revised/BudgetSummary/BSS/BSS.html>.

^{xix} “Governor Jerry Brown: The Long Struggle for the Good Cause,” Blueprint (Spring 2016), available at: <http://blueprint.ucla.edu/feature/gov-jerry-brown-the-long-struggle-for-the-good-cause/>.

^{xx} “Why construction unions are fighting Gov. Jerry Brown’s plan for more housing,” LA Times (7/20/16), available at: <http://www.latimes.com/politics/la-pol-sac-jerry-brown-affordable-housing-union-fight-20160720-snap-story.html#nt=oufit>.

^{xxi} See, e.g., “Why the 30 Percent of Income Standard for Housing Affordability,” United States Census Bureau (2006), available at: <https://www.census.gov/housing/.../who-can-afford.pdf>.

^{xxii} “Housing Realities,” California Infill Federation (2016), copy available on request.

^{xxiii} Assembly Natural Resources Committee, hearing on AB 2002 and AB 2026 (April 2016), audio and visual testimony available at: http://calchannel.granicus.com/MediaPlayer.php?view_id=7&clip_id=3592.

^{xxiv} “CEQA Judicial Outcomes: Fifteen Years of Reported California Appellate and Supreme Court Decisions,” *Holland & Knight alert*, May 2015, available at <http://www.hklaw.com/files/Uploads/Documents/Articles/0504FINALCEQA.pdf>

^{xxv} While OPR has not posted OPR has not posted the reported 250 or so comments on the 2014 and 2016 VMT proposal on its website, Holland & Knight has received copies of stakeholder comments that are available on request.

Case Name	Region of Project	Date	Location of Project	Public or Private Project	Project Type	Project Subtype	Infill or Greenfield Project	Compliance Track
George Edwards v. City of La Habra Heights	SCAG	10/13	City of La Habra Heights	Public	Public Service & Infrastructure	City Hall	Infill	Exemption
Trancas PCH, LLC v. City of Malibu	SCAG	9/13	City of Malibu	Public	Agency Plan/ Regulation	City-Plan	N/A	Environmental Impact Report
Sherman Oaks Residents for a Safe Environment v. City of Los Angeles	SCAG	10/13	City of Los Angeles	Private	Residential	Multifamily Mixed Use	Infill	Environmental Impact Report
La Mirada Avenue Neighborhood Association of Hollywood v. City of Los Angeles, et al.	SCAG	5/13	City of Los Angeles	Private	Retail	Shopping Center	Infill	Environmental Impact Report
G.G. Verone, et al. v. City of West Hollywood, et al.	SCAG	9/13	City of West Hollywood	Private	Retail	Billboard	Infill	Exemption
Concerned Citizens of Shoreline Gateway, et al. v. City of Long Beach	SCAG	9/13	City of Long Beach	Private	Residential	Multifamily Mixed Use	Infill	Environmental Impact Report
StoptheMillenniumHollywood.com, et al v. City of Los Angeles, et al.	SCAG	8/13	City of Los Angeles	Private	Residential	Resort/ Multifamily Mixed Use	Infill	Environmental Impact Report
HEI/GC Hollywood and Vine Condominiums, LLC v. City of Los Angeles	SCAG	8/13	City of Los Angeles	Private	Residential	Multifamily Mixed Use	Infill	Environmental Impact Report
Union of Medical Marijuana Patients, Inc. v. City of Los Angeles	SCAG	7/13	City of Los Angeles	Public	Agency Plan/ Regulation	Local Marijuana Regulation	N/A	Exemption
Save the Plastic Bag Coalition v. City of Los Angeles	SCAG	7/13	City of Los Angeles	Public	Agency Plan/ Regulation	Local Plastic Bag Regulation	N/A	Environmental Impact Report
South Coast Air Quality Management District v. City of Los Angeles, et al.	SCAG	6/13	Multijurisdictional	Private	Public Service & Infrastructure	Railroad/ Non-Transit	Infill	Environmental Impact Report
Coalition for a Safe Environment, et al. v. City of Los Angeles, et al.	SCAG	6/13	Multijurisdictional	Private	Public Service & Infrastructure	Railroad/ Non-Transit	Infill	Environmental Impact Report
California Cartage Company, Inc. v. City of Los Angeles	SCAG	6/13	Multijurisdictional	Private	Public Service & Infrastructure	Railroad/ Non-Transit	Infill	Environmental Impact Report
Eastyard Communities for Environmental Justice, et al. v. City of Los Angeles, et al.	SCAG	6/13	Multijurisdictional	Private	Public Service & Infrastructure	Railroad/ Non-Transit	Infill	Environmental Impact Report
Long Beach Unified School District v. Los Angeles Harbor Department, et al.	SCAG	6/13	Multijurisdictional	Private	Public Service & Infrastructure	Railroad/ Non-Transit	Infill	Environmental Impact Report
Fast Lane Transportation, Inc. v. City of Los Angeles, et al.	SCAG	6/13	Multijurisdictional	Private	Public Service & Infrastructure	Railroad/ Non-Transit	Infill	Environmental Impact Report
City of Long Beach v. City of Los Angeles, et al.	SCAG	6/13	Multijurisdictional	Private	Public Service & Infrastructure	Railroad/ Non-Transit	Infill	Environmental Impact Report
Coalition for Preservation of the Arroyo, et al. v. City of Pasadena, et al.	SCAG	1/13	City of Pasadena	Public	Agency Property Management	Agency Property Management	N/A	Environmental Impact Report
Coalition for Open Government in Lancaster v. City of Lancaster, et al.	SCAG	1/13	City of Lancaster	Private	Retail	Shopping Center	Infill	Environmental Impact Report
City of Maywood v. Los Angeles Unified School District, et al.	SCAG	2/13	City of Maywood	Public	School	K-12	Infill	Environmental Impact Report
Ballona Wetlands Land Trust v. California Coastal Commission	SCAG	2/13	Marina del Rey (County of Los Angeles)	Public	Park	Passive	Infill	Certified Regulatory Program
Terry O'Brien, et al. v. City of Whittier, et al.	SCAG	3/13	City of Whittier	Private	Residential	Single Family Home/ Second Unit	Infill	Exemption
SCOPE (Santa Clarita Organization for Planning and the Environment) v. Castaic Lake Water Agency, et al.	SCAG	2/13	Multijurisdictional	Private, Public	Water	Transfer/ Agreement	N/A	No CEQA Compliance
California Clean Energy Committee v. City of Pasadena	SCAG	4/13	City of Pasadena	Public	Energy	Natural Gas/ Retrofit	Infill	Environmental Impact Report
Calvin Normore v. City of Santa Monica, et al.	SCAG	5/13	City of Santa Monica	Private	Residential	Multifamily Mixed Use	Infill	Environmental Impact Report
Smart Neighbors for Smart Growth v. Timothy White	SCAG	5/13	City of Riverside	Public	School	College/ University	Infill	Environmental Impact Report
Citizens for Quality Development v. City of Wildomar	SCAG	6/13	City of Wildomar	Private	Residential	Large Subdivision/ Mixed Use	Infill	Environmental Impact Report
Martha Bridges, et al. v. City of Wildomar	SCAG	6/13	City of Wildomar	Private	Residential	Large Subdivision/ Mixed Use	Infill	Environmental Impact Report
MVV, LP, et al. v. City of Corona	SCAG	6/13	City of Corona	Private	Residential	Large Subdivision/ Mixed Use	Infill	Environmental Impact Report
Temecula Agriculture Conservation Council v. County of Riverside	SCAG	11/12	County of Riverside	Private	Public Service & Infrastructure	Church	Greenfield	No CEQA Compliance
Compassionate Care Beneficiaries v. City of Murrieta	SCAG	10/13	City of Murrieta	Public	Agency Plan/ Regulation	Local Marijuana Regulation	N/A	Exemption
De Luz 2000 v. County of Riverside	SCAG	10/12	County of Riverside	Public	Agency Plan/ Regulation	County Regulation	N/A	Exemption
Sierra Club, et al. v. City of Moreno Valley	SCAG	1/13	City of Moreno Valley	Private	Industrial	Warehouse	Infill	Environmental Impact Report
Sierra Club, et al. v. City of Moreno Valley	SCAG	2/13	City of Moreno Valley	Private	Industrial	Warehouse	Infill	Environmental Impact Report
City of Irvine v. County of Orange, et al.	SCAG	1/13	County of Orange	Public	Public Service & Infrastructure	Prison/ Jail	Infill	Environmental Impact Report
Saddleback Canyons Conservancy, et al v. County of Orange, et al.	SCAG	1/13	County of Orange	Private	Residential	Large Subdivision/ Mixed Use	Greenfield	Environmental Impact Report
The Inland Oversight Committee v. City of Chino	SCAG	6/13	City of Chino	Private	Industrial	Warehouse	Infill	Environmental Impact Report

The Inland Oversight Committee, et al v. NoCity of Chino	SCAG	7/13	City of Chino	Private	Agency Plan/Regulation	Fee/ Tax	N/A	No CEQA Compliance
The Inland Oversight Committee, et al v. City of Chino	SCAG	8/13	City of Chino	Private	Industrial	Warehouse	Infill	Environmental Impact Report
The Inland Oversight Committee, et al v. City of Chino	SCAG	10/16	City of Chino	Private	Residential	Large Subdivision/ Mixed Use	Infill	Negative Declaration
The Inland Oversight Committee v. City of Ontario	SCAG	2/13	City of Ontario	Private	Residential	Multifamily Mixed Use	Infill	Environmental Impact Report
Save Our Schools v. Barstow Unified School District Board of Education	SCAG	3/13	Multijurisdictional	Public	School	Closure	N/A	Exemption
CREED-21, et al. v. City of Barstow	SCAG	6/13	City of Barstow	Private	Retail	Shopping Center	Infill	Environmental Impact Report
Save Our Uniquely Rural Community Environment v. County of San Bernardino	SCAG	6/13	County of San Bernardino	Private	Public Service & Infrastructure	Church	Infill	Exemption
Joshua Tree Downtown Business Alliance v. County of San Bernardino	SCAG	7/13	Joshua Tree (County of San Bernardino)	Private	Retail	Store/ Center Occupancy	Greenfield	Negative Declaration
Kerri N. Tuttle, et al. v. County of San Bernardino, et al.	SCAG	7/13	Joshua Tree (County of San Bernardino)	Private	Retail	Store/ Center Occupancy	Greenfield	Negative Declaration
CREED-21 v. City of Chino	SCAG	10/13	City of Chino	Private	Industrial	Warehouse	Infill	Environmental Impact Report
Union of Medical Marijuana Patients, Inc. v. City of Upland	SCAG	11/13	City of Upland	Public	Agency Plan/Regulation	Local Marijuana Regulation	N/A	No CEQA Compliance
Center for Biological Diversity v. Imperial County Air Pollution Control District, et al.	SCAG	6/15	Imperial County Air Control District	Public	Agency Plan/Regulation	County-Regulation	N/A	Negative Declaration
Hector Casilia, et al v. County of Imperial, et al.	SCAG	11/13	City of Brawley	Private	Energy	Geothermal	Infill	Negative Declaration
Backcountry Against Dumps, et al v. Imperial County Board of Supervisors, et al.	SCAG	3/15	Wistaria Ranch	Private	Energy	Solar	Greenfield	Environmental Impact Report
Backcountry Against Dumps, et al v. Imperial County Board of Supervisors, et al.	SCAG	3/15	SW Imperial County	Private	Energy	Solar	Greenfield	Environmental Impact Report
Backcountry Against Dumps, et al v. Imperial County Board of Supervisors, et al.	SCAG	11/14	West-Central Imperial County	Private	Energy	Solar	Greenfield	Environmental Impact Report
Hollywoodians Encouraging Logical Planning (HELPP), et al v. City of Los Angeles, et al.	SCAG	9/15	City of Los Angeles	Public	Agency Plan/Regulation	City-Plan	N/A	Environmental Impact Report
Fix the City, Inc. v. City of Los Angeles, et al.	SCAG	12/15	City of Los Angeles	Public	Agency Plan/Regulation	City-Plan	N/A	Environmental Impact Report
Fix the City, Inc. v. City of Los Angeles, et al.	SCAG	7/12	City of Los Angeles	Private	Agency Plan/Regulation	City-Plan	N/A	Environmental Impact Report
Spirit of the Sage Council, et al v. City of Pasadena, et al.	SCAG	7/15	City of Pasadena	Public	Agency Plan/Regulation	City-Plan	N/A	Negative Declaration
AES Southland Development, LLC, et al v. City of Redondo Beach, et al.	SCAG	7/15	City of Redondo Beach	Public	Agency Plan/Regulation	City-Regulation	N/A	Exemption
PVE Business Need Parking Association v. City of Palos Verdes Estates, et al.	SCAG	5/14	City of Palos Verdes Estates	Public	Agency Plan/Regulation	City-Regulation	N/A	No CEQA Compliance
Affordable Clean Water Alliance v. Santa Clarita Valley Sanitation District of Los Angeles County, et al.	SCAG	11/13	Santa Clarita Valley	Public	Agency Plan/Regulation	County-Plan	N/A	Environmental Impact Report
Center for Biological Diversity v. County of Los Angeles, et al.	SCAG	7/15	County of Los Angeles	Public	Agency Plan/Regulation	County-Plan	N/A	Environmental Impact Report
Union of Medical Marijuana Patients, Inc. v. City of Diamond Bar	SCAG	4/14	City of Diamond Bar	Public	Agency Plan/Regulation	Local Marijuana Regulation	N/A	Exemption
Alliance for a Regional Solution to Airport Congestion v. City of Los Angeles, et al.	SCAG	11/15	City of Los Angeles	Public	Agency Plan/Regulation	City-Regulation	N/A	Exemption
Neighborhood Planning Support, Inc. v. City of West Hollywood, et al.	SCAG	3/15	City of West Hollywood	Private	Commercial	Hotel	Infill	Negative Declaration
Communities for a Better Environment v. South Coast Air Quality District	SCAG	2/15	City of Carson	Private	Energy	Natural Gas/ Retrofit	Infill	Negative Declaration
Neighbors, Keith Munyan, et al v. City of Los Angeles	SCAG	9/15	City of Los Angeles	Private	Entertainment	Dance Hall/ Music	Infill	Negative Declaration
Griffith J. Griffith Charitable Trust, et al v. City of Los Angeles	SCAG	8/14	City of Los Angeles	Public	Entertainment	Outdoor Stage	Infill	Negative Declaration
L.I.M.P.I.A. v. California Department of Toxic Substances Control	SCAG	4/15	City of Irwindale	Private	Industrial	Hazardous Waste Facility	Infill	Environmental Impact Report
Creed-21, et al v. City of Santa Fe Springs, et al.	SCAG	6/15	City of Santa Fe Springs	Private	Industrial	Warehouse	Infill	Environmental Impact Report
City of Baldwin Park v. City of Irwindale, et al.	SCAG	1/15	City of Irwindale	Private	Mining	Aggregate	MAF	Environmental Impact Report
Youth for Environmental Justice, et al v. City of Los Angeles, et al.	SCAG	11/15	City of Los Angeles	Public	Mining	Oil & Gas	MAF	Exemption
Homeowners on Beachwood Drive United, et al v. City of Los Angeles, et al.	SCAG	7/15	City of Los Angeles	Public	Park	Passive Recreation	Infill	No CEQA Compliance
Stewards of Public Land v. City of Pasadena, et al.	SCAG	11/15	City of Pasadena	Private	Park	Active Recreation	Infill	Exemption

Griffith J. Griffith Charitable Trust, et al v. City of Los Angeles	SCAG	9/14	City of Los Angeles	Public	Park	Active Recreation	Infill	Environmental Impact Report
Angelenos for a Great Hyperion Bridge, et al v. City of Los Angeles.	SCAG	6/15	City of Los Angeles	Public	Public Service & Infrastructure	Highway	Infill	Negative Declaration
SEIU United Service Workers West, et al v. City of Los Angeles, et al.	SCAG	5/13	City of Los Angeles	Public	Public Service & Infrastructure	Airport	Infill	Environmental Impact Report
The Urban Wildlands Group, Inc. v. City of Los Angeles, et al.	SCAG	9/14	City of Los Angeles	Public	Public Service & Infrastructure	Electric Transmission Line	Infill	Exemption
The Tiara Group v. City of Los Angeles	SCAG	7/14	City of Los Angeles	Public	Public Service & Infrastructure	Fire/ Police Station	Infill	Negative Declaration
City of Long Beach v. State of California Department of Transportation, et al.	SCAG	7/15	Multijurisdictional	Public	Public Service & Infrastructure	Highway	Infill	Environmental Impact Report
City of Seal Beach v. State of California Department of Transportation, et al.	SCAG	7/15	Multijurisdictional	Public	Public Service & Infrastructure	Highway	Infill	Environmental Impact Report
Keep the Barham Ramp Association, et al v. California Department of Transportation, et al.	SCAG	12/14	City of Los Angeles	Private	Public Service & Infrastructure	Highway	Infill	Environmental Impact Report
MLK Marlon, LLC vs. City of Los Angeles, et al.	SCAG	12/14	City of Los Angeles	Private	Public Service & Infrastructure	Hospital	Infill	Negative Declaration
Bulwer Drive, LLC v. City of Los Angeles, et al.	SCAG	8/15	City of Los Angeles	Public	Public Service & Infrastructure	Street	Infill	Exemption
Enrich LA, et al v. City of Los Angeles, et al.	SCAG	6/14	City of Los Angeles	Public	Public Service & Infrastructure	Transit	Infill	Negative Declaration
Douglas P. Fay . County of Los Angeles, et al.	SCAG	1/14	County of Los Angeles	Public	Public Service & Infrastructure	Stormwater/ Flood Management	Infill	Negative Declaration
Citizens About Responsible Planning v. City of Long Beach.	SCAG	12/15	City of Long Beach	Private	Residential	Large Subdivision/ Mixed Use	Infill	Environmental Impact Report
Citizens for Open and Public Participation v. City of Montebello	SCAG	7/15	City of Montebello	Private	Residential	Large Subdivision/ Mixed Use	Infill	Environmental Impact Report
Friends of Highland Park v. City of Los Angeles, et al.	SCAG	9/13	City of Los Angeles	Private	Residential	Multifamily/ Mixed Use	Infill	Negative Declaration
Westwood South of Santa Monica Boulevard Homeowners Association v. The City of Los Angeles, et al.	SCAG	8/13	City of Los Angeles	Private	Residential	Multifamily/ Mixed Use	Infill	Environmental Impact Report
Beverlywood Homes Association v. City of Los Angeles	SCAG	8/13	City of Los Angeles	Private	Residential	Multifamily Mixed Use	Infill	Environmental Impact Report
West Adams Heritage Association v. City of Los Angeles, et al.	SCAG	10/13	City of Los Angeles	Private	Residential	Multifamily/ Mixed Use	Infill	Exemption
La Mirada Avenue Neighborhood Association of Hollywood v. City of Los Angeles, et al.	SCAG	8/15	City of Los Angeles	Private	Residential	Multifamily/ Mixed Use	Infill	Environmental Impact Report
Concerned Citizens of Beverly Hills/ Beverly Grove v. City of Los Angeles, et al.	SCAG	5/15	City of Beverly Hills	Private	Residential	Multifamily/ Mixed Use	Infill	Negative Declaration
L&B CIP South Bay Industrial, LLC v. City of Los Angeles, et al.	SCAG	4/15	City of Los Angeles	Private	Residential	Multifamily/ Mixed Use	Infill	Environmental Impact Report
Beachwood Canyon Homeowners Association, et al v. City of Los Angeles, et al.	SCAG	1/15	City of Los Angeles	Private	Residential	Multifamily/ Mixed Use	Infill	Environmental Impact Report
Covina Residents for Responsible Development v. City of Covina, et al.	SCAG	4/14	City of Covina	Private	Residential	Multifamily/ Mixed Use	Infill	Negative Declaration
La Mirada Avenue Neighborhood Association of Hollywood v. City of Los Angeles, et al.	SCAG	5/14	City of Los Angeles	Private	Residential	Multifamily/ Mixed Use	Infill	Environmental Impact Report
Los Angeles Conservancy v. City of West Hollywood, et al.	SCAG	9/14	City of West Hollywood	Private	Residential	Multifamily/ Mixed Use	Infill	Environmental Impact Report
GE Realprop, LP v. City of Los Angeles, et al.	SCAG	10/14	City of Los Angeles	Private	Residential	Multifamily/ Mixed Use	Infill	Negative Declaration
SaveValleyVillage v. City of Los Angeles, et al.	SCAG	9/15	City of Los Angeles	Private	Residential	Multifamily/ Mixed Use	Infill	Negative Declaration
Lance Jay Robbins Paloma Partnership v. City of Los Angeles, et al.	SCAG	4/15	City of Los Angeles	Public	Agency Plan/ Regulation	City - Regulation	Infill	No CEQA Compliance
Mark Fudge v. California Coastal Commission, et al.	SCAG	3/15	City of Laguna Beach	Private	Commercial	Resort	Infill	Exemption
Lisa Seidman, et al v. City of Los Angeles	SCAG	8/15	City of Los Angeles	Private	Residential	Single Family Home/ Second Unit	Infill	Exemption
Save the Arcadia Highlands v. City of Arcadia, et al.	SCAG	3/15	City of Los Angeles	Private	Residential	Single Family Home/ Second Unit	Infill	Exemption
The Hyperion Avenue Neighborhood Association v. City of Los Angeles, et al.	SCAG	10/15	City of Los Angeles	Private	Residential	Small Subdivision	Infill	Negative Declaration
Coronado Street Citizens Coalition v. City of Los Angeles, et al.	SCAG	4/15	City of Los Angeles	Private	Residential	Small Subdivision	Infill	Negative Declaration
Bruce D. Kuyper, et al. v. City of Los Angeles, et al.	SCAG	3/15	City of Los Angeles	Private	Residential	Small Subdivision	Infill	Negative Declaration
Cartwright Avenue Neighbors v. City of Los Angeles, et al.	SCAG	3/15	City of Los Angeles	Private	Residential	Small Subdivision	Infill	Negative Declaration

George Abrahams v. City of Los Angeles, et al.	SCAG	9/15	City of Los Angeles	Private	Residential	Multifamily/ Mixed Use	Infill	Negative Declaration
Whittier Conservancy v. City of Whittier, et al.	SCAG	8/15	City of Whittier	Private	Residential	Multifamily/ Mixed Use	Infill	Environmental Impact Report
Santa Monica Coalition for a Livable City v. City of Santa Monica, et al.	SCAG	3/14	City of Santa Monica	Private	Residential	Multifamily/ Mixed Use	Infill	Environmental Impact Report
Bird Street Neighbors Coalition, et al. v. City of Los Angeles, et al.	SCAG	3/15	City of Los Angeles	Private	Residential	Single Family Home/ Second Unit	Infill	Negative Declaration
Sullivan Canyon Property Owners Association, Inc., et al v. City of Los Angeles, et al.	SCAG	12/15	City of Los Angeles	Private	Residential	Single Family Home/ Second Unit	Infill	Negative Declaration
Bel Air Homeowners Alliance v. City of Los Angeles, et al.	SCAG	10/14	City of Los Angeles	Private	Residential	Single Family Home/ Second Unit	Infill	Negative Declaration
Ventura Blvd. Associates, LLC v. City of Los Angeles, et al.	SCAG	5/15	City of Los Angeles	Private	Retail	Shopping Center	Infill	Negative Declaration
La Mirada Avenue Neighborhood Association of Hollywood v. City of Los Angeles, et al.	SCAG	5/13	City of Los Angeles	Private	Retail	Big Box	Infill	Environmental Impact Report
Southeast Asian Community Alliance, et al. v. City of Los Angeles.	SCAG	4/13	City of Los Angeles	Private	Retail	Big Box	Infill	No CEQA Compliance
Aaron Montenegro, et al v. City of El Monte	SCAG	11/15	City of El Monte	Private	Retail	Big Box	Infill	Environmental Impact Report
Citizens Advocating Rational Development v. City of Burbank, et al.	SCAG	4/14	City of Burbank	Private	Retail	Big Box	Infill	Environmental Impact Report
Keeping La Verne Strong, et al v. City of La Verne, et al.	SCAG	8/14	City of La Verne	Private	Retail	Big Box	Infill	Exemption
Westwood Homeowners Association, et al. v. City of Los Angeles, et al.	SCAG	1/15	City of Los Angeles	Private	Retail	Big Box	Infill	Exemption
Steven Walters, et al v. City of Redondo Beach	SCAG	9/13	City of Redondo Beach	Private	Retail	Car Dealership/ Carwash	Infill	Exemption
The Inland Oversight Committee v. City of West Covina, et al.	SCAG	11/14	City of West Covina	Private	Retail	Car Dealership/ Carwash	Infill	Negative Declaration
The Inland Oversight Committee, et al v. City of West Covina, et al.	SCAG	7/15	City of West Covina	Private	Retail	Car Dealership/ Carwash	Infill	Negative Declaration
United Walnut Taxpayers v. Mt. San Antonio Community College District, et al.	SCAG	3/15	City of Walnut	Private	School	College/ University	Infill	Environmental Impact Report
Sunset Coalition, et al v. City of Los Angeles, et al.	SCAG	9/15	City of Los Angeles	Private	School	K-12	Infill	Environmental Impact Report
Hyde Park Organizational Partnership for Empowerment v. City of Los Angeles, et al.	SCAG	7/14	City of Los Angeles	Private	School	K-12	Infill	Negative Declaration
Frank Bonvino v. Las Virgines Municipal Water District, et al.	SCAG	4/14	City of Calabasas	Public	Water	Storage	N/A	Negative Declaration
Golden State Water Company v. City of Claremont, et al.	SCAG	5/14	City of Claremont	Public	Water	Transfer/ Agreement	N/A	Environmental Impact Report
Capistrano Shores, Inc. v. City of San Clemente, et al.	SCAG	3/14	City of San Clemente	Public	Agency Plan/ Regulation	City-Plan	N/A	Environmental Impact Report
Surfrider Foundation, et al v. City of Huntington Beach, et al.	SCAG	6/15	City of Huntington Beach	Public	Agency Plan/ Regulation	City-Regulation	N/A	Environmental Impact Report
Friends of the Fire Rings v. South Coast Air Quality Management District, et al.	SCAG	3/14	City of Newport Beach	Public	Agency Plan/ Regulation	City-Regulation	N/A	No CEQA Compliance
Concerned Citizens to Protect Blythe's Resources v. City of Blythe, et al.	SCAG	7/15	Multijurisdictional	Private	Commercial	Hotel	Infill	Exemption
Coalition of Anaheim Taxpayers for Economic Responsibility, et al v. City of Anaheim, et al.	SCAG	5/14	City of Anaheim	Public	Entertainment	Convention Center	Infill	No CEQA Compliance
City of Irvine v. County of Orange, et al.	SCAG	1/14	Orange County	Public	Public Service & Infrastructure	Prison	Infill	Environmental Impact Report
Ocean View School District v. City of Huntington Beach, et al.	SCAG	12/13	City of Huntington Beach	Private	Public Service & Infrastructure	Waste Management	Infill	Environmental Impact Report
1300 Normandy Properties, LLC, et al v. County of Orange, et al.	SCAG	9/14	City of Anaheim	Public	Residential	Homeless Shelter	Infill	Exemption
Protect Our Homes and Hills, et al v. County of Orange, et al.	SCAG	7/15	City of Yorba Linda	Private	Residential	Large Subdivision/ Mixed Use	Infill	Environmental Impact Report
The Old Orchard Conservancy v. City of Santa Ana	SCAG	4/14	City of Santa Ana	Private	Residential	Large Subdivision/ Mixed Use	Infill	Environmental Impact Report
Hills for Everyone, et al v. City of La Brea, et al.	SCAG	7/14	City of La Brea	Private	Residential	Large Subdivision/ Mixed Use	Infill	Environmental Impact Report
Standard Pacific of Orange County, Inc., et al v. City of Walnut, et al.	SCAG	10/14	City of Walnut	Public	Residential	Large Subdivision/ Mixed Use	Infill	Exemption
Phillip A Luchesi, et al v. City of Costa Mesa, et al.	SCAG	12/15	City of Costa Mesa	Private	Residential	Multifamily/ Mixed Use	Infill	Negative Declaration
Stop the Dunes Hotel v. City of Newport Beach, et al.	SCAG	3/14	City of Newport Beach	Private	Residential	Multifamily/ Mixed Use	Infill	Environmental Impact Report

Jon Dumitru, et al v. City of Orange, et al.	SCAG	9/15	City of Orange	Private	Residential	Multifamily/ Mixed Use	Infill	Exemption
Los Alamitos Good Neighbors Association v. Los Alamitos Unified School District, et al.	SCAG	1/14	City of Los Alamitos	Public	School	K-12	Infill	Exemption
Alliance for Intelligent Planning v. City of Wildomar	SCAG	1/14	City of Wildomar	Public	Agency Plan/ Regulation	City-Plan	N/A	Environmental Impact Report
Protect Wine County v. County of Riverside	SCAG	2/14	City of Temecula	Public	Agency Plan/ Regulation	County-Plan	N/A	Environmental Impact Report
Protect Wine County v. County of Riverside	SCAG	8/14	Temecula Valley	Private	Agency Plan/ Regulation	County-Regulation	N/A	Exemption
J to the 5th, LLC, et al v. County of Riverside, et al.	SCAG	4/14	Temecula Valley	Public	Agency Plan/ Regulation	County-Plan	N/A	Environmental Impact Report
Albert Thomas Paulek, et al. v. Eastern Municipal Water District, et al.	SCAG	8/15	City of Lakeview	Public	Water	Transfer/ Agreement	N/A	No CEQA Compliance
Robertson's Ready Mix, Ltd. V. City of Banning, et al.	SCAG	1/15	City of Banning	Public	Agency Plan/ Regulation	Fee/ Tax	N/A	No CEQA Compliance
Advocates for Better Community Development v. City of Palm Springs, et al.	SCAG	10/15	City of Palm Springs	Private	Residential	Resort/ Multifamily Mixed Use	Infill	Negative Declaration
Friends of Riverside's Hills v. City of Riverside	SCAG	12/15	City of Riverside	Private	Industrial	Warehouse	Infill	Negative Declaration
California Clean Energy Committee v. City of Moreno Valley	SCAG	9/15	City of Moreno Valley	Private	Industrial	Warehouse	Infill	Environmental Impact Report
Socal Environmental Justice Alliance v. City of Moreno Valley, et al.	SCAG	9/15	City of Moreno Valley	Private	Industrial	Warehouse	Infill	Environmental Impact Report
Laborers International Union of North America, Local No. 1184 v. City of Moreno Valley, et al.	SCAG	9/15	City of Moreno Valley	Private	Industrial	Warehouse	Infill	Environmental Impact Report
Residents for a Livable Moreno Valley v. City of Moreno Valley, et al.	SCAG	9/15	City of Moreno Valley	Private	Industrial	Warehouse	Infill	Environmental Impact Report
Riverside County Transportation Commission v. City of Moreno Valley, et al.	SCAG	9/15	City of Moreno Valley	Private	Industrial	Warehouse	Infill	Environmental Impact Report
Albert Thomas Paulek, et al. v. City of Moreno Valley	SCAG	9/15	City of Moreno Valley	Private	Industrial	Warehouse	Infill	Environmental Impact Report
South Coast Air Quality Management District v. City of Moreno Valley, et al.	SCAG	9/15	City of Moreno Valley	Private	Industrial	Warehouse	Infill	Environmental Impact Report
California Clean Energy Committee v. City of Perris, et al.	SCAG	2/15	City of Perris	Private	Industrial	Warehouse	Infill	Environmental Impact Report
The Inland Oversight Committee, et al v. City of Eastvale, et al.	SCAG	12/14	City of Eastvale	Private	Industrial	Warehouse	Infill	Environmental Impact Report
CUMV v. City of Moreno Valley, et al	SCAG	4/14	City of Moreno Valley	Private	Industrial	Warehouse	Infill	Environmental Impact Report
Creed-21 v. City of Moreno Valley, et al.	SCAG	5/14	City of Moreno Valley	Private	Industrial	Warehouse	Infill	Environmental Impact Report
Los Ranchitos Homeowners Association v. City of Temecula, et al.	SCAG	10/15	City of Temecula	Public	Public Service & Infrastructure	Parking Structure	Infill	Exemption
Cornerstone Concerned Area Residents v. City of Wildomar, et al.	SCAG	1/15	City of Wildomar	Private	Public Service & Infrastructure	Church	Infill	Environmental Impact Report
Center for Biological Diversity, et al v. Riverside County Transportation Commission, et al.	SCAG	5/15	San Jacinto Valley	Public	Public Service & Infrastructure	Highway	Greenfield	Environmental Impact Report
Martha Bridges and John Burkett v. City of Wildomar	SCAG	10/15	City of Wildomar	Private	Residential	Large Subdivision/ Mixed Use	Infill	Negative Declaration
Urge v. City of Murrieta, et al.	SCAG	1/15	City of Murrieta	Private	Residential	Large Subdivision/ Mixed Use	Infill	Negative Declaration
Creed-21, et al v. City of Jurupa Valley, et al.	SCAG	1/15	City of Jurupa Valley	Private	Residential	Large Subdivision/ Mixed Use	Infill	Negative Declaration
Alliance for Intelligent Planning v. City of Wildomar	SCAG	1/14	City of Wildomar	Private	Residential	Large Subdivision/ Mixed Use	Infill	Negative Declaration
Alliance for Intelligent Planning v. City of Wildomar	SCAG	4/14	City of Wildomar	Private	Residential	Large Subdivision/ Mixed Use	Infill	Negative Declaration
Martha Bridges and John Burkett v. City of Wildomar	SCAG	4/14	City of Wildomar	Private	Residential	Large Subdivision/ Mixed Use	Infill	Negative Declaration
Martha Bridges and John Burkett v. City of Wildomar	SCAG	1/14	City of Wildomar	Private	Residential	Large Subdivision/ Mixed Use	Infill	Negative Declaration
People for Proper Planning v. City of Palm Springs, et al.	SCAG	3/14	City of Palm Springs	Private	Residential	Large Subdivision/ Mixed Use	Infill	Negative Declaration
People for Proper Planning v. City of Palm Springs, et al.	SCAG	10/13	City of Palm Springs	Public	Agency Plan/ Regulation	City-Plan	N/A	Exemption
Ganahl Lumber Company v. City of Corona, et al.	SCAG	10/13	City of Corona	Private	Residential	Multifamily/ Mixed Use	Infill	Negative Declaration
Citizens to Enforce CEQA v. City of Murrieta	SCAG	2/14	City of Murrieta	Private	Residential	Multifamily/ Mixed Use	Infill	Negative Declaration

Advocates for Better Community Development v. City of Palm Springs, et al.	SCAG	2/13	City of Palm Springs	Private	Residential	Multifamily/ Mixed Use	Infill	Environmental Impact Report
North First Street, LP v. City of Palm Springs, et al.	SCAG	2/13	City of Palm Springs	Private	Residential	Multifamily/ Mixed Use	Infill	Environmental Impact Report
Friends of Riverside's Hills v. City of Riverside, et al.	SCAG	4/15	City of Riverside	Private	Residential	Multifamily/ Mixed Use	Infill	Negative Declaration
Creed-21, et al v. City of Wildomar, et al.	SCAG	4/15	City of Wildomar	Private	Retail	Big Box	Infill	Environmental Impact Report
Diamond Brothers Five & Six Partnership v. City of Menifee, et al.	SCAG	2/15	City of Menifee	Private	Retail	Shopping Center	Infill	Negative Declaration
Martha Bridges, et al. v. Mt. San Jacinto Community College	SCAG	11/14	City of Wildomar	Public	School	College/ University	Infill	No CEQA Compliance
Sierra Club v. Coachella Valley Conservation Commission, et al.	SCAG	4/14	Coachella Valley	Public	Agency Plan/ Regulation	Regional Plan	N/A	Environmental Impact Report
Colorado River Indian Tribes v. County of Riverside	SCAG	6/15	Multijurisdictional	Private	Energy	Solar	Greenfield	Environmental Impact Report
Socal Environmental Justice Alliance v. City of Moreno Valley, et al.	SCAG	3/15	City of Moreno Valley	Private	Industrial	Warehouse	Infill	Environmental Impact Report
Residents for a Livable Moreno Valley, et al v. City of Moreno Valley, et al.	SCAG	9/15	City of Moreno Valley	Private	Industrial	Warehouse	Infill	Environmental Impact Report
City of Riverside, et al v. City of Jurupa Valley, et al.	SCAG	4/15	City of Riverside	Private	Residential	Multifamily/ Mixed Use	Infill	Negative Declaration
Southern California Edison Company v. City of Jurupa Valley, et al.	SCAG	4/15	City of Riverside	Private	Residential	Multifamily/ Mixed Use	Infill	Negative Declaration
Socal Environmental Justice Alliance v. City of Moreno Valley, et al.	SCAG	11/15	City of Moreno Valley	Private	Retail	Big Box	Infill	Environmental Impact Report
California Unions for Reliable Energy v. County of San Bernardino et al.	SCAG	9/15	City of Daggett	Private	Energy	Solar	Infill	Exemption
Coalition for Responsible Solar, et al v. City of Adelanto, et al.	SCAG	6/14	City of Adelanto	Private	Energy	Solar	Infill	Negative Declaration
The Inland Oversight Committee, et al v. City of Chino, et al.	SCAG	2/15	City of Chino	Private	Industrial	Warehouse	Infill	Environmental Impact Report
Coalition to Keep Baldy Wild v. County of San Bernardino, et al.	SCAG	11/15	Mt. Baldy Community	Private	Public Service & Infrastructure	Tele-communications	Greenfield	Negative Declaration
Concerned Neighbors of Highland Hills v. City of Highland, et al.	SCAG	10/15	City of Highland	Private	Residential	Large Subdivision/ Mixed Use	Infill	Negative Declaration
Friends of Big Bear Valley, et al v. County of San Bernardino, et al.	SCAG	9/15	Fawnskin Community	Private	Residential	Multifamily/ Mixed Use	Greenfield	Environmental Impact Report
Friends of Fawnskin, et al v. County of San Bernardino, et al.	SCAG	6/14	Fawnskin Community	Private	Residential	Multifamily/ Mixed Use	Greenfield	Environmental Impact Report
The Inland Oversight Committee, et al v. City of San Bernardino, et al.	SCAG	7/15	City of San Bernardino	Private	Residential	Multifamily/ Mixed Use	Infill	Environmental Impact Report
Creed-21, et al v. City of Chino Hills, et al.	SCAG	2/15	City of Chino Hills	Private	Residential	Multifamily/ Mixed Use	Infill	Negative Declaration
Friends of Big Bear Valley v. County of San Bernardino	SCAG	5/15	Erwin Lake, Big Bear Valley	Private	Retail	Gas Station	Infill	Negative Declaration
Pilot Travel Centers, LLC v. City of Hesperia, et al.	SCAG	8/15	City of Hesperia	Private	Retail	Store/ Center Occupancy	Infill	Environmental Impact Report
Apple Valley Ranchos Water Company v. Town of Apple Valley, et al.	SCAG	12/15	Town of Apple Valley	Public	Water	Transfer/ Agreement	N/A	Environmental Impact Report
Camulos Ranch, LLC v. County of Ventura, et al.	SCAG	5/13	County of Ventura	Public	Park	Active Recreation	Greenfield	Exemption
Ventura Realty & Investment Company v. City of San Buena Ventura, et al.	SCAG	11/14	City of Ventura	Private	Public Service & Infrastructure	Parking Structure	Infill	Environmental Impact Report

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: WRCOG Transportation Department Activities Update

Contact: Christopher Gray, Director of Transportation, gray@wrcoq.coq.ca.us, (951) 955-8304

Date: September 12, 2016

Requested Actions:

1. Approve the recommended representatives from the WRCOG Public Works and Technical Advisory Committees to the TUMF Nexus Study Ad Hoc Committee.
2. Authorize the WRCOG Executive Director to execute TUMF Reimbursement Agreement with the Riverside Transit Agency for the UCR Mobility Hub Project in an amount not to exceed \$3,457,468.
3. Authorize the WRCOG Executive Director to execute TUMF Reimbursement Agreement with the Riverside Transit Agency for the Twin Cities / Promenade Mall Mobility Hub Project in an amount not to exceed \$1,692,797.
4. Authorize the WRCOG Executive Director to execute TUMF Reimbursement Agreement with the City of Temecula for the SR-79 Winchester Road / I-15 Interchange Project in an amount not to exceed \$1,925,000.

WRCOG's Transportation Uniform Mitigation Fee (TUMF) Program is a regional fee program designed to provide transportation and transit infrastructure that mitigates the impact of new growth in Western Riverside County. Each of WRCOG's member jurisdictions participates in the Program through an adopted ordinance, collects fees from new development, and remits the fees to WRCOG. WRCOG, as administrator of the TUMF Program, allocates TUMF to the Riverside County Transportation Commission (RCTC), groupings of jurisdictions – referred to as TUMF Zones – based on the amounts of fees collected in these groups, and the Riverside Transit Agency (RTA). The TUMF Nexus Study is intended to satisfy the requirements of California Government Code Chapter 5 Section 66000-66008 (also known as the California Mitigation Fee Act) which governs imposing development impact fees in California. The Study establishes a nexus or reasonable relationship between the development impact fee's use and the type of project for which the fee is required.

TUMF Program Update

The TUMF Program is a development impact fee and is subject to the California Mitigation Fee Act (AB 1600, Govt. Code § 6600), which mandates that a Nexus Study be prepared to demonstrate a reasonable and rational relationship between the fee and the proposed improvements for which the fee is used. AB 1600 also requires the regular review and update of the Program and Nexus Study to ensure the validity of the Program. The last TUMF Program Update was completed in October 2009.

In September 2015, the WRCOG Executive Committee took action to delay finalizing the Nexus Study and include the growth forecast from the 2016 SCAG Regional Transportation Plan / Sustainable Communities Strategy, which was approved by SCAG in spring 2016, and has been integrated into the TUMF Nexus Study. While the technical work on the 2016 TUMF Nexus Study is nearing completion, staff have met with various regional stakeholders, including elected officials, representatives of the development community, jurisdictional staff, and others, to discuss the status of the TUMF Nexus Study as well as the next steps, given that the previous Nexus Study was delayed.

At its August 1, 2016, meeting, the Executive Committee directed staff to form an Ad Hoc Committee to review the options prepared in regard to the TUMF Nexus Study Update. The Executive Committee took action to appoint Mayor Jeff Hewitt (City of Calimesa), Mayor Pro Tem Jeffrey Giba (City of Moreno Valley), and Mayor Rusty Bailey (City of Riverside) to the Ad Hoc Committee. Members from the WRCOG Public Works Committee (PWC) and Technical Advisory Committee (TAC) will assist the Ad Hoc Committee members in making any recommendations to the Executive Committee.

The PWC recommended that representatives from the Cities of Banning, Eastvale, Jurupa Valley, Moreno Valley, Temecula, and the County of Riverside participate in the Ad Hoc Committee. The TAC recommended that representatives from the Cities of Menifee, Lake Elsinore, and Wildomar be included in the Ad Hoc Committee, and that only one representative from any member jurisdiction serve on the Ad Hoc Committee. Therefore, the September PWC will refine its list to three members from jurisdictions that are not represented by members of the Executive Committee and TAC.

These options that the Ad Hoc Committee will review as currently defined include:

Option 1: Do nothing and continue to use the 2009 Nexus Study and fee structure

Option 2: Complete the 2016 Nexus Study with the recommended fee levels

Option 3: Complete 2016 Nexus Study with reduced fees (compared to Option 2 above) by way of one or more of the sub-options below:

- 3A: Phase-in of fees
- 3B: Phase-in of fees for either residential or non-residential uses
- 3C: Require local match for projects
- 3D: Reduce contributions for non-construction-related costs

Option 4: Remove projects from the TUMF Network to reduce costs

Staff is preparing a packet of materials that will be distributed to members of the Ad Hoc Committee, which will assist developing options for the TUMF Nexus Study. These materials will provide insight from all aspects of the Program to the Committee members and will help guide the preparation of an option to move forward with on the TUMF Nexus Study Update. Materials that will be provided include the following:

- Historical TUMF schedule since Program inception
- TUMF revenue by land use category for the past three fiscal years
- Summary of the Fee Analysis Study
- 2015 Draft TUMF Nexus Study
- Response to comments on the 2015 Draft TUMF Nexus Study
- Proposed 2016 TUMF Nexus Study fee schedule
- Revenue by fiscal year since Program inception
- Current TUMF Zone programmed projects
- TUMF Network facilities by jurisdiction

It is anticipated that the Ad Hoc Committee will begin meeting in September to help formulate the development of a preferred option for eventual consideration by the Executive Committee.

TUMF Update Workshop

In anticipation of the release of the draft 2016 TUMF Nexus Study Update, WRCOG will hold a workshop to discuss the actions taken since the delay in finalizing the Nexus Study. In addition to addressing the comments received from various stakeholders on the TUMF Nexus Study, WRCOG is in the process of

finalizing a comprehensive fee analysis in and around the subregion. Staff will provide an overview of the study, along with the findings.

- The TUMF Update Workshop will be held on September 21, 2016, at 10:30 a.m. at the Riverside County Administrative Center, 3rd Floor, Conference Room A

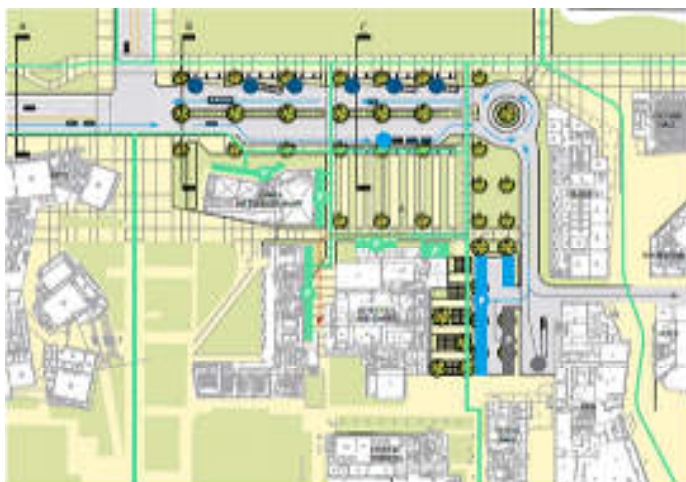
TUMF Reimbursement Agreements

Three Reimbursement Agreements for TUMF projects are being forwarded to the WRCOG Executive Committee for consideration, and are summarized below.

Riverside Transit Agency (two agreements):

1. UCR Mobility Hub Project in the amount of \$3,457,468:

This project shall include a bus concourse and arrival platform, sheltered waiting area, an information kiosk, six bus embarkation spaces, safe and accessible pathways to the facility, ADA improvements to existing pathways to improve connectivity to campus and reconfiguration of existing parking lot 19 to include a paved bus loop.



2. Twin Cities / Promenade Mall Mobility Hub in the amount of \$1,692,797:

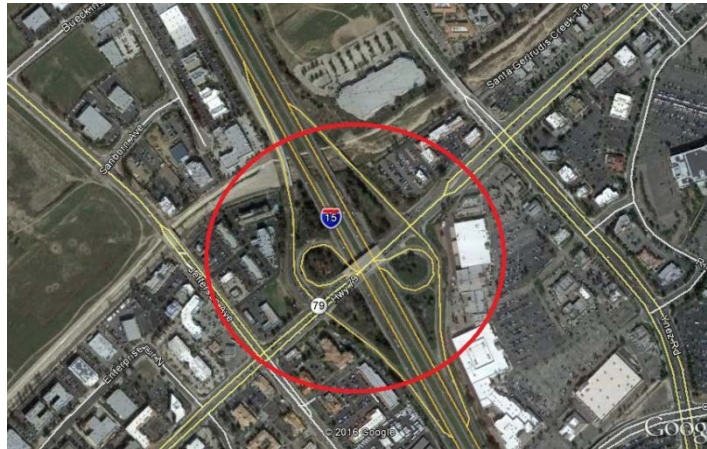
This project shall include an extended bus concourse and arrival platform with three bus bays, a bus layover location, special pavement for the bus pullouts, sheltered waiting area with solar glass canopy, an information kiosk and an extended sidewalk to allow for safe and accessible pathways to the parking facility.



City of Temecula (one agreement):

1. SR-79 Winchester Road / I-15 Interchange in the amount of \$1,925,000:

The Winchester Road / I-15 Interchange Improvement Project will include the realignment and reconstruction of existing on- and off-ramps at Winchester Road in both directions to accommodate the construction of auxiliary lanes and the braiding of existing and proposed on and off ramps on I-15. The Scope of Work and TUMF funding under the terms of this Agreement is for Right-of-Way acquisition.



Prior WRCOG Actions:

- August 18, 2016: The WRCOG Technical Advisory Committee 1) appointed Gary Thompson (Jurupa Valley), Grant Yates (Lake Elsinore), and Rob Johnson (Menifee) to serve on the Ad Hoc Committee to discuss potential options related to completion of the Nexus Study; and 2) recommended that only one representative from any member jurisdiction serve on the Ad Hoc Committee..
- August 10, 2016: The WRCOG Administration & Finance Committee received report.
- August 1, 2016: The WRCOG Executive Committee 1) directed staff to convene an Ad Hoc Committee composed of three members of the Executive Committee, with assistance from three members of the Technical Advisory Committee and two members of the Public Works Committee, to discuss potential options related to completion of the Nexus Study; and 2) appointed three members of the Executive Committee to serve on the Ad Hoc Committee.

WRCOG Fiscal Impact:

TUMF Nexus Study Update activities are included in the Agency's adopted Fiscal Year 2016/2017 Budget under the Transportation Department.

Attachments:

1. Reimbursement Agreement with the Riverside Transit Agency for the UCR Mobility Hub Project.
2. Reimbursement Agreement with the Riverside Transit Agency for the Twin Cities / Promenade Mall Mobility Hub Project.
3. Reimbursement Agreement with the City of Temecula for the SR-79 Winchester Road / I-15 Interchange Project.

Item 7.D

WRCOG Transportation Department
Activities Update

Attachment 1

Reimbursement Agreement with the
Riverside Transit Agency for the
UCR Mobility Hub Project

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**TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM
AGREEMENT TO REIMBURSE TUMF FUNDS**

UNIVERSITY OF CALIFORNIA RIVERSIDE MOBILITY HUB PROJECT

THIS REIMBURSEMENT AGREEMENT (“Agreement”) is entered into as of this day of ____, 20__, by and between the Western Riverside Council of Governments (“WRCOG”), a California joint powers authority and **RIVERSIDE TRANSIT AGENCY**, a California joint powers authority, (“AGENCY”). WRCOG and AGENCY are sometimes hereinafter referred to individually as “Party” and collectively as “Parties”.

RECITALS

A. WRCOG is the Administrator of the Transportation Uniform Mitigation Fee Program of Western Riverside County (“TUMF Program”).

B. WRCOG has identified and designated certain transportation improvement projects throughout Western Riverside County as projects of regional importance (“Qualifying Projects” or “Projects”). The Qualifying Projects are more specifically described in that certain WRCOG study titled “TUMF Nexus Study”, as may be amended from time to time. Qualifying Projects can have Regional or Zonal significance as further described in the TUMF Nexus Study.

C. The TUMF Program is funded by TUMF fees paid by new development in Western Riverside County (collectively, “TUMF Program Funds”). TUMF Program Funds are held in trust by WRCOG for the purpose of funding the Qualifying Projects.

D. The AGENCY proposes to implement a Qualifying Project, and it is the purpose of this Agreement to identify the project and to set forth the terms and conditions by which WRCOG will release TUMF Program Funds.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and subject to the conditions contained herein, the Parties hereby agree as follows:

1. Description of the Qualifying Project. This Agreement is intended to distribute TUMF Program Funds to the AGENCY for the **UNIVERSITY OF CALIFORNIA RIVERSIDE (UCR) MOBILITY HUB PROJECT** (the “Project”), a Qualifying Project. The Work, including a timetable and a detailed scope of work, is more fully described in Exhibit “A” attached hereto and incorporated herein by reference and, pursuant to Section 20 below, is subject to modification if requested by the AGENCY and approved by WRCOG. The work shall be consistent with one or more of the defined WRCOG Call for Projects phases detailed herein as follows:

- 1) Environmental
- 2) CON – Construction

2. WRCOG Funding Amount. WRCOG hereby agrees to distribute to AGENCY, on the terms and conditions set forth herein, a sum not to exceed **THREE MILLION, FOUR HUNDRED FIFTY-SEVEN THOUSAND, FOUR HUNDRED SIXTY-EIGHT DOLLARS (\$3,457,468)**, to be used for reimbursing the AGENCY for eligible Project expenses as described in Section 3 herein (“Funding Amount”). The Parties acknowledge and agree that the Funding Amount may be less than the actual cost of the Project. Nevertheless, the Parties acknowledge and agree that WRCOG shall not be obligated to contribute TUMF Program Funds in excess of the maximum TUMF share identified in the TUMF Nexus Study (“Maximum TUMF Share”), as may be amended from time to time.

3. Project Costs Eligible for Advance/Reimbursement. The total Project costs (“Total Project Cost”) may include the following items, provided that such items are included in the scope of work attached hereto as Exhibit “A” (“Scope of Work”): (1) AGENCY and/or consultant costs associated with direct Project coordination and support; (2) funds expended in preparation of preliminary engineering studies; (3) funds expended for preparation of environmental review documentation for the Project; (4) all costs associated with right-of-way acquisition, including right-of-way engineering, appraisal, acquisition, legal costs for condemnation procedures if authorized by the AGENCY, and costs of reviewing appraisals and offers for property acquisition; (5) costs reasonably incurred if condemnation proceeds; (6) costs incurred in the preparation of plans, specifications, and estimates by AGENCY or consultants; (7) AGENCY costs associated with bidding, advertising and awarding of the Project contracts; (8) construction costs, including change orders to construction contract approved by the AGENCY; (9) construction management, field inspection and material testing costs; and (10) any AGENCY administrative cost to deliver the Project.

4. Ineligible Project Costs. The Total Project Cost shall not include the following items which shall be borne solely by the AGENCY without reimbursement: (1) any AGENCY administrative fees attributed to the reviewing and processing of the Project; and (2) expenses for items of work not included within the Scope of Work in Exhibit “A”.

5. Procedures for Distribution of TUMF Program Funds to AGENCY.

(a) Initial Payment by the AGENCY. The AGENCY shall be responsible for initial payment of all the Project costs as they are incurred. Following payment of such Project costs, the AGENCY shall submit invoices to WRCOG requesting reimbursement of eligible Project costs. Each invoice shall be accompanied by detailed contractor invoices, or other demands for payment addressed to the AGENCY, and documents evidencing the AGENCY’s payment of the invoices or demands for payment. Documents evidencing the AGENCY’S payment of the invoices shall be retained for four (4) years and shall be made available for review by WRCOG. The AGENCY shall submit invoices not more often than monthly and not less often than quarterly.

(b) Review and Reimbursement by WRCOG. Upon receipt of an invoice from the AGENCY, WRCOG may request additional documentation or explanation of the Project costs for which reimbursement is sought. Undisputed amounts shall be paid by WRCOG to the AGENCY within thirty (30) days. In the event that WRCOG disputes the eligibility of the AGENCY for reimbursement of all or a portion of an invoiced amount, the Parties shall meet

and confer in an attempt to resolve the dispute. If the meet and confer process is unsuccessful in resolving the dispute, the AGENCY may appeal WRCOG's decision as to the eligibility of one or more invoices to WRCOG's Executive Director. The WRCOG Executive Director shall provide his/her decision in writing. If the AGENCY disagrees with the Executive Director's decision, the AGENCY may appeal the decision of the Executive Director to the full WRCOG Executive Committee, provided the AGENCY submits its request for appeal to WRCOG within ten (10) days of the Executive Director's written decision. The decision of the WRCOG Executive Committee shall be final. Additional details concerning the procedure for the AGENCY's submittal of invoices to WRCOG and WRCOG's consideration and payment of submitted invoices are set forth in Exhibit "B", attached hereto and incorporated herein by reference.

(c) Funding Amount/Adjustment. If a post Project audit or review indicates that WRCOG has provided reimbursement to the AGENCY in an amount in excess of the Maximum TUMF Share of the Project, or has provided reimbursement of ineligible Project costs, the AGENCY shall reimburse WRCOG for the excess or ineligible payments within 30 days of notification by WRCOG.

6. Increases in Project Funding. The Funding Amount may, in WRCOG's sole discretion, be augmented with additional TUMF Program Funds if the TUMF Nexus Study is amended to increase the maximum eligible TUMF share for the Project. Any such increase in the Funding Amount must be approved in writing by WRCOG's Executive Director. In no case shall the amount of TUMF Program Funds allocated to the AGENCY exceed the then-current maximum eligible TUMF share for the Project. No such increased funding shall be expended to pay for any Project already completed. For purposes of this Agreement, the Project or any portion thereof shall be deemed complete upon its acceptance by WRCOG's Executive Director which shall be communicated to the AGENCY in writing.

7. No Funding for Temporary Improvements. Only segments or components of the construction that are intended to form part of or be integrated into the Project may be funded by TUMF Program Funds. No improvement which is temporary in nature, including but not limited to temporary roads, curbs, tapers or drainage facilities, shall be funded with TUMF Program Funds, except as needed for staged construction of the Project.

8. AGENCY's Funding Obligation to Complete the Project. In the event that the TUMF Program Funds allocated to the Project represent less than the total cost of the Project, the AGENCY shall provide such additional funds as may be required to complete the Project.

9. AGENCY's Obligation to Repay TUMF Program Funds to WRCOG; Exception For PA&ED Phase Work. Except as otherwise expressly excepted within this paragraph, in the event that: (i) the AGENCY, for any reason, determines not to proceed with or complete the Project; or (ii) the Project is not timely completed, subject to any extension of time granted by WRCOG pursuant to the terms of this Agreement; the AGENCY agrees that any TUMF Program Funds that were distributed to the AGENCY for the Project shall be repaid in full to WRCOG, and the Parties shall enter into good faith negotiations to establish a reasonable repayment schedule and repayment mechanism. If the Project involves work pursuant to a PA&ED phase,

AGENCY shall not be obligated to repay TUMF Program Funds to WRCOG relating solely to PA&ED phase work performed for the Project.

10. AGENCY's Local Match Contribution. The AGENCY shall provide at least **One Million, Four Hundred Ninety-Two Thousand, Five Hundred and Thirty-Two Dollars (\$1,492,532)** of funding toward the Work, as shown in Exhibit "A" and as called out in the AGENCY's Project Nomination Form submitted to WRCOG in response to its Call for Projects.

11. Term/Notice of Completion. The term of this Agreement shall be from the date first herein above written until the earlier of the following: (i) the date WRCOG formally accepts the Project as complete, pursuant to Section 6; (ii) termination of this Agreement pursuant to Section 15; or (iii) the AGENCY has fully satisfied its obligations under this Agreement. All applicable indemnification provisions of this Agreement shall remain in effect following the termination of this Agreement.

12. Representatives of the Parties. WRCOG's Executive Director, or his or her designee, shall serve as WRCOG's representative and shall have the authority to act on behalf of WRCOG for all purposes under this Agreement. The AGENCY hereby designates the **Chief Executive Officer**, or his or her designee, as the AGENCY's representative to WRCOG. The AGENCY's representative shall have the authority to act on behalf of the AGENCY for all purposes under this Agreement and shall coordinate all activities of the Project under the AGENCY's responsibility. The AGENCY shall work closely and cooperate fully with WRCOG's representative and any other agencies which may have jurisdiction over or an interest in the Project.

13. Expenditure of Funds by AGENCY Prior to Execution of Agreement. Nothing in this Agreement shall be construed to prevent or preclude the AGENCY from expending funds on the Project prior to the execution of the Agreement, or from being reimbursed by WRCOG for such expenditures. However, the AGENCY understands and acknowledges that any expenditure of funds on the Project prior to the execution of the Agreement is made at the AGENCY's sole risk, and that some expenditures by the AGENCY may not be eligible for reimbursement under this Agreement.

14. Review of Services. The AGENCY shall allow WRCOG's Representative to inspect or review the progress of the Project at any reasonable time in order to determine whether the terms of this Agreement are being met.

15. Termination.
 (a) Notice. Either WRCOG or AGENCY may, by written notice to the other party, terminate this Agreement, in whole or in part, in response to a material breach hereof by the other Party, by giving written notice to the other party of such termination and specifying the effective date thereof. The written notice shall provide a 30 day period to cure any alleged breach. During the 30 day cure period, the Parties shall discuss, in good faith, the manner in which the breach can be cured.

(b) Effect of Termination. In the event that the AGENCY terminates this Agreement, the AGENCY shall, within 180 days, repay to WRCOG any unexpended TUMF Program Funds provided to the AGENCY under this Agreement and shall complete any portion or segment of work for the Project for which TUMF Program Funds have been provided. In the event that WRCOG terminates this Agreement, WRCOG shall, within 90 days, distribute to the AGENCY TUMF Program Funds in an amount equal to the aggregate total of all unpaid invoices which have been received from the AGENCY regarding the Project at the time of the notice of termination; provided, however, that WRCOG shall be entitled to exercise its rights under Section 5(b), including but not limited to conducting a review of the invoices and requesting additional information. Upon such termination, the AGENCY shall, within 180 days, complete any portion or segment of work for the Project for which TUMF Program Funds have been provided. This Agreement shall terminate upon receipt by the non-terminating Party of the amounts due to it hereunder and upon completion of the segment or portion of Project work for which TUMF Program Funds have been provided.

(c) Cumulative Remedies. The rights and remedies of the Parties provided in this Section are in addition to any other rights and remedies provided by law or under this Agreement.

16. Prevailing Wages. The AGENCY and any other person or entity hired to perform services on the Project are alerted to the requirements of California Labor Code Sections 1770 et seq., which would require the payment of prevailing wages were the services or any portion thereof determined to be a public work, as defined therein. The AGENCY shall ensure compliance with these prevailing wage requirements by any person or entity hired to perform the Project. The AGENCY shall defend, indemnify, and hold harmless WRCOG, its officers, employees, consultants, and agents from any claim or liability, including without limitation attorneys, fees, arising from its failure or alleged failure to comply with California Labor Code Sections 1770 et seq.

17. Progress Reports. WRCOG may request the AGENCY to provide WRCOG with progress reports concerning the status of the Project.

18. Indemnification.

(a) AGENCY Responsibilities. In addition to the indemnification required under Section 16, the AGENCY agrees to indemnify and hold harmless WRCOG, its officers, agents, consultants, and employees from any and all claims, demands, costs or liability arising from or connected with all activities governed by this Agreement including all design and construction activities, due to negligent acts, errors or omissions or willful misconduct of the AGENCY or its subcontractors. The AGENCY will reimburse WRCOG for any expenditures, including reasonable attorneys' fees, incurred by WRCOG, in defending against claims ultimately determined to be due to negligent acts, errors or omissions or willful misconduct of the AGENCY.

(b) WRCOG Responsibilities. WRCOG agrees to indemnify and hold harmless the AGENCY, its officers, agents, consultants, and employees from any and all claims, demands, costs or liability arising from or connected with all activities governed by this

Agreement including all design and construction activities, due to negligent acts, errors or omissions or willful misconduct of WRCOG or its sub-consultants. WRCOG will reimburse the AGENCY for any expenditures, including reasonable attorneys' fees, incurred by the AGENCY, in defending against claims ultimately determined to be due to negligent acts, errors or omissions or willful misconduct of WRCOG.

(c) Effect of Acceptance. The AGENCY shall be responsible for the professional quality, technical accuracy and the coordination of any services provided to complete the Project. WRCOG's review, acceptance or funding of any services performed by the AGENCY or any other person or entity under this Agreement shall not be construed to operate as a waiver of any rights WRCOG may hold under this Agreement or of any cause of action arising out of this Agreement. Further, the AGENCY shall be and remain liable to WRCOG, in accordance with applicable law, for all damages to WRCOG caused by the AGENCY's negligent performance of this Agreement or supervision of any services provided to complete the Project.

19. Insurance. The AGENCY shall require, at a minimum, all persons or entities hired to perform the Project to obtain, and require their subcontractors to obtain, insurance of the types and in the amounts described below and satisfactory to the AGENCY and WRCOG. Such insurance shall be maintained throughout the term of this Agreement, or until completion of the Project, whichever occurs last.

(a) Commercial General Liability Insurance. Occurrence version commercial general liability insurance or equivalent form with a combined single limit of not less than \$1,000,000.00 per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to the Project or be no less than two times the occurrence limit. Such insurance shall:

(i) Name WRCOG and AGENCY, and their respective officials, officers, employees, agents, and consultants as insured with respect to performance of the services on the Project and shall contain no special limitations on the scope of coverage or the protection afforded to these insured;

(ii) Be primary with respect to any insurance or self-insurance programs covering WRCOG and AGENCY, and/or their respective officials, officers, employees, agents, and consultants; and

(iii) Contain standard separation of insured provisions.

(b) Business Automobile Liability Insurance. Business automobile liability insurance or equivalent form with a combined single limit of not less than \$1,000,000.00 per occurrence. Such insurance shall include coverage for owned, hired and non-owned automobiles.

(c) Professional Liability Insurance. Errors and omissions liability insurance with a limit of not less than \$1,000,000.00 Professional liability insurance shall only be required of design or engineering professionals.

(d) Workers' Compensation Insurance. Workers' compensation insurance with statutory limits and employers' liability insurance with limits of not less than \$1,000,000.00 each accident.

20. Project Amendments. Changes to the characteristics of the Project, including the deadline for Project completion, and any responsibilities of the AGENCY or WRCOG may be requested in writing by the AGENCY and are subject to the approval of WRCOG's Representative, which approval will not be unreasonably withheld, provided that extensions of time for completion of the Project shall be approved in the sole discretion of WRCOG's Representative. Nothing in this Agreement shall be construed to require or allow completion of the Project without full compliance with the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*; "CEQA") and the National Environmental Policy Act of 1969 (42 USC 4231 *et seq.*), if applicable, but the necessity of compliance with CEQA and/or NEPA shall not justify, excuse, or permit a delay in completion of the Project.

21. Conflict of Interest. For the term of this Agreement, no member, officer or employee of the AGENCY or WRCOG, during the term of his or her service with the AGENCY or WRCOG, as the case may be, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

22. Limited Scope of Duties. WRCOG's and the AGENCY's duties and obligations under this Agreement are limited to those described herein. WRCOG has no obligation with respect to the safety of any Project performed at a job site. In addition, WRCOG shall not be liable for any action of AGENCY or its contractors relating to the condemnation of property undertaken by AGENCY or construction related to the Project.

23. Books and Records. Each party shall maintain complete, accurate, and clearly identifiable records with respect to costs incurred for the Project under this Agreement. They shall make available for examination by the other party, its authorized agents, officers or employees any and all ledgers and books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or related to the expenditures and disbursements charged to the other party pursuant to this Agreement. Further, each party shall furnish to the other party, its agents or employees such other evidence or information as they may require with respect to any such expense or disbursement charged by them. All such information shall be retained by the Parties for at least four (4) years following termination of this Agreement, and they shall have access to such information during the four-year period for the purposes of examination or audit.

24. Equal Opportunity Employment. The Parties represent that they are equal opportunity employers and they shall not discriminate against any employee or applicant of reemployment because of race, religion, color, national origin, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

25. Governing Law. This Agreement shall be governed by and construed with the laws of the State of California.

26. Attorneys' Fees. If either party commences an action against the other party arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorneys' fees and costs of suit.

27. Time of Essence. Time is of the essence for each and every provision of this Agreement.

28. Headings. Article and Section Headings, paragraph captions or marginal headings contained in this Agreement are for convenience only and shall have no effect in the construction or interpretation of any provision herein.

29. Public Acknowledgement. The AGENCY agrees that all public notices, news releases, information signs and other forms of communication shall indicate that the Project is being cooperatively funded by the AGENCY and WRCOG TUMF Program Funds.

30. No Joint Venture. This Agreement is for funding purposes only and nothing herein shall be construed to make WRCOG a party to the construction of the Project or to make it a partner or joint venture with the AGENCY for such purpose.

31. Compliance With the Law. The AGENCY shall comply with all applicable laws, rules and regulations governing the implementation of the Qualifying Project, including, where applicable, the rules and regulations pertaining to the participation of businesses owned or controlled by minorities and women promulgated by the Federal Highway Administration and the Federal Department of Transportation.

32. Notices. All notices hereunder and communications regarding interpretation of the terms of this Agreement or changes thereto shall be provided by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

If to AGENCY: Riverside Transit Agency
 1825 Third Street
 Riverside, California 92507
 Attention: Vince Rouzard, Chief Procurement & Logistics Officer
 Telephone: (951) 565-5180
 Facsimile: (951) 565-5181

If to WRCOG: Western Riverside Council of Governments
 Riverside County Administrative Center
 4080 Lemon Street, Third Floor
 Riverside, California 92501-3609
 Attention: Christopher Gray, Director of Transportation
 Telephone: (951) 955-8304
 Facsimile: (951) 787-7991

Any notice so given shall be considered served on the other party three (3) days after deposit in the U.S. mail, first class postage prepaid, return receipt requested, and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred regardless of the method of service.

33. Integration; Amendment. This Agreement contains the entire agreement between the PARTIES. Any agreement or representation respecting matters addressed herein that are not expressly set forth in this Agreement is null and void. This Agreement may be amended only by mutual written agreement of the PARTIES.

34. Severability. If any term, provision, condition or covenant of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall not be affected thereby.

35. Conflicting Provisions. In the event that provisions of any attached appendices or exhibits conflict in any way with the provisions set forth in this Agreement, the language, terms and conditions contained in this Agreement shall control the actions and obligations of the Parties and the interpretation of the Parties' understanding concerning the Agreement.

36. Independent Contractors. Any person or entities retained by the AGENCY or any contractor shall be retained on an independent contractor basis and shall not be employees of WRCOG. Any personnel performing services on the Project shall at all times be under the exclusive direction and control of the AGENCY or contractor, whichever is applicable. The AGENCY or contractor shall pay all wages, salaries and other amounts due such personnel in connection with their performance of services on the Project and as required by law. The AGENCY or consultant shall be responsible for all reports and obligations respecting such personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance and workers' compensation insurance.

37. Effective Date. This Agreement shall not be effective until executed by both Parties. The failure of one party to execute this Agreement within forty-five (45) days of the other party executing this Agreement shall render any execution of this Agreement ineffective.

38. No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives to be effective on the day and year first above-written.

**WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS**

RIVERSIDE TRANSIT AGENCY

By: _____ Date: _____
Rick Bishop
Executive Director

By: _____ Date: _____
Larry Rubio
Chief Executive Officer

Approved to Form:

Approved to Form:

By: _____ Date: _____
Steven C. DeBaun
General Counsel

By: _____ Date: _____
James M. Donich
General Counsel

EXHIBIT “A”

SCOPE OF WORK

SCOPE OF WORK: This project generally consists of the planning, engineering, design, construction management, and construction of the UCR Mobility Hub. The project shall include a bus concourse and arrival platform, sheltered waiting area, an information kiosk, six bus embarkation spaces, safe and accessible pathways to the facility, ADA improvements to existing pathways to improve connectivity to campus and reconfiguration of existing parking lot 19 to include a paved bus loop. This project will also include bicycle parking and a Bicycle Repair Shop. Included in this project is the signalization of the intersection at University Ave. and Canyon Crest Rd. as is required by the City of Riverside for increased bicycle and pedestrian safety as well as better traffic control.

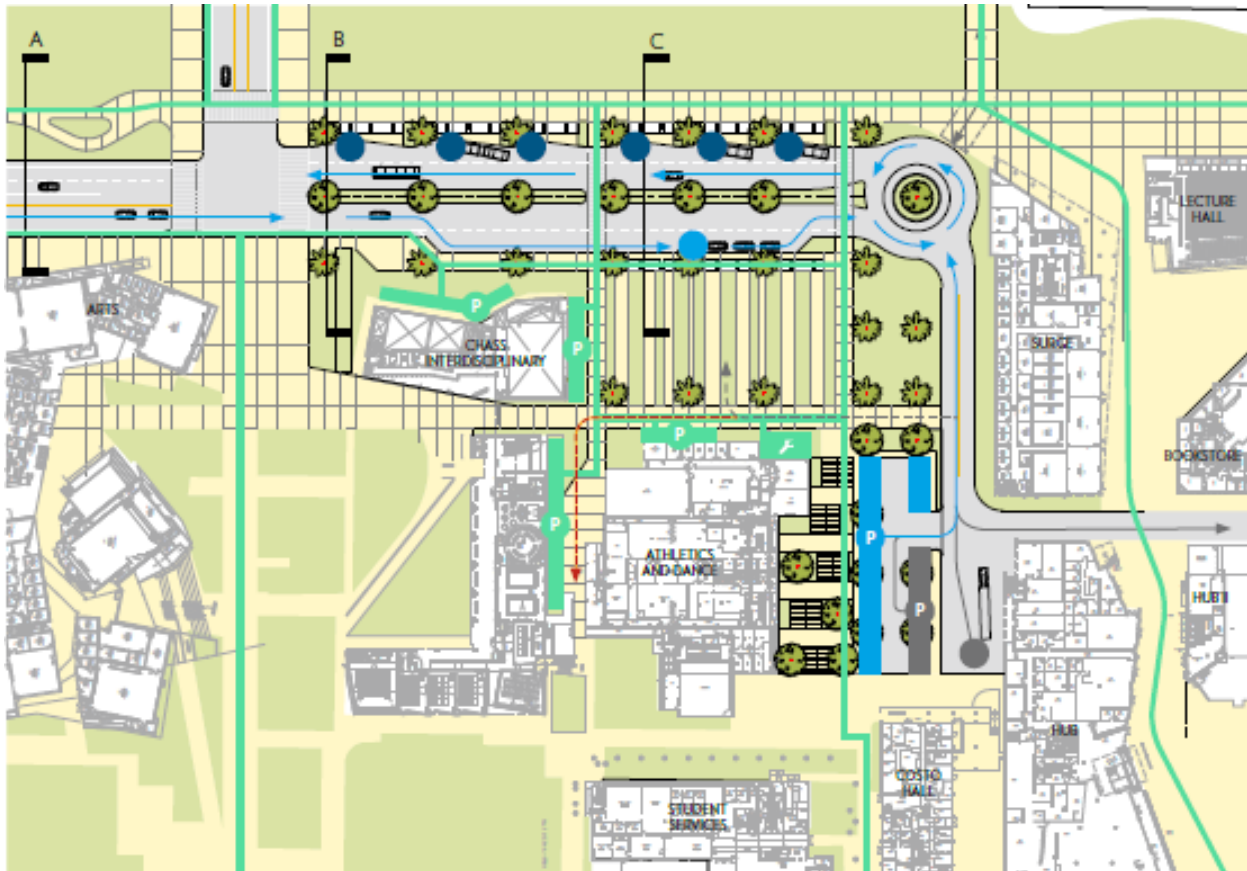


EXHIBIT “A-1”**ESTIMATE OF COST**

Phase	TUMF	RTA¹	TOTAL
Environmental	0	0	0²
Construction	\$3,457,468	\$1,492,532	\$4,950,000
TOTAL	\$3,457,468	\$1,492,532	\$4,950,000

1) Preliminary figure, subject to change. RTA contribution includes State and other funds.

2) Performed for RTA by UCR Staff.

EXHIBIT “A-2”
PROJECT SCHEDULE

TIMETABLE:

Phase	Estimated Completion Date	Estimated Cost	Comments
Environmental	07/30/2016	n/a	No cost anticipated to RTA, being completed for RTA by UCR staff.
Construction	06/30/2019	\$4,950,000	

EXHIBIT “A-3”**PROJECT TASKS**

Tasks	
Site Preparation	Included in the Total Cost
Roadways	Included in the Total Cost
Parking Lots	Included in the Total Cost
Pedestrian Paving	Included in the Total Cost
Site Development	Included in the Total Cost
Bicycle Parking and Repair Shop	Included in the Total Cost
Landscaping	Included in the Total Cost
Canopies 1A (9)	Included in the Total Cost
Storm Drainage	Included in the Total Cost
Transit Facility Lighting	Included in the Total Cost
Utility Relocations	Included in the Total Cost
Intersection Signaling	Included in the Total Cost
Bus Stop Furniture	Included in the Total Cost
Construction Management	Included in the Total Cost
RTA Oversight and Inspection	Included in the Total Cost
Total Project Implementation Cost	\$4,950,000
Maximum TUMF Share not to Exceed	\$3,457,468

Elements of Compensation

EXHIBIT “B”

PROCEDURES FOR SUBMITTAL, CONSIDERATION AND PAYMENT OF INVOICES

1. For professional services, WRCOG recommends that the AGENCY incorporate this Exhibit “B-1” into its contracts with any subcontractors to establish a standard method for preparation of invoices by contractors to the AGENCY and ultimately to WRCOG for reimbursement of AGENCY contractor costs.
2. Each month the AGENCY shall submit an invoice for eligible Project costs incurred during the preceding month. The original invoice shall be submitted to WRCOG’s Executive Director with a copy to WRCOG’s Project Coordinator. Each invoice shall be accompanied by a cover letter in a format substantially similar to that of Exhibit “B-2”.
3. For jurisdictions with large construction projects (with the total construction cost exceeding \$10 million) under construction at the same time, may with the approval of WRCOG submit invoices to WRCOG for payment at the same time they are received by the jurisdiction. WRCOG must receive the invoice by the 5th day of the month in order to process the invoice within 30 days. WRCOG will retain 10% of the invoice until all costs have been verified as eligible and will release the balance at regular intervals not more than quarterly and not less than semi-annually. If there is a discrepancy or ineligible costs that exceed 10% of the previous invoice WRCOG will deduct that amount from the next payment.
4. Each invoice shall include documentation from each contractor used by the AGENCY for the Project, listing labor costs, subcontractor costs, and other expenses. Each invoice shall also include a monthly progress report and spreadsheets showing the hours or amounts expended by each contractor or subcontractor for the month and for the entire Project to date. Samples of acceptable task level documentation and progress reports are attached as Exhibits “B-4” and “B-5”. All documentation from the Agency’s contractors should be accompanied by a cover letter in a format substantially similar to that of Exhibit “B-3”.
5. If the AGENCY is seeking reimbursement for direct expenses incurred by AGENCY staff for eligible Project costs, the AGENCY shall provide the same level of information for its labor and any expenses as required of its contractors pursuant to Exhibit “B” and its attachments.
6. Charges for each task and milestone listed in Exhibit “A” shall be listed separately in the invoice.
7. Each invoice shall include a certification signed by the AGENCY Representative or his or her designee which reads as follows:

"I hereby certify that the hours and salary rates submitted for reimbursement in this invoice are the actual hours and rates worked and paid to the contractors or subcontractors listed.

Signed _____

Title _____

Date _____

Invoice No. _____

8. WRCOG will pay the AGENCY within 30 days after receipt by WRCOG of an invoice. If WRCOG disputes any portion of an invoice, payment for that portion will be withheld, without interest, pending resolution of the dispute, but the uncontested balance will be paid.
9. The final payment under this Agreement will be made only after: (I) the AGENCY has obtained a Release and Certificate of Final Payment from each contractor or subcontractor used on the Project; (ii) the AGENCY has executed a Release and Certificate of Final Payment; and (iii) the AGENCY has provided copies of each such Release to WRCOG.

EXHIBIT “B-1”
[Sample for Professional Services]

For the satisfactory performance and completion of the Services under this Agreement, Agency will pay the Contractor compensation as set forth herein. The total compensation for this service shall not exceed (____INSERT WRITTEN DOLLAR AMOUNT____) (\$__INSERT NUMERICAL DOLLAR AMOUNT__) without written approval of Agency’s City Manager [or applicable position] (“Total Compensation”).

1. ELEMENTS OF COMPENSATION.

Compensation for the Services will be comprised of the following elements: 1.1 Direct Labor Costs; 1.2 Fixed Fee; and 1.3 Additional Direct Costs.

1.1 DIRECT LABOR COSTS.

Direct Labor costs shall be paid in an amount equal to the product of the Direct Salary Costs and the Multiplier which are defined as follows:

1.1.1 DIRECT SALARY COSTS

Direct Salary Costs are the base salaries and wages actually paid to the Contractor's personnel directly engaged in performance of the Services under the Agreement. (The range of hourly rates paid to the Contractor's personnel appears in Section 2 below.)

1.1.2 MULTIPLIER

The Multiplier to be applied to the Direct Salary Costs to determine the Direct Labor Costs is _____, and is the sum of the following components:

1.1.2.1 Direct Salary Costs _____

1.1.2.2 Payroll Additives _____

The Decimal Ratio of Payroll Additives to Direct Salary Costs. Payroll Additives include all employee benefits, allowances for vacation, sick leave, and holidays, and company portion of employee insurance and social and retirement benefits, all federal and state payroll taxes, premiums for insurance which are measured by payroll costs, and other contributions and benefits imposed by applicable laws and regulations.

1.1.2.3 Overhead Costs _____

The Decimal Ratio of Allowable Overhead Costs to the Contractor Firm's Total Direct Salary Costs. Allowable Overhead Costs include general, administrative and overhead costs of maintaining and operating established offices, and consistent with established firm policies, and as defined in the Federal Acquisitions Regulations, Part 31.2.

Total Multiplier
(sum of 1.1.2.1, 1.1.2.2, and 1.1.2.3) _____

1.2 FIXED FEE.

1.2.1 The fixed fee is \$_____.

1.2.2 A pro-rata share of the Fixed Fee shall be applied to the total Direct Labor Costs expended for services each month, and shall be included on each monthly invoice.

1.3 ADDITIONAL DIRECT COSTS.

Additional Direct Costs directly identifiable to the performance of the services of this Agreement shall be reimbursed at the rates below, or at actual invoiced cost.

Rates for identified Additional Direct Costs are as follows:

<u>ITEM</u>	<u>REIMBURSEMENT RATE</u>
	<u>[__insert charges__]</u>
Per Diem	\$ /day
Car mileage	\$ /mile
Travel	\$ /trip
Computer Charges	\$ /hour
Photocopies	\$ /copy
Blueline	\$ /sheet
LD Telephone	\$ /call
Fax	\$ /sheet
Photographs	\$ /sheet

Travel by air and travel in excess of 100 miles from the Contractor's office nearest to Agency's office must have Agency's prior written approval to be reimbursed under this Agreement.

2. DIRECT SALARY RATES

Direct Salary Rates, which are the range of hourly rates to be used in determining Direct Salary Costs in Section 1.1.1 above, are given below and are subject to the following:

- 2.1 Direct Salary Rates shall be applicable to both straight time and overtime work, unless payment of a premium for overtime work is required by law, regulation or craft agreement, or is otherwise specified in this Agreement. In such event, the premium portion of Direct Salary Costs will not be subject to the Multiplier defined in Paragraph 1.1.2 above.
- 2.2 Direct Salary Rates shown herein are in effect for one year following the effective date of the Agreement. Thereafter, they may be adjusted annually to reflect the Contractor's adjustments to individual compensation. The Contractor shall notify Agency in writing prior to a change in the range of rates included herein, and prior to each subsequent change.

<u>POSITION OR CLASSIFICATION</u>	<u>RANGE OF HOURLY RATES</u>
-----------------------------------	------------------------------

[sample]

Principal	\$.00 - \$.00/hour
Project Manager	\$.00 - \$.00/hour
Sr. Engineer/Planner	\$.00 - \$.00/hour
Project Engineer/Planner	\$.00 - \$.00/hour
Assoc. Engineer/Planner	\$.00 - \$.00/hour
Technician	\$.00 - \$.00/hour
Drafter/CADD Operator	\$.00 - \$.00/hour
Word Processor	\$.00 - \$.00/hour

- 2.3 The above rates are for the Contractor only. All rates for subcontractors to the Contractor will be in accordance with the Contractor's cost proposal.

3. INVOICING.

- 3.1 Each month the Contractor shall submit an invoice for Services performed during the preceding month. The original invoice shall be submitted to Agency's Executive Director with two (2) copies to Agency's Project Coordinator.
- 3.2 Charges shall be billed in accordance with the terms and rates included herein, unless otherwise agreed in writing by Agency's Representative.
- 3.3 Base Work and Extra Work shall be charged separately, and the charges for each task and Milestone listed in the Scope of Services, shall be listed separately. The charges for each individual assigned by the Contractor under this Agreement shall be listed separately on an attachment to the invoice.

- 3.4 A charge of \$500 or more for any one item of Additional Direct Costs shall be accompanied by substantiating documentation satisfactory to Agency such as invoices, telephone logs, etc.
- 3.5 Each copy of each invoice shall be accompanied by a Monthly Progress Report and spreadsheets showing hours expended by task for each month and total project to date.
- 3.6 If applicable, each invoice shall indicate payments to DBE subcontractors or supplies by dollar amount and as a percentage of the total invoice.
- 3.7 Each invoice shall include a certification signed by the Contractor's Representative or an officer of the firm which reads as follows:

I hereby certify that the hours and salary rates charged in this invoice are the actual hours and rates worked and paid to the employees listed.

Signed _____
 Title _____
 Date _____
 Invoice No. _____

4. PAYMENT

- 4.1 Agency shall pay the Contractor within four to six weeks after receipt by Agency of an original invoice. Should Agency contest any portion of an invoice, that portion shall be held for resolution, without interest, but the uncontested balance shall be paid.
- 4.2 The final payment for Services under this Agreement will be made only after the Contractor has executed a Release and Certificate of Final Payment.

EXHIBIT B-2
Sample Cover Letter to WRCOG

Date
 Western Riverside Council of Governments
 Riverside County Administrative Center
 4080 Lemon Street, Third Floor
 Riverside, California 92501-3679
 Attention: Deputy Executive Director
 ATTN: Accounts Payable

Re: Project Title - Invoice #__

Enclosed for your review and payment approval is the AGENCY's invoice for professional and technical services that was rendered by our contractors in connection with the 2002 Measure "A" Local Streets and Roads Funding per Agreement No. _____ effective (Month/Day/Year). The required support documentation received from each contractor is included as backup to the invoice.

Invoice period covered is from Month/Date/Year to Month/Date/Year.

Total Authorized Agreement Amount:	\$0,000,000.00
Total Invoiced to Date:	\$0,000,000.00
Total Previously Invoiced:	\$0,000,000.00
Balance Remaining:	\$0,000,000.00

Amount due this Invoice:	\$0,000,000.00 =====
---------------------------------	--------------------------------

I certify that the hours and salary rates charged in this invoice are the actual hours and rates worked and paid to the contractors listed.

By: _____
 Name
 Title

cc:

EXHIBIT B-3
Sample Letter from Contractor to AGENCY

Month/Date/Year

Western Riverside Council of Governments
 Riverside County Administrative Center
 4080 Lemon Street, Third Floor
 Riverside, California 92501-3679
 Attention: Deputy Executive Director
 Attn: Accounts Payable

Invoice # _____

For **[type of services]** rendered by **[contractor name]** in connection with **[name of project]**
 This is per agreement No. XX-XX-XXX effective Month/Date/Year.

Invoice period covered is from Month/Date/Year to Month/Date/Year.

Total Base Contract Amount:	\$000,000.00
Authorized Extra Work (if Applicable)	\$000,000.00

TOTAL AUTHORIZED CONTRACT AMOUNT:	\$000,000.00
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Total Invoice to Date:	\$000,000.00
Total Previously Billed:	\$000,000.00
Balance Remaining:	\$000,000.00

Amount Due this Invoice:	\$000,000.00
	=====

I certify that the hours and salary rates charged in this invoice are the actual hours and rates worked and paid to the employees listed,

By: _____
 Name
 Title

**EXHIBIT B-4
SAMPLE TASK SUMMARY SCHEDULE
(OPTIONAL)**

EXHIBIT B-5
Sample Progress Report

REPORTING PERIOD: Month/Date/Year to Month/Date/Year
 PROGRESS REPORT: #1

A. Activities and Work Completed during Current Work Periods

TASK 01 – 100% PS&E SUBMITTAL

1. Responded to Segment 1 comments from Department of Transportation
2. Completed and submitted Segment 1 final PS&E

B. Current/Potential Problems Encountered & Corrective Action

Problems	Corrective Action
None	None

C. Work Planned Next Period

TASK 01 – 100% PS&E SUBMITTAL

1. Completing and to submit Traffic Signal and Electrical Design plans
2. Responding to review comments

Item 7.D

WRCOG Transportation Department
Activities Update

Attachment 2

Reimbursement Agreement with the
Riverside Transit Agency for the Twin
Cities / Promenade Mall Mobility Hub
Project

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**TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM
AGREEMENT TO REIMBURSE TUMF FUNDS**

TWIN CITIES/PROMENADE MALL MOBILITY HUB PROJECT

THIS REIMBURSEMENT AGREEMENT (“Agreement”) is entered into as of this day of ____, 20__, by and between the Western Riverside Council of Governments (“WRCOG”), a California joint powers authority and **RIVERSIDE TRANSIT AGENCY**, a California joint powers authority, (“AGENCY”). WRCOG and AGENCY are sometimes hereinafter referred to individually as “Party” and collectively as “Parties”.

RECITALS

A. WRCOG is the Administrator of the Transportation Uniform Mitigation Fee Program of Western Riverside County (“TUMF Program”).

B. WRCOG has identified and designated certain transportation improvement projects throughout Western Riverside County as projects of regional importance (“Qualifying Projects” or “Projects”). The Qualifying Projects are more specifically described in that certain WRCOG study titled “TUMF Nexus Study”, as may be amended from time to time. Qualifying Projects can have Regional or Zonal significance as further described in the TUMF Nexus Study.

C. The TUMF Program is funded by TUMF fees paid by new development in Western Riverside County (collectively, “TUMF Program Funds”). TUMF Program Funds are held in trust by WRCOG for the purpose of funding the Qualifying Projects.

D. The AGENCY proposes to implement a Qualifying Project, and it is the purpose of this Agreement to identify the project and to set forth the terms and conditions by which WRCOG will release TUMF Program Funds.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and subject to the conditions contained herein, the Parties hereby agree as follows:

1. Description of the Qualifying Project. This Agreement is intended to distribute TUMF Program Funds to the AGENCY for the **TWIN CITIES/PROMENADE MALL MOBILITY HUB PROJECT** (the “Project”), a Qualifying Project. The Work, including a timetable and a detailed scope of work, is more fully described in Exhibit “A” attached hereto and incorporated herein by reference and, pursuant to Section 20 below, is subject to modification if requested by the AGENCY and approved by WRCOG. The work shall be consistent with one or more of the defined WRCOG Call for Projects phases detailed herein as follows:

4) CON – Construction

2. WRCOG Funding Amount. WRCOG hereby agrees to distribute to AGENCY, on the terms and conditions set forth herein, a sum not to exceed **One Million, Six Hundred**

Ninety-Two Thousand, Seven Hundred Ninety-Seven Dollars (\$1,692,797), to be used for reimbursing the AGENCY for eligible Project expenses as described in Section 3 herein (“Funding Amount”). The Parties acknowledge and agree that the Funding Amount may be less than the actual cost of the Project. Nevertheless, the Parties acknowledge and agree that WRCOG shall not be obligated to contribute TUMF Program Funds in excess of the maximum TUMF share identified in the TUMF Nexus Study (“Maximum TUMF Share”), as may be amended from time to time.

3. Project Costs Eligible for Advance/Reimbursement. The total Project costs (“Total Project Cost”) may include the following items, provided that such items are included in the scope of work attached hereto as Exhibit “A” (“Scope of Work”): (1) AGENCY and/or consultant costs associated with direct Project coordination and support; (2) funds expended in preparation of preliminary engineering studies; (3) funds expended for preparation of environmental review documentation for the Project; (4) all costs associated with right-of-way acquisition, including right-of-way engineering, appraisal, acquisition, legal costs for condemnation procedures if authorized by the AGENCY, and costs of reviewing appraisals and offers for property acquisition; (5) costs reasonably incurred if condemnation proceeds; (6) costs incurred in the preparation of plans, specifications, and estimates by AGENCY or consultants; (7) AGENCY costs associated with bidding, advertising and awarding of the Project contracts; (8) construction costs, including change orders to construction contract approved by the AGENCY; (9) construction management, field inspection and material testing costs; and (10) any AGENCY administrative cost to deliver the Project.

4. Ineligible Project Costs. The Total Project Cost shall not include the following items which shall be borne solely by the AGENCY without reimbursement: (1) any AGENCY administrative fees attributed to the reviewing and processing of the Project; and (2) expenses for items of work not included within the Scope of Work in Exhibit “A”.

5. Procedures for Distribution of TUMF Program Funds to AGENCY.

(a) Initial Payment by the AGENCY. The AGENCY shall be responsible for initial payment of all the Project costs as they are incurred. Following payment of such Project costs, the AGENCY shall submit invoices to WRCOG requesting reimbursement of eligible Project costs. Each invoice shall be accompanied by detailed contractor invoices, or other demands for payment addressed to the AGENCY, and documents evidencing the AGENCY’s payment of the invoices or demands for payment. Documents evidencing the AGENCY’S payment of the invoices shall be retained for four (4) years and shall be made available for review by WRCOG. The AGENCY shall submit invoices not more often than monthly and not less often than quarterly.

(b) Review and Reimbursement by WRCOG. Upon receipt of an invoice from the AGENCY, WRCOG may request additional documentation or explanation of the Project costs for which reimbursement is sought. Undisputed amounts shall be paid by WRCOG to the AGENCY within thirty (30) days. In the event that WRCOG disputes the eligibility of the AGENCY for reimbursement of all or a portion of an invoiced amount, the Parties shall meet and confer in an attempt to resolve the dispute. If the meet and confer process is unsuccessful in resolving the dispute, the AGENCY may appeal WRCOG’s decision as to the eligibility of one

or more invoices to WRCOG's Executive Director. The WRCOG Executive Director shall provide his/her decision in writing. If the AGENCY disagrees with the Executive Director's decision, the AGENCY may appeal the decision of the Executive Director to the full WRCOG Executive Committee, provided the AGENCY submits its request for appeal to WRCOG within ten (10) days of the Executive Director's written decision. The decision of the WRCOG Executive Committee shall be final. Additional details concerning the procedure for the AGENCY's submittal of invoices to WRCOG and WRCOG's consideration and payment of submitted invoices are set forth in Exhibit "B", attached hereto and incorporated herein by reference.

(c) Funding Amount/Adjustment. If a post Project audit or review indicates that WRCOG has provided reimbursement to the AGENCY in an amount in excess of the Maximum TUMF Share of the Project, or has provided reimbursement of ineligible Project costs, the AGENCY shall reimburse WRCOG for the excess or ineligible payments within 30 days of notification by WRCOG.

6. Increases in Project Funding. The Funding Amount may, in WRCOG's sole discretion, be augmented with additional TUMF Program Funds if the TUMF Nexus Study is amended to increase the maximum eligible TUMF share for the Project. Any such increase in the Funding Amount must be approved in writing by WRCOG's Executive Director. In no case shall the amount of TUMF Program Funds allocated to the AGENCY exceed the then-current maximum eligible TUMF share for the Project. No such increased funding shall be expended to pay for any Project already completed. For purposes of this Agreement, the Project or any portion thereof shall be deemed complete upon its acceptance by WRCOG's Executive Director which shall be communicated to the AGENCY in writing.

7. No Funding for Temporary Improvements. Only segments or components of the construction that are intended to form part of or be integrated into the Project may be funded by TUMF Program Funds. No improvement which is temporary in nature, including but not limited to temporary roads, curbs, tapers or drainage facilities, shall be funded with TUMF Program Funds, except as needed for staged construction of the Project.

8. AGENCY's Funding Obligation to Complete the Project. In the event that the TUMF Program Funds allocated to the Project represent less than the total cost of the Project, the AGENCY shall provide such additional funds as may be required to complete the Project.

9. AGENCY's Obligation to Repay TUMF Program Funds to WRCOG; Exception For PA&ED Phase Work. Except as otherwise expressly excepted within this paragraph, in the event that: (i) the AGENCY, for any reason, determines not to proceed with or complete the Project; or (ii) the Project is not timely completed, subject to any extension of time granted by WRCOG pursuant to the terms of this Agreement; the AGENCY agrees that any TUMF Program Funds that were distributed to the AGENCY for the Project shall be repaid in full to WRCOG, and the Parties shall enter into good faith negotiations to establish a reasonable repayment schedule and repayment mechanism. If the Project involves work pursuant to a PA&ED phase, AGENCY shall not be obligated to repay TUMF Program Funds to WRCOG relating solely to PA&ED phase work performed for the Project.

10. AGENCY's Local Match Contribution. AGENCY shall provide at least **One Million, Three Hundred Fifty Seven Thousand, Six Hundred and Sixty Dollars (\$1,357,660)** of funding toward the Work, as shown in Exhibit "A" and as called out in the AGENCY's Project Nomination Form submitted to WRCOG in response to its Call for Projects.

11. Term/Notice of Completion. The term of this Agreement shall be from the date first herein above written until the earlier of the following: (i) the date WRCOG formally accepts the Project as complete, pursuant to Section 6; (ii) termination of this Agreement pursuant to Section 15; or (iii) the AGENCY has fully satisfied its obligations under this Agreement. All applicable indemnification provisions of this Agreement shall remain in effect following the termination of this Agreement.

12. Representatives of the Parties. WRCOG's Executive Director, or his or her designee, shall serve as WRCOG's representative and shall have the authority to act on behalf of WRCOG for all purposes under this Agreement. The AGENCY hereby designates the **Chief Executive Officer**, or his or her designee, as the AGENCY's representative to WRCOG. The AGENCY's representative shall have the authority to act on behalf of the AGENCY for all purposes under this Agreement and shall coordinate all activities of the Project under the AGENCY's responsibility. The AGENCY shall work closely and cooperate fully with WRCOG's representative and any other agencies which may have jurisdiction over or an interest in the Project.

13. Expenditure of Funds by AGENCY Prior to Execution of Agreement. Nothing in this Agreement shall be construed to prevent or preclude the AGENCY from expending funds on the Project prior to the execution of the Agreement, or from being reimbursed by WRCOG for such expenditures. However, the AGENCY understands and acknowledges that any expenditure of funds on the Project prior to the execution of the Agreement is made at the AGENCY's sole risk, and that some expenditures by the AGENCY may not be eligible for reimbursement under this Agreement.

14. Review of Services. The AGENCY shall allow WRCOG's Representative to inspect or review the progress of the Project at any reasonable time in order to determine whether the terms of this Agreement are being met.

15. Termination.

(a) Notice. Either WRCOG or AGENCY may, by written notice to the other party, terminate this Agreement, in whole or in part, in response to a material breach hereof by the other Party, by giving written notice to the other party of such termination and specifying the effective date thereof. The written notice shall provide a 30 day period to cure any alleged breach. During the 30 day cure period, the Parties shall discuss, in good faith, the manner in which the breach can be cured.

(b) Effect of Termination. In the event that the AGENCY terminates this Agreement, the AGENCY shall, within 180 days, repay to WRCOG any unexpended TUMF Program Funds provided to the AGENCY under this Agreement and shall complete any portion or segment of work for the Project for which TUMF Program Funds have been provided. In the

event that WRCOG terminates this Agreement, WRCOG shall, within 90 days, distribute to the AGENCY TUMF Program Funds in an amount equal to the aggregate total of all unpaid invoices which have been received from the AGENCY regarding the Project at the time of the notice of termination; provided, however, that WRCOG shall be entitled to exercise its rights under Section 5(b), including but not limited to conducting a review of the invoices and requesting additional information. Upon such termination, the AGENCY shall, within 180 days, complete any portion or segment of work for the Project for which TUMF Program Funds have been provided. This Agreement shall terminate upon receipt by the non-terminating Party of the amounts due to it hereunder and upon completion of the segment or portion of Project work for which TUMF Program Funds have been provided.

(c) Cumulative Remedies. The rights and remedies of the Parties provided in this Section are in addition to any other rights and remedies provided by law or under this Agreement.

16. Prevailing Wages. The AGENCY and any other person or entity hired to perform services on the Project are alerted to the requirements of California Labor Code Sections 1770 et seq., which would require the payment of prevailing wages were the services or any portion thereof determined to be a public work, as defined therein. The AGENCY shall ensure compliance with these prevailing wage requirements by any person or entity hired to perform the Project. The AGENCY shall defend, indemnify, and hold harmless WRCOG, its officers, employees, consultants, and agents from any claim or liability, including without limitation attorneys, fees, arising from its failure or alleged failure to comply with California Labor Code Sections 1770 et seq.

17. Progress Reports. WRCOG may request the AGENCY to provide WRCOG with progress reports concerning the status of the Project.

18. Indemnification.

(a) AGENCY Responsibilities. In addition to the indemnification required under Section 16, the AGENCY agrees to indemnify and hold harmless WRCOG, its officers, agents, consultants, and employees from any and all claims, demands, costs or liability arising from or connected with all activities governed by this Agreement including all design and construction activities, due to negligent acts, errors or omissions or willful misconduct of the AGENCY or its subcontractors. The AGENCY will reimburse WRCOG for any expenditures, including reasonable attorneys' fees, incurred by WRCOG, in defending against claims ultimately determined to be due to negligent acts, errors or omissions or willful misconduct of the AGENCY.

(b) WRCOG Responsibilities. WRCOG agrees to indemnify and hold harmless the AGENCY, its officers, agents, consultants, and employees from any and all claims, demands, costs or liability arising from or connected with all activities governed by this Agreement including all design and construction activities, due to negligent acts, errors or omissions or willful misconduct of WRCOG or its sub-consultants. WRCOG will reimburse the AGENCY for any expenditures, including reasonable attorneys' fees, incurred by the AGENCY,

in defending against claims ultimately determined to be due to negligent acts, errors or omissions or willful misconduct of WRCOG.

(c) Effect of Acceptance. The AGENCY shall be responsible for the professional quality, technical accuracy and the coordination of any services provided to complete the Project. WRCOG's review, acceptance or funding of any services performed by the AGENCY or any other person or entity under this Agreement shall not be construed to operate as a waiver of any rights WRCOG may hold under this Agreement or of any cause of action arising out of this Agreement. Further, the AGENCY shall be and remain liable to WRCOG, in accordance with applicable law, for all damages to WRCOG caused by the AGENCY's negligent performance of this Agreement or supervision of any services provided to complete the Project.

19. Insurance. The AGENCY shall require, at a minimum, all persons or entities hired to perform the Project to obtain, and require their subcontractors to obtain, insurance of the types and in the amounts described below and satisfactory to the AGENCY and WRCOG. Such insurance shall be maintained throughout the term of this Agreement, or until completion of the Project, whichever occurs last.

(a) Commercial General Liability Insurance. Occurrence version commercial general liability insurance or equivalent form with a combined single limit of not less than \$1,000,000.00 per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to the Project or be no less than two times the occurrence limit. Such insurance shall:

(i) Name WRCOG and AGENCY, and their respective officials, officers, employees, agents, and consultants as insured with respect to performance of the services on the Project and shall contain no special limitations on the scope of coverage or the protection afforded to these insured;

(ii) Be primary with respect to any insurance or self-insurance programs covering WRCOG and AGENCY, and/or their respective officials, officers, employees, agents, and consultants; and

(iii) Contain standard separation of insured provisions.

(b) Business Automobile Liability Insurance. Business automobile liability insurance or equivalent form with a combined single limit of not less than \$1,000,000.00 per occurrence. Such insurance shall include coverage for owned, hired and non-owned automobiles.

(c) Professional Liability Insurance. Errors and omissions liability insurance with a limit of not less than \$1,000,000.00 Professional liability insurance shall only be required of design or engineering professionals.

(d) Workers' Compensation Insurance. Workers' compensation insurance with statutory limits and employers' liability insurance with limits of not less than \$1,000,000.00 each accident.

20. Project Amendments. Changes to the characteristics of the Project, including the deadline for Project completion, and any responsibilities of the AGENCY or WRCOG may be requested in writing by the AGENCY and are subject to the approval of WRCOG's Representative, which approval will not be unreasonably withheld, provided that extensions of time for completion of the Project shall be approved in the sole discretion of WRCOG's Representative. Nothing in this Agreement shall be construed to require or allow completion of the Project without full compliance with the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*; "CEQA") and the National Environmental Policy Act of 1969 (42 USC 4231 *et seq.*), if applicable, but the necessity of compliance with CEQA and/or NEPA shall not justify, excuse, or permit a delay in completion of the Project.

21. Conflict of Interest. For the term of this Agreement, no member, officer or employee of the AGENCY or WRCOG, during the term of his or her service with the AGENCY or WRCOG, as the case may be, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

22. Limited Scope of Duties. WRCOG's and the AGENCY's duties and obligations under this Agreement are limited to those described herein. WRCOG has no obligation with respect to the safety of any Project performed at a job site. In addition, WRCOG shall not be liable for any action of AGENCY or its contractors relating to the condemnation of property undertaken by AGENCY or construction related to the Project.

23. Books and Records. Each party shall maintain complete, accurate, and clearly identifiable records with respect to costs incurred for the Project under this Agreement. They shall make available for examination by the other party, its authorized agents, officers or employees any and all ledgers and books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or related to the expenditures and disbursements charged to the other party pursuant to this Agreement. Further, each party shall furnish to the other party, its agents or employees such other evidence or information as they may require with respect to any such expense or disbursement charged by them. All such information shall be retained by the Parties for at least four (4) years following termination of this Agreement, and they shall have access to such information during the four-year period for the purposes of examination or audit.

24. Equal Opportunity Employment. The Parties represent that they are equal opportunity employers and they shall not discriminate against any employee or applicant of reemployment because of race, religion, color, national origin, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

25. Governing Law. This Agreement shall be governed by and construed with the laws of the State of California.

26. Attorneys' Fees. If either party commences an action against the other party arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorneys' fees and costs of suit.

27. Time of Essence. Time is of the essence for each and every provision of this Agreement.

28. Headings. Article and Section Headings, paragraph captions or marginal headings contained in this Agreement are for convenience only and shall have no effect in the construction or interpretation of any provision herein.

29. Public Acknowledgement. The AGENCY agrees that all public notices, news releases, information signs and other forms of communication shall indicate that the Project is being cooperatively funded by the AGENCY and WRCOG TUMF Program Funds.

30. No Joint Venture. This Agreement is for funding purposes only and nothing herein shall be construed to make WRCOG a party to the construction of the Project or to make it a partner or joint venture with the AGENCY for such purpose.

31. Compliance With the Law. The AGENCY shall comply with all applicable laws, rules and regulations governing the implementation of the Qualifying Project, including, where applicable, the rules and regulations pertaining to the participation of businesses owned or controlled by minorities and women promulgated by the Federal Highway Administration and the Federal Department of Transportation.

32. Notices. All notices hereunder and communications regarding interpretation of the terms of this Agreement or changes thereto shall be provided by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

If to AGENCY: Riverside Transit Agency
 1825 Third Street
 Riverside, California 92507
 Attention: Vince Rouzard, Chief Procurement & Logistics Officer
 Telephone: (951) 565-5180
 Facsimile: (951) 565-5181

If to WRCOG: Western Riverside Council of Governments
 Riverside County Administrative Center
 4080 Lemon Street, Third Floor
 Riverside, California 92501-3609
 Attention: Christopher Gray, Director of Transportation
 Telephone: (951) 955-8304
 Facsimile: (951) 787-7991

Any notice so given shall be considered served on the other party three (3) days after deposit in the U.S. mail, first class postage prepaid, return receipt requested, and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred regardless of the method of service.

33. Integration; Amendment. This Agreement contains the entire agreement between the PARTIES. Any agreement or representation respecting matters addressed herein that are not expressly set forth in this Agreement is null and void. This Agreement may be amended only by mutual written agreement of the PARTIES.

34. Severability. If any term, provision, condition or covenant of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall not be affected thereby.

35. Conflicting Provisions. In the event that provisions of any attached appendices or exhibits conflict in any way with the provisions set forth in this Agreement, the language, terms and conditions contained in this Agreement shall control the actions and obligations of the Parties and the interpretation of the Parties' understanding concerning the Agreement.

36. Independent Contractors. Any person or entities retained by the AGENCY or any contractor shall be retained on an independent contractor basis and shall not be employees of WRCOG. Any personnel performing services on the Project shall at all times be under the exclusive direction and control of the AGENCY or contractor, whichever is applicable. The AGENCY or contractor shall pay all wages, salaries and other amounts due such personnel in connection with their performance of services on the Project and as required by law. The AGENCY or consultant shall be responsible for all reports and obligations respecting such personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance and workers' compensation insurance.

37. Effective Date. This Agreement shall not be effective until executed by both Parties. The failure of one party to execute this Agreement within forty-five (45) days of the other party executing this Agreement shall render any execution of this Agreement ineffective.

38. No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives to be effective on the day and year first above-written.

**WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS**

RIVERSIDE TRANSIT AGENCY

By: _____ Date: _____
Rick Bishop
Executive Director

By: _____ Date: _____
Larry Rubio
Chief Executive Officer

Approved to Form:

Approved to Form:

By: _____ Date: _____
Steven C. DeBaun
General Counsel

By: _____ Date: _____
James M. Donich
General Counsel

EXHIBIT “A”

SCOPE OF WORK

SCOPE OF WORK: This project generally consists of the planning, engineering, design, construction management, and construction of the Promenade Mall Mobility Hub. The project shall include an extended bus concourse and arrival platform with three bus bays, a bus layover location, special pavement for the bus pullouts, sheltered waiting area with solar glass canopy, an information kiosk and an extended sidewalk to allow for safe and accessible pathways to the parking facility.



EXHIBIT “A-1”**ESTIMATE OF COST**

Phase	TUMF	RTA¹	TOTAL
Construction	\$1,692,797	\$1,357,660	\$3,050,457
TOTAL	\$1,692,797	\$1,357,660	\$3,050,457

1) Preliminary figure, subject to change. RTA contribution includes Federal, State and other funds.

EXHIBIT “A-2”
PROJECT SCHEDULE

TIMETABLE:

Phase	Estimated Completion Date	Estimated Cost¹	Comments
Construction	January 2019	\$ 3,050,457	

1) Preliminary figure, subject to change.

EXHIBIT “A-3”**PROJECT TASKS**

Tasks	
Site Preparation	Included in the Total Cost
Roadways	Included in the Total Cost
Parking Lots	Included in the Total Cost
Pedestrian Paving	Included in the Total Cost
Site Development	Included in the Total Cost
Landscaping	Included in the Total Cost
Canopy	Included in the Total Cost
Storm Drainage	Included in the Total Cost
Transit Facility Lighting	Included in the Total Cost
Utility Relocations	Included in the Total Cost
Bus Stop Furniture	Included in the Total Cost
Construction Management	Included in the Total Cost
RTA Oversight and Inspection	Included in the Total Cost
Total Project Implementation Cost	\$3,049,479
TUMF Contribution	\$1,691,819

Elements of Compensation

EXHIBIT “B”

PROCEDURES FOR SUBMITTAL, CONSIDERATION AND PAYMENT OF INVOICES

1. For professional services, WRCOG recommends that the AGENCY incorporate this Exhibit “B-1” into its contracts with any subcontractors to establish a standard method for preparation of invoices by contractors to the AGENCY and ultimately to WRCOG for reimbursement of AGENCY contractor costs.
2. Each month the AGENCY shall submit an invoice for eligible Project costs incurred during the preceding month. The original invoice shall be submitted to WRCOG’s Executive Director with a copy to WRCOG’s Project Coordinator. Each invoice shall be accompanied by a cover letter in a format substantially similar to that of Exhibit “B-2”.
3. For jurisdictions with large construction projects (with the total construction cost exceeding \$10 million) under construction at the same time, may with the approval of WRCOG submit invoices to WRCOG for payment at the same time they are received by the jurisdiction. WRCOG must receive the invoice by the 5th day of the month in order to process the invoice within 30 days. WRCOG will retain 10% of the invoice until all costs have been verified as eligible and will release the balance at regular intervals not more than quarterly and not less than semi-annually. If there is a discrepancy or ineligible costs that exceed 10% of the previous invoice WRCOG will deduct that amount from the next payment.
4. Each invoice shall include documentation from each contractor used by the AGENCY for the Project, listing labor costs, subcontractor costs, and other expenses. Each invoice shall also include a monthly progress report and spreadsheets showing the hours or amounts expended by each contractor or subcontractor for the month and for the entire Project to date. Samples of acceptable task level documentation and progress reports are attached as Exhibits “B-4” and “B-5”. All documentation from the Agency’s contractors should be accompanied by a cover letter in a format substantially similar to that of Exhibit “B-3”.
5. If the AGENCY is seeking reimbursement for direct expenses incurred by AGENCY staff for eligible Project costs, the AGENCY shall provide the same level of information for its labor and any expenses as required of its contractors pursuant to Exhibit “B” and its attachments.
6. Charges for each task and milestone listed in Exhibit “A” shall be listed separately in the invoice.
7. Each invoice shall include a certification signed by the AGENCY Representative or his or her designee which reads as follows:

"I hereby certify that the hours and salary rates submitted for reimbursement in this invoice are the actual hours and rates worked and paid to the contractors or subcontractors listed.

Signed _____

Title _____

Date _____

Invoice No. _____

8. WRCOG will pay the AGENCY within 30 days after receipt by WRCOG of an invoice. If WRCOG disputes any portion of an invoice, payment for that portion will be withheld, without interest, pending resolution of the dispute, but the uncontested balance will be paid.
9. The final payment under this Agreement will be made only after: (I) the AGENCY has obtained a Release and Certificate of Final Payment from each contractor or subcontractor used on the Project; (ii) the AGENCY has executed a Release and Certificate of Final Payment; and (iii) the AGENCY has provided copies of each such Release to WRCOG.

EXHIBIT “B-1”
[Sample for Professional Services]

For the satisfactory performance and completion of the Services under this Agreement, Agency will pay the Contractor compensation as set forth herein. The total compensation for this service shall not exceed (____INSERT WRITTEN DOLLAR AMOUNT____) (\$__INSERT NUMERICAL DOLLAR AMOUNT__) without written approval of Agency’s City Manager [or applicable position] (“Total Compensation”).

1. ELEMENTS OF COMPENSATION.

Compensation for the Services will be comprised of the following elements: 1.1 Direct Labor Costs; 1.2 Fixed Fee; and 1.3 Additional Direct Costs.

1.1 DIRECT LABOR COSTS.

Direct Labor costs shall be paid in an amount equal to the product of the Direct Salary Costs and the Multiplier which are defined as follows:

1.1.1 DIRECT SALARY COSTS

Direct Salary Costs are the base salaries and wages actually paid to the Contractor's personnel directly engaged in performance of the Services under the Agreement. (The range of hourly rates paid to the Contractor's personnel appears in Section 2 below.)

1.1.2 MULTIPLIER

The Multiplier to be applied to the Direct Salary Costs to determine the Direct Labor Costs is _____, and is the sum of the following components:

1.1.2.1 Direct Salary Costs _____

1.1.2.2 Payroll Additives _____

The Decimal Ratio of Payroll Additives to Direct Salary Costs. Payroll Additives include all employee benefits, allowances for vacation, sick leave, and holidays, and company portion of employee insurance and social and retirement benefits, all federal and state payroll taxes, premiums for insurance which are measured by payroll costs, and other contributions and benefits imposed by applicable laws and regulations.

1.1.2.3 Overhead Costs _____

The Decimal Ratio of Allowable Overhead Costs to the Contractor Firm's Total Direct Salary Costs. Allowable Overhead Costs include general, administrative and overhead costs of maintaining and operating established offices, and consistent with established firm policies, and as defined in the Federal Acquisitions Regulations, Part 31.2.

Total Multiplier
(sum of 1.1.2.1, 1.1.2.2, and 1.1.2.3) _____

1.2 FIXED FEE.

1.2.1 The fixed fee is \$_____.

1.2.2 A pro-rata share of the Fixed Fee shall be applied to the total Direct Labor Costs expended for services each month, and shall be included on each monthly invoice.

1.3 ADDITIONAL DIRECT COSTS.

Additional Direct Costs directly identifiable to the performance of the services of this Agreement shall be reimbursed at the rates below, or at actual invoiced cost.

Rates for identified Additional Direct Costs are as follows:

<u>ITEM</u>	<u>REIMBURSEMENT RATE</u>
	<u>[__insert charges__]</u>
Per Diem	\$ /day
Car mileage	\$ /mile
Travel	\$ /trip
Computer Charges	\$ /hour
Photocopies	\$ /copy
Blueline	\$ /sheet
LD Telephone	\$ /call
Fax	\$ /sheet
Photographs	\$ /sheet

Travel by air and travel in excess of 100 miles from the Contractor's office nearest to Agency's office must have Agency's prior written approval to be reimbursed under this Agreement.

2. DIRECT SALARY RATES

Direct Salary Rates, which are the range of hourly rates to be used in determining Direct Salary Costs in Section 1.1.1 above, are given below and are subject to the following:

- 2.1 Direct Salary Rates shall be applicable to both straight time and overtime work, unless payment of a premium for overtime work is required by law, regulation or craft agreement, or is otherwise specified in this Agreement. In such event, the premium portion of Direct Salary Costs will not be subject to the Multiplier defined in Paragraph 1.1.2 above.
- 2.2 Direct Salary Rates shown herein are in effect for one year following the effective date of the Agreement. Thereafter, they may be adjusted annually to reflect the Contractor's adjustments to individual compensation. The Contractor shall notify Agency in writing prior to a change in the range of rates included herein, and prior to each subsequent change.

<u>POSITION OR CLASSIFICATION</u>	<u>RANGE OF HOURLY RATES</u>
-----------------------------------	------------------------------

[sample]

Principal	\$.00 - \$.00/hour
Project Manager	\$.00 - \$.00/hour
Sr. Engineer/Planner	\$.00 - \$.00/hour
Project Engineer/Planner	\$.00 - \$.00/hour
Assoc. Engineer/Planner	\$.00 - \$.00/hour
Technician	\$.00 - \$.00/hour
Drafter/CADD Operator	\$.00 - \$.00/hour
Word Processor	\$.00 - \$.00/hour

- 2.3 The above rates are for the Contractor only. All rates for subcontractors to the Contractor will be in accordance with the Contractor's cost proposal.

3. INVOICING.

- 3.1 Each month the Contractor shall submit an invoice for Services performed during the preceding month. The original invoice shall be submitted to Agency's Executive Director with two (2) copies to Agency's Project Coordinator.
- 3.2 Charges shall be billed in accordance with the terms and rates included herein, unless otherwise agreed in writing by Agency's Representative.
- 3.3 Base Work and Extra Work shall be charged separately, and the charges for each task and Milestone listed in the Scope of Services, shall be listed separately. The charges for each individual assigned by the Contractor under this Agreement shall be listed separately on an attachment to the invoice.

- 3.4 A charge of \$500 or more for any one item of Additional Direct Costs shall be accompanied by substantiating documentation satisfactory to Agency such as invoices, telephone logs, etc.
- 3.5 Each copy of each invoice shall be accompanied by a Monthly Progress Report and spreadsheets showing hours expended by task for each month and total project to date.
- 3.6 If applicable, each invoice shall indicate payments to DBE subcontractors or supplies by dollar amount and as a percentage of the total invoice.
- 3.7 Each invoice shall include a certification signed by the Contractor's Representative or an officer of the firm which reads as follows:

I hereby certify that the hours and salary rates charged in this invoice are the actual hours and rates worked and paid to the employees listed.

Signed _____
 Title _____
 Date _____
 Invoice No. _____

4. PAYMENT

- 4.1 Agency shall pay the Contractor within four to six weeks after receipt by Agency of an original invoice. Should Agency contest any portion of an invoice, that portion shall be held for resolution, without interest, but the uncontested balance shall be paid.
- 4.2 The final payment for Services under this Agreement will be made only after the Contractor has executed a Release and Certificate of Final Payment.

EXHIBIT B-2
Sample Cover Letter to WRCOG

Date
Western Riverside Council of Governments
Riverside County Administrative Center
4080 Lemon Street, Third Floor
Riverside, California 92501-3679
Attention: Deputy Executive Director
ATTN: Accounts Payable

Re: Project Title - Invoice #__

Enclosed for your review and payment approval is the AGENCY’s invoice for professional and technical services that was rendered by our contractors in connection with the 2002 Measure “A” Local Streets and Roads Funding per Agreement No. _____ effective (Month/Day/Year) . The required support documentation received from each contractor is included as backup to the invoice.

Invoice period covered is from Month/Date/Year to Month/Date/Year .

Total Authorized Agreement Amount:	\$0,000,000.00
Total Invoiced to Date:	\$0,000,000.00
Total Previously Invoiced:	\$0,000,000.00
Balance Remaining:	\$0,000,000.00

Amount due this Invoice:	\$0,000,000.00 =====
---------------------------------	--------------------------------

I certify that the hours and salary rates charged in this invoice are the actual hours and rates worked and paid to the contractors listed.

By: _____
Name
Title

cc:

EXHIBIT B-3
Sample Letter from Contractor to AGENCY

Month/Date/Year

Western Riverside Council of Governments
Riverside County Administrative Center
4080 Lemon Street, Third Floor
Riverside, California 92501-3679
Attention: Deputy Executive Director
Attn: Accounts Payable

Invoice # _____

For **[type of services]** rendered by **[contractor name]** in connection with **[name of project]**
This is per agreement No. XX-XX-XXX effective Month/Date/Year.

Invoice period covered is from Month/Date/Year to Month/Date/Year.

Total Base Contract Amount:	\$000,000.00
Authorized Extra Work (if Applicable)	\$000,000.00

TOTAL AUTHORIZED CONTRACT AMOUNT:	\$000,000.00
 Total Invoice to Date:	 \$000,000.00
Total Previously Billed:	\$000,000.00
Balance Remaining:	\$000,000.00
 Amount Due this Invoice:	 \$000,000.00
	=====

I certify that the hours and salary rates charged in this invoice are the actual hours and rates worked and paid to the employees listed,

By: _____
Name
Title

**EXHIBIT B-4
SAMPLE TASK SUMMARY SCHEDULE
(OPTIONAL)**

EXHIBIT B-5
Sample Progress Report

REPORTING PERIOD: Month/Date/Year to Month/Date/Year
PROGRESS REPORT: #1

A. Activities and Work Completed during Current Work Periods

- TASK 01 – 100% PS&E SUBMITTAL
- 1. Responded to Segment 1 comments from Department of Transportation
 - 2. Completed and submitted Segment 1 final PS&E

B. Current/Potential Problems Encountered & Corrective Action

Problems	Corrective Action
None	None

C. Work Planned Next Period

- TASK 01 – 100% PS&E SUBMITTAL
- 1. Completing and to submit Traffic Signal and Electrical Design plans
 - 2. Responding to review comments

Item 7.D

WRCOG Transportation Department
Activities Update

Attachment 3

Reimbursement Agreement with the
City of Temecula for the SR-79
Winchester Road / I-15 Interchange
Project

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**TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM
AGREEMENT TO REIMBURSE TUMF FUNDS
SR-79 Winchester Road/I-15 Interchange – Right-of-Way Phase (ROW)**

THIS REIMBURSEMENT AGREEMENT (“Agreement”) is entered into as of this day of ____, 20__, by and between the Western Riverside Council of Governments (“WRCOG”), a California joint powers authority and City of Temecula, a California municipal corporation (“AGENCY”). WRCOG and AGENCY are sometimes hereinafter referred to individually as “Party” and collectively as “Parties”.

RECITALS

A. WRCOG is the Administrator of the Transportation Uniform Mitigation Fee Program of Western Riverside County (“TUMF Program”).

B. WRCOG has identified and designated certain transportation improvement projects throughout Western Riverside County as projects of regional importance (“Qualifying Projects” or “Projects”). The Qualifying Projects are more specifically described in that certain WRCOG study titled “TUMF Nexus Study”, as may be amended from time to time. Qualifying Projects can have Regional or Zonal significance as further described in the TUMF Nexus Study.

C. The TUMF Program is funded by TUMF fees paid by new development in Western Riverside County (collectively, “TUMF Program Funds”). TUMF Program Funds are held in trust by WRCOG for the purpose of funding the Qualifying Projects.

D. The AGENCY proposes to implement a Qualifying Project, and it is the purpose of this Agreement to identify the project and to set forth the terms and conditions by which WRCOG will release TUMF Program Funds.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and subject to the conditions contained herein, the Parties hereby agree as follows:

1. Description of the Qualifying Project. This Agreement is intended to distribute TUMF Program Funds to the AGENCY for the **SR-79 Winchester Road/I-15 Interchange** (the “Project”), a Qualifying Project. The Work, including a timetable and a detailed scope of work, is more fully described in Exhibit “A” attached hereto and incorporated herein by reference and, pursuant to Section 20 below, is subject to modification if requested by the AGENCY and approved by WRCOG. The work shall be consistent with one or more of the defined WRCOG Call for Projects phases detailed herein as follows:

3) R/W – Right of Way Acquisition and Utility Relocation

2. WRCOG Funding Amount. WRCOG hereby agrees to distribute to AGENCY, on the terms and conditions set forth herein, a sum not to exceed **One Million, Nine Hundred Twenty-Five Thousand Dollars (\$1,925,000)**, to be used for reimbursing the AGENCY for eligible Project expenses as described in Section 3 herein (“Funding Amount”). The Parties

acknowledge and agree that the Funding Amount may be less than the actual cost of the Project. Nevertheless, the Parties acknowledge and agree that WRCOG shall not be obligated to contribute TUMF Program Funds in excess of the maximum TUMF share identified in the TUMF Nexus Study ("Maximum TUMF Share"), as may be amended from time to time.

3. Project Costs Eligible for Advance/Reimbursement. The total Project costs ("Total Project Cost") may include the following items, provided that such items are included in the scope of work attached hereto as Exhibit "A" ("Scope of Work"): (1) AGENCY and/or consultant costs associated with direct Project coordination and support; (2) funds expended in preparation of preliminary engineering studies; (3) funds expended for preparation of environmental review documentation for the Project; (4) all costs associated with right-of-way acquisition, including right-of-way engineering, appraisal, acquisition, legal costs for condemnation procedures if authorized by the AGENCY, and costs of reviewing appraisals and offers for property acquisition; (5) costs reasonably incurred if condemnation proceeds; (6) costs incurred in the preparation of plans, specifications, and estimates by AGENCY or consultants; (7) AGENCY costs associated with bidding, advertising and awarding of the Project contracts; (8) construction costs, including change orders to construction contract approved by the AGENCY; (9) construction management, field inspection and material testing costs; and (10) any AGENCY administrative cost to deliver the Project.

4. Ineligible Project Costs. The Total Project Cost shall not include the following items which shall be borne solely by the AGENCY without reimbursement: (1) any AGENCY administrative fees attributed to the reviewing and processing of the Project; and (2) expenses for items of work not included within the Scope of Work in Exhibit "A".

5. Procedures for Distribution of TUMF Program Funds to AGENCY.

(a) Initial Payment by the AGENCY. The AGENCY shall be responsible for initial payment of all the Project costs as they are incurred. Following payment of such Project costs, the AGENCY shall submit invoices to WRCOG requesting reimbursement of eligible Project costs. Each invoice shall be accompanied by detailed contractor invoices, or other demands for payment addressed to the AGENCY, and documents evidencing the AGENCY's payment of the invoices or demands for payment. Documents evidencing the AGENCY'S payment of the invoices shall be retained for four (4) years and shall be made available for review by WRCOG. The AGENCY shall submit invoices not more often than monthly and not less often than quarterly.

(b) Review and Reimbursement by WRCOG. Upon receipt of an invoice from the AGENCY, WRCOG may request additional documentation or explanation of the Project costs for which reimbursement is sought. Undisputed amounts shall be paid by WRCOG to the AGENCY within thirty (30) days. In the event that WRCOG disputes the eligibility of the AGENCY for reimbursement of all or a portion of an invoiced amount, the Parties shall meet and confer in an attempt to resolve the dispute. If the meet and confer process is unsuccessful in resolving the dispute, the AGENCY may appeal WRCOG's decision as to the eligibility of one or more invoices to WRCOG's Executive Director. The WRCOG Executive Director shall provide his/her decision in writing. If the AGENCY disagrees with the Executive Director's decision, the AGENCY may appeal the decision of the Executive Director to the full WRCOG

Executive Committee, provided the AGENCY submits its request for appeal to WRCOG within ten (10) days of the Executive Director's written decision. The decision of the WRCOG Executive Committee shall be final. Additional details concerning the procedure for the AGENCY's submittal of invoices to WRCOG and WRCOG's consideration and payment of submitted invoices are set forth in Exhibit "B", attached hereto and incorporated herein by reference.

(c) Funding Amount/Adjustment. If a post Project audit or review indicates that WRCOG has provided reimbursement to the AGENCY in an amount in excess of the Maximum TUMF Share of the Project, or has provided reimbursement of ineligible Project costs, the AGENCY shall reimburse WRCOG for the excess or ineligible payments within 30 days of notification by WRCOG.

6. Increases in Project Funding. The Funding Amount may, in WRCOG's sole discretion, be augmented with additional TUMF Program Funds if the TUMF Nexus Study is amended to increase the maximum eligible TUMF share for the Project. Any such increase in the Funding Amount must be approved in writing by WRCOG's Executive Director. In no case shall the amount of TUMF Program Funds allocated to the AGENCY exceed the then-current maximum eligible TUMF share for the Project. No such increased funding shall be expended to pay for any Project already completed. For purposes of this Agreement, the Project or any portion thereof shall be deemed complete upon its acceptance by WRCOG's Executive Director which shall be communicated to the AGENCY in writing.

7. No Funding for Temporary Improvements. Only segments or components of the construction that are intended to form part of or be integrated into the Project may be funded by TUMF Program Funds. No improvement which is temporary in nature, including but not limited to temporary roads, curbs, tapers or drainage facilities, shall be funded with TUMF Program Funds, except as needed for staged construction of the Project.

8. AGENCY's Funding Obligation to Complete the Project. In the event that the TUMF Program Funds allocated to the Project represent less than the total cost of the Project, the AGENCY shall provide such additional funds as may be required to complete the Project.

9. AGENCY's Obligation to Repay TUMF Program Funds to WRCOG; Exception For PA&ED Phase Work. Except as otherwise expressly excepted within this paragraph, in the event that: (i) the AGENCY, for any reason, determines not to proceed with or complete the Project; or (ii) the Project is not timely completed, subject to any extension of time granted by WRCOG pursuant to the terms of this Agreement; the AGENCY agrees that any TUMF Program Funds that were distributed to the AGENCY for the Project shall be repaid in full to WRCOG, and the Parties shall enter into good faith negotiations to establish a reasonable repayment schedule and repayment mechanism. If the Project involves work pursuant to a PA&ED phase, AGENCY shall not be obligated to repay TUMF Program Funds to WRCOG relating solely to PA&ED phase work performed for the Project.

10. AGENCY's Local Match Contribution. AGENCY local match funding is not required, as shown in Exhibit "A" and as called out in the AGENCY's Project Nomination Form submitted to WRCOG in response to its Call for Projects.

11. Term/Notice of Completion. The term of this Agreement shall be from the date first herein above written until the earlier of the following: (i) the date WRCOG formally accepts the Project as complete, pursuant to Section 6; (ii) termination of this Agreement pursuant to Section 15; or (iii) the AGENCY has fully satisfied its obligations under this Agreement. All applicable indemnification provisions of this Agreement shall remain in effect following the termination of this Agreement.

12. Representatives of the Parties. WRCOG's Executive Director or his or her designee, shall serve as WRCOG's representative and shall have the authority to act on behalf of WRCOG for all purposes under this Agreement. The AGENCY hereby designates Aaron Adams, City Manager, or his or her designee, as the AGENCY's representative to WRCOG. The AGENCY's representative shall have the authority to act on behalf of the AGENCY for all purposes under this Agreement and shall coordinate all activities of the Project under the AGENCY's responsibility. The AGENCY shall work closely and cooperate fully with WRCOG's representative and any other agencies which may have jurisdiction over or an interest in the Project.

13. Expenditure of Funds by AGENCY Prior to Execution of Agreement. Nothing in this Agreement shall be construed to prevent or preclude the AGENCY from expending funds on the Project prior to the execution of the Agreement, or from being reimbursed by WRCOG for such expenditures. However, the AGENCY understands and acknowledges that any expenditure of funds on the Project prior to the execution of the Agreement is made at the AGENCY's sole risk, and that some expenditure by the AGENCY may not be eligible for reimbursement under this Agreement.

14. Review of Services. The AGENCY shall allow WRCOG's Representative to inspect or review the progress of the Project at any reasonable time in order to determine whether the terms of this Agreement are being met.

15. Termination.

(a) Notice. Either WRCOG or AGENCY may, by written notice to the other party, terminate this Agreement, in whole or in part, in response to a material breach hereof by the other Party, by giving written notice to the other party of such termination and specifying the effective date thereof. The written notice shall provide a 30 day period to cure any alleged breach. During the 30 day cure period, the Parties shall discuss, in good faith, the manner in which the breach can be cured.

(b) Effect of Termination. In the event that the AGENCY terminates this Agreement, the AGENCY shall, within 180 days, repay to WRCOG any unexpended TUMF Program Funds provided to the AGENCY under this Agreement and shall complete any portion or segment of work for the Project for which TUMF Program Funds have been provided. In the event that WRCOG terminates this Agreement, WRCOG shall, within 90 days, distribute to the AGENCY TUMF Program Funds in an amount equal to the aggregate total of all unpaid invoices which have been received from the AGENCY regarding the Project at the time of the notice of termination; provided, however, that WRCOG shall be entitled to exercise its rights

under Section 5(b), including but not limited to conducting a review of the invoices and requesting additional information. Upon such termination, the AGENCY shall, within 180 days, complete any portion or segment of work for the Project for which TUMF Program Funds have been provided. This Agreement shall terminate upon receipt by the non-terminating Party of the amounts due to it hereunder and upon completion of the segment or portion of Project work for which TUMF Program Funds have been provided.

(c) Cumulative Remedies. The rights and remedies of the Parties provided in this Section are in addition to any other rights and remedies provided by law or under this Agreement.

16. Prevailing Wages. The AGENCY and any other person or entity hired to perform services on the Project are alerted to the requirements of California Labor Code Sections 1770 et seq., which would require the payment of prevailing wages were the services or any portion thereof determined to be a public work, as defined therein. The AGENCY shall ensure compliance with these prevailing wage requirements by any person or entity hired to perform the Project. The AGENCY shall defend, indemnify, and hold harmless WRCOG, its officers, employees, consultants, and agents from any claim or liability, including without limitation attorneys, fees, arising from its failure or alleged failure to comply with California Labor Code Sections 1770 et seq.

17. Progress Reports. WRCOG may request the AGENCY to provide WRCOG with progress reports concerning the status of the Project.

18. Indemnification.

(a) AGENCY Responsibilities. In addition to the indemnification required under Section 16, the AGENCY agrees to indemnify and hold harmless WRCOG, its officers, agents, consultants, and employees from any and all claims, demands, costs or liability arising from or connected with all activities governed by this Agreement including all design and construction activities, due to negligent acts, errors or omissions or willful misconduct of the AGENCY or its subcontractors. The AGENCY will reimburse WRCOG for any expenditure, including reasonable attorneys' fees, incurred by WRCOG, in defending against claims ultimately determined to be due to negligent acts, errors or omissions or willful misconduct of the AGENCY.

(b) WRCOG Responsibilities. WRCOG agrees to indemnify and hold harmless the AGENCY, its officers, agents, consultants, and employees from any and all claims, demands, costs or liability arising from or connected with all activities governed by this Agreement including all design and construction activities, due to negligent acts, errors or omissions or willful misconduct of WRCOG or its sub-consultants. WRCOG will reimburse the AGENCY for any expenditure, including reasonable attorneys' fees, incurred by the AGENCY, in defending against claims ultimately determined to be due to negligent acts, errors or omissions or willful misconduct of WRCOG.

(c) Effect of Acceptance. The AGENCY shall be responsible for the professional quality, technical accuracy and the coordination of any services provided to

complete the Project. WRCOG's review, acceptance or funding of any services performed by the AGENCY or any other person or entity under this Agreement shall not be construed to operate as a waiver of any rights WRCOG may hold under this Agreement or of any cause of action arising out of this Agreement. Further, the AGENCY shall be and remain liable to WRCOG, in accordance with applicable law, for all damages to WRCOG caused by the AGENCY's negligent performance of this Agreement or supervision of any services provided to complete the Project.

19. Insurance. The AGENCY shall require, at a minimum, all persons or entities hired to perform the Project to obtain, and require their subcontractors to obtain, insurance of the types and in the amounts described below and satisfactory to the AGENCY and WRCOG. Such insurance shall be maintained throughout the term of this Agreement, or until completion of the Project, whichever occurs last.

(a) Commercial General Liability Insurance. Occurrence version commercial general liability insurance or equivalent form with a combined single limit of not less than \$1,000,000.00 per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to the Project or be no less than two times the occurrence limit. Such insurance shall:

(i) Name WRCOG and AGENCY, and their respective officials, officers, employees, agents, and consultants as insured with respect to performance of the services on the Project and shall contain no special limitations on the scope of coverage or the protection afforded to these insured;

(ii) Be primary with respect to any insurance or self-insurance programs covering WRCOG and AGENCY, and/or their respective officials, officers, employees, agents, and consultants; and

(iii) Contain standard separation of insured provisions.

(b) Business Automobile Liability Insurance. Business automobile liability insurance or equivalent form with a combined single limit of not less than \$1,000,000.00 per occurrence. Such insurance shall include coverage for owned, hired and non-owned automobiles.

(c) Professional Liability Insurance. Errors and omissions liability insurance with a limit of not less than \$1,000,000.00 Professional liability insurance shall only be required of design or engineering professionals.

(d) Workers' Compensation Insurance. Workers' compensation insurance with statutory limits and employers' liability insurance with limits of not less than \$1,000,000.00 each accident.

20. Project Amendments. Changes to the characteristics of the Project, including the deadline for Project completion, and any responsibilities of the AGENCY or WRCOG may be requested in writing by the AGENCY and are subject to the approval of WRCOG's

Representative, which approval will not be unreasonably withheld, provided that extensions of time for completion of the Project shall be approved in the sole discretion of WRCOG's Representative. Nothing in this Agreement shall be construed to require or allow completion of the Project without full compliance with the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*; "CEQA") and the National Environmental Policy Act of 1969 (42 USC 4231 *et seq.*), if applicable, but the necessity of compliance with CEQA and/or NEPA shall not justify, excuse, or permit a delay in completion of the Project.

21. Conflict of Interest. For the term of this Agreement, no member, officer or employee of the AGENCY or WRCOG, during the term of his or her service with the AGENCY or WRCOG, as the case may be, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

22. Limited Scope of Duties. WRCOG's and the AGENCY's duties and obligations under this Agreement are limited to those described herein. WRCOG has no obligation with respect to the safety of any Project performed at a job site. In addition, WRCOG shall not be liable for any action of AGENCY or its contractors relating to the condemnation of property undertaken by AGENCY or construction related to the Project.

23. Books and Records. Each party shall maintain complete, accurate, and clearly identifiable records with respect to costs incurred for the Project under this Agreement. They shall make available for examination by the other party, its authorized agents, officers or employees any and all ledgers and books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or related to the expenditures and disbursements charged to the other party pursuant to this Agreement. Further, each party shall furnish to the other party, its agents or employees such other evidence or information as they may require with respect to any such expense or disbursement charged by them. All such information shall be retained by the Parties for at least four (4) years following termination of this Agreement, and they shall have access to such information during the four-year period for the purposes of examination or audit.

24. Equal Opportunity Employment. The Parties represent that they are equal opportunity employers and they shall not discriminate against any employee or applicant of reemployment because of race, religion, color, national origin, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

25. Governing Law. This Agreement shall be governed by and construed with the laws of the State of California.

26. Attorneys' Fees. If either party commences an action against the other party arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorneys' fees and costs of suit.

27. Time of Essence. Time is of the essence for each and every provision of this Agreement.

28. Headings. Article and Section Headings, paragraph captions or marginal headings contained in this Agreement are for convenience only and shall have no effect in the construction or interpretation of any provision herein.

29. Public Acknowledgement. The AGENCY agrees that all public notices, news releases, information signs and other forms of communication shall indicate that the Project is being cooperatively funded by the AGENCY and WRCOG TUMF Program Funds.

30. No Joint Venture. This Agreement is for funding purposes only and nothing herein shall be construed to make WRCOG a party to the construction of the Project or to make it a partner or joint venture with the AGENCY for such purpose.

31. Compliance with the Law. The AGENCY shall comply with all applicable laws, rules and regulations governing the implementation of the Qualifying Project, including, where applicable, the rules and regulations pertaining to the participation of businesses owned or controlled by minorities and women promulgated by the Federal Highway Administration and the Federal Department of Transportation.

32. Notices. All notices hereunder and communications regarding interpretation of the terms of this Agreement or changes thereto shall be provided by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

If to AGENCY: City of Temecula
 41000 Main Street
 Temecula, CA 92590
 Attn: Mr. Aaron Adams, City Manager
 Telephone: (951) 694-6463

If to WRCOG: Western Riverside Council of Governments
 Riverside County Administrative Center
 4080 Lemon Street, Third Floor
 Riverside, California 92501-3609
 Attention: Christopher Gray, Director of Transportation
 Telephone: (951) 955-8304
 Facsimile: (951) 787-7991

Any notice so given shall be considered served on the other party three (3) days after deposit in the U.S. mail, first class postage prepaid, return receipt requested, and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred regardless of the method of service.

33. Integration; Amendment. This Agreement contains the entire agreement between the PARTIES. Any agreement or representation respecting matters addressed herein that are not

expressly set forth in this Agreement is null and void. This Agreement may be amended only by mutual written agreement of the PARTIES.

34. Severability. If any term, provision, condition or covenant of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall not be affected thereby.

35. Conflicting Provisions. In the event that provisions of any attached appendices or exhibits conflict in any way with the provisions set forth in this Agreement, the language, terms and conditions contained in this Agreement shall control the actions and obligations of the Parties and the interpretation of the Parties' understanding concerning the Agreement.

36. Independent Contractors. Any person or entities retained by the AGENCY or any contractor shall be retained on an independent contractor basis and shall not be employees of WRCOG. Any personnel performing services on the Project shall at all times be under the exclusive direction and control of the AGENCY or contractor, whichever is applicable. The AGENCY or contractor shall pay all wages, salaries and other amounts due such personnel in connection with their performance of services on the Project and as required by law. The AGENCY or consultant shall be responsible for all reports and obligations respecting such personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance and workers' compensation insurance.

37. Effective Date. This Agreement shall not be effective until executed by both Parties. The failure of one party to execute this Agreement within forty-five (45) days of the other party executing this Agreement shall render any execution of this Agreement ineffective.

38. No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives to be effective on the day and year first above-written.

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

CITY OF TEMECULA

By: _____ Date: _____
Rick Bishop
Executive Director

By: _____ Date: _____
Aaron Adams
City Manager

Approved to Form:

ATTEST:

By: _____ Date: _____
Steven C. DeBaun
General Counsel

By: _____ Date: _____
Randi Johl, City Clerk

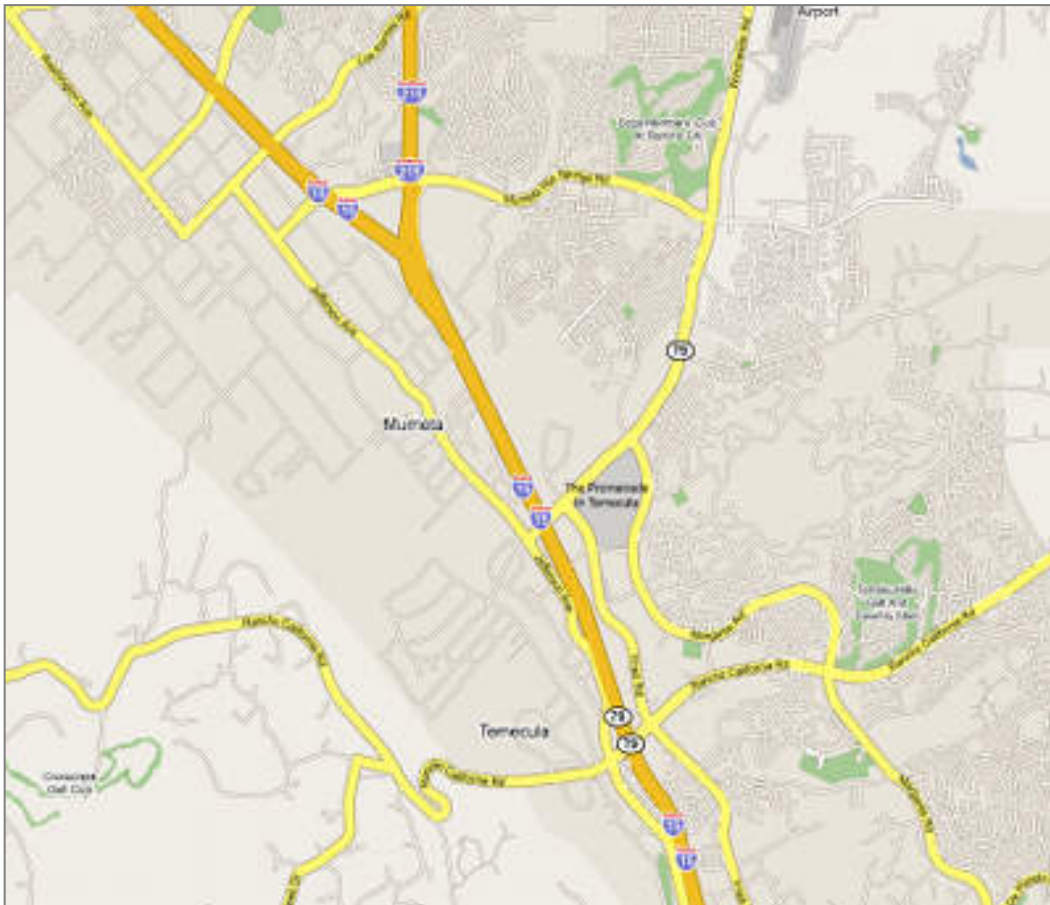
Approved to Form:

By: _____ Date: _____
Peter M. Thorson
City Attorney

EXHIBIT A

SCOPE OF WORK

The Winchester Road/I-15 Interchange Improvement Project represents an integral component of the future French Valley Parkway Overcrossing/I-15 Interchange Project. The Winchester Road/I-15 Interchange Improvement Project for the realignment and reconstruction of existing on and off ramps at Winchester Road (SR79 North) in both directions to accommodate the construction of auxiliary lanes and the braiding of existing and proposed on and off ramps on I-15.



The Scope of Work and TUMF funding under the terms of this Agreement includes Right-of-Way Acquisition (ROW), as follows;

- **Right of Way (ROW):** Develop existing property lines from recorded maps and field surveying. Determine project right of way requirements for acquisitions, easements, temporary construction easements, and impacts to existing improvements. Obtain title reports, perform appraisals, and negotiate settlement. Perform relocation assistance including research for comparable properties and engineering for individual site revision plans and construction.

EXHIBIT A-1
ESTIMATE OF COST

FUNDING: TUMF Funding sources are identified for each phase of work that is part of this Agreement, as follows;

PHASE	TUMF
RIGHT OF WAY (ROW)	\$1,925,000
TOTAL FUNDING REIMBURSEMENT AGREEMENT	\$1,925,000

EXHIBIT A-2
PROJECT SCHEDULE

Phase	Estimated Completion Date
PA&ED	Completed 1/10
PS&E	Estimated Completion 6/18
RIGHT OF WAY	Estimated Completion 6/18
CONSTRUCTION	Estimated Completion 6/21

For Public Agency Use Only
Elements of Compensation

EXHIBIT “B”

PROCEDURES FOR SUBMITTAL, CONSIDERATION AND PAYMENT OF INVOICES

1. For professional services, WRCOG recommends that the AGENCY incorporate this Exhibit “B-1” into its contracts with any subcontractors to establish a standard method for preparation of invoices by contractors to the AGENCY and ultimately to WRCOG for reimbursement of AGENCY contractor costs.
2. Each month the AGENCY shall submit an invoice for eligible Project costs incurred during the preceding month. The original invoice shall be submitted to WRCOG’s Executive Director with a copy to WRCOG’s Project Coordinator. Each invoice shall be accompanied by a cover letter in a format substantially similar to that of Exhibit “B-2”.
3. For jurisdictions with large construction projects (with the total construction cost exceeding \$10 million) under construction at the same time, may with the approval of WRCOG submit invoices to WRCOG for payment at the same time they are received by the jurisdiction. WRCOG must receive the invoice by the 5th day of the month in order to process the invoice within 30 days. WRCOG will retain 10% of the invoice until all costs have been verified as eligible and will release the balance at regular intervals not more than quarterly and not less than semi-annually. If there is a discrepancy or ineligible costs that exceed 10% of the previous invoice WRCOG will deduct that amount from the next payment.
4. Each invoice shall include documentation from each contractor used by the AGENCY for the Project, listing labor costs, subcontractor costs, and other expenses. Each invoice shall also include a monthly progress report and spreadsheets showing the hours or amounts expended by each contractor or subcontractor for the month and for the entire Project to date. Samples of acceptable task level documentation and progress reports are attached as Exhibits “B-4” and “B-5”. All documentation from the Agency’s contractors should be accompanied by a cover letter in a format substantially similar to that of Exhibit “B-3”.
5. If the AGENCY is seeking reimbursement for direct expenses incurred by AGENCY staff for eligible Project costs, the AGENCY shall provide the same level of information for its labor and any expenses as required of its contractors pursuant to Exhibit “B” and its attachments.
6. Charges for each task and milestone listed in Exhibit “A” shall be listed separately in the invoice.
7. Each invoice shall include a certification signed by the AGENCY Representative or his or her designee which reads as follows:

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"I hereby certify that the hours and salary rates submitted for reimbursement in this invoice are the actual hours and rates worked and paid to the contractors or subcontractors listed.

Signed _____

Title _____

Date _____

Invoice No. _____

8. WRCOG will pay the AGENCY within 30 days after receipt by WRCOG of an invoice. If WRCOG disputes any portion of an invoice, payment for that portion will be withheld, without interest, pending resolution of the dispute, but the uncontested balance will be paid.
9. The final payment under this Agreement will be made only after: (I) the AGENCY has obtained a Release and Certificate of Final Payment from each contractor or subcontractor used on the Project; (ii) the AGENCY has executed a Release and Certificate of Final Payment; and (iii) the AGENCY has provided copies of each such Release to WRCOG.

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EXHIBIT “B-1”
[Sample for Professional Services]

For the satisfactory performance and completion of the Services under this Agreement, Agency will pay the Contractor compensation as set forth herein. The total compensation for this service shall not exceed (____INSERT WRITTEN DOLLAR AMOUNT____) (\$____INSERT NUMERICAL DOLLAR AMOUNT____) without written approval of Agency’s City Manager [or applicable position] (“Total Compensation”).

1. ELEMENTS OF COMPENSATION.

Compensation for the Services will be comprised of the following elements: 1.1 Direct Labor Costs; 1.2 Fixed Fee; and 1.3 Additional Direct Costs.

1.1 DIRECT LABOR COSTS.

Direct Labor costs shall be paid in an amount equal to the product of the Direct Salary Costs and the Multiplier which are defined as follows:

1.1.1 DIRECT SALARY COSTS

Direct Salary Costs are the base salaries and wages actually paid to the Contractor's personnel directly engaged in performance of the Services under the Agreement. (The range of hourly rates paid to the Contractor's personnel appears in Section 2 below.)

1.1.2 MULTIPLIER

The Multiplier to be applied to the Direct Salary Costs to determine the Direct Labor Costs is _____, and is the sum of the following components:

1.1.2.1 Direct Salary Costs _____

1.1.2.2 Payroll Additives _____

The Decimal Ratio of Payroll Additives to Direct Salary Costs. Payroll Additives include all employee benefits, allowances for vacation, sick leave, and holidays, and company portion of employee insurance and social and retirement benefits, all federal and state payroll taxes, premiums for insurance which are measured by payroll costs, and other contributions and benefits imposed by applicable laws and regulations.

1.1.2.3 Overhead Costs _____

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The Decimal Ratio of Allowable Overhead Costs to the Contractor Firm's Total Direct Salary Costs. Allowable Overhead Costs include general, administrative and overhead costs of maintaining and operating established offices, and consistent with established firm policies, and as defined in the Federal Acquisitions Regulations, Part 31.2.

Total Multiplier
(sum of 1.1.2.1, 1.1.2.2, and 1.1.2.3) _____

1.2 FIXED FEE.

1.2.1 The fixed fee is \$_____.

1.2.2 A pro-rata share of the Fixed Fee shall be applied to the total Direct Labor Costs expended for services each month, and shall be included on each monthly invoice.

1.3 ADDITIONAL DIRECT COSTS.

Additional Direct Costs directly identifiable to the performance of the services of this Agreement shall be reimbursed at the rates below, or at actual invoiced cost.

Rates for identified Additional Direct Costs are as follows:

<u>ITEM</u>	<u>REIMBURSEMENT RATE</u>
	<u>[__insert charges__]</u>
Per Diem	\$ /day
Car mileage	\$ /mile
Travel	\$ /trip
Computer Charges	\$ /hour
Photocopies	\$ /copy
Blueline	\$ /sheet
LD Telephone	\$ /call
Fax	\$ /sheet
Photographs	\$ /sheet

Travel by air and travel in excess of 100 miles from the Contractor's office nearest to Agency's office must have Agency's prior written approval to be reimbursed under this Agreement.

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2. DIRECT SALARY RATES

Direct Salary Rates, which are the range of hourly rates to be used in determining Direct Salary Costs in Section 1.1.1 above, are given below and are subject to the following:

- 2.1 Direct Salary Rates shall be applicable to both straight time and overtime work, unless payment of a premium for overtime work is required by law, regulation or craft agreement, or is otherwise specified in this Agreement. In such event, the premium portion of Direct Salary Costs will not be subject to the Multiplier defined in Paragraph 1.1.2 above.
- 2.2 Direct Salary Rates shown herein are in effect for one year following the effective date of the Agreement. Thereafter, they may be adjusted annually to reflect the Contractor's adjustments to individual compensation. The Contractor shall notify Agency in writing prior to a change in the range of rates included herein, and prior to each subsequent change.

<u>POSITION OR CLASSIFICATION</u>	<u>RANGE OF HOURLY RATES</u>
-----------------------------------	------------------------------

[__sample__]

Principal	\$.00 - \$.00/hour
Project Manager	\$.00 - \$.00/hour
Sr. Engineer/Planner	\$.00 - \$.00/hour
Project Engineer/Planner	\$.00 - \$.00/hour
Assoc. Engineer/Planner	\$.00 - \$.00/hour
Technician	\$.00 - \$.00/hour
Drafter/CADD Operator	\$.00 - \$.00/hour
Word Processor	\$.00 - \$.00/hour

- 2.3 The above rates are for the Contractor only. All rates for subcontractors to the Contractor will be in accordance with the Contractor's cost proposal.

3. INVOICING.

- 3.1 Each month the Contractor shall submit an invoice for Services performed during the preceding month. The original invoice shall be submitted to Agency's Executive Director with two (2) copies to Agency's Project Coordinator.
- 3.2 Charges shall be billed in accordance with the terms and rates included herein, unless otherwise agreed in writing by Agency's Representative.
- 3.3 Base Work and Extra Work shall be charged separately, and the charges for each task and Milestone listed in the Scope of Services, shall be listed separately. The charges for each individual assigned by the Contractor under this Agreement shall be listed separately on an attachment to the invoice.

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- 3.4 A charge of \$500 or more for any one item of Additional Direct Costs shall be accompanied by substantiating documentation satisfactory to Agency such as invoices, telephone logs, etc.
- 3.5 Each copy of each invoice shall be accompanied by a Monthly Progress Report and spreadsheets showing hours expended by task for each month and total project to date.
- 3.6 If applicable, each invoice shall indicate payments to DBE subcontractors or supplies by dollar amount and as a percentage of the total invoice.
- 3.7 Each invoice shall include a certification signed by the Contractor's Representative or an officer of the firm which reads as follows:

I hereby certify that the hours and salary rates charged in this invoice are the actual hours and rates worked and paid to the employees listed.

Signed _____
Title _____
Date _____
Invoice No. _____

4. PAYMENT

- 4.1 Agency shall pay the Contractor within four to six weeks after receipt by Agency of an original invoice. Should Agency contest any portion of an invoice, that portion shall be held for resolution, without interest, but the uncontested balance shall be paid.
- 4.2 The final payment for Services under this Agreement will be made only after the Contractor has executed a Release and Certificate of Final Payment.

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EXHIBIT B-2
Sample Cover Letter to WRCOG

Date
Western Riverside Council of Governments
Riverside County Administrative Center
4080 Lemon Street, Third Floor
Riverside, California 92501-3679
Attention: Deputy Executive Director
ATTN: Accounts Payable

Re: Project Title - Invoice #__

Enclosed for your review and payment approval is the AGENCY's invoice for professional and technical services that was rendered by our contractors in connection with the 2002 Measure "A" Local Streets and Roads Funding per Agreement No. _____ effective (Month/Day/Year). The required support documentation received from each contractor is included as backup to the invoice.

Invoice period covered is from Month/Date/Year to Month/Date/Year.

Total Authorized Agreement Amount:	\$0,000,000.00
Total Invoiced to Date:	\$0,000,000.00
Total Previously Invoiced:	\$0,000,000.00
Balance Remaining:	\$0,000,000.00

Amount due this Invoice:	\$0,000,000.00 =====
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I certify that the hours and salary rates charged in this invoice are the actual hours and rates worked and paid to the contractors listed.

By: _____
Name
Title

cc:

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EXHIBIT B-3**Sample Letter from Contractor to AGENCY**

Month/Date/Year

Western Riverside Council of Governments
 Riverside County Administrative Center
 4080 Lemon Street, Third Floor
 Riverside, California 92501-3679
 Attention: Deputy Executive Director
 Attn: Accounts Payable

Invoice # _____

For **[type of services]** rendered by **[contractor name]** in connection with **[name of project]**
 This is per agreement No. XX-XX-XXX effective Month/Date/Year.

Invoice period covered is from Month/Date/Year to Month/Date/Year.

Total Base Contract Amount:	\$000,000.00
Authorized Extra Work (if Applicable)	\$000,000.00

TOTAL AUTHORIZED CONTRACT AMOUNT:	\$000,000.00
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Total Invoice to Date:	\$000,000.00
Total Previously Billed:	\$000,000.00
Balance Remaining:	\$000,000.00

Amount Due this Invoice:	\$000,000.00
	=====

I certify that the hours and salary rates charged in this invoice are the actual hours and rates worked and paid to the employees listed,

By: _____
 Name
 Title

For Public Agency Use Only

EXHIBIT B-4
SAMPLE TASK SUMMARY SCHEDULE
(OPTIONAL)

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EXHIBIT B-5
Sample Progress Report

REPORTING PERIOD: Month/Date/Year to Month/Date/Year
PROGRESS REPORT: #1

A. Activities and Work Completed during Current Work Periods

TASK 01 – 100% PS&E SUBMITTAL

1. Responded to Segment 1 comments from Department of Transportation
2. Completed and submitted Segment 1 final PS&E

B. Current/Potential Problems Encountered & Corrective Action

Problems	Corrective Action
None	None

C. Work Planned Next Period

TASK 01 – 100% PS&E SUBMITTAL

1. Completing and to submit Traffic Signal and Electrical Design plans
2. Responding to review comments

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Report from the League of California Cities

Contact: Erin Sasse, Regional Public Affairs Manager, League of California Cities,
esasse@cacities.org, (951) 321-0771

Date: September 12, 2016

Requested Action:

1. Receive and file.

This item is reserved for a presentation from the League of California Cities Regional Public Affairs Manager for Riverside County.

Prior WRCOG Action:

August 18, 2016: The WRCOG Technical Advisory Committee received report.

WRCOG Fiscal Impact:

This item is informational only; therefore, there is no fiscal impact.

Attachment:

None.

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Analysis of Fees and Their Potential Impact on Economic Development in Western Riverside County

Contact: Christopher Gray, Director of Transportation, gray@wrcog.cog.ca.us, (951) 955-8304

Date: September 12, 2016

Requested Action:

1. Receive and file.

As part of the efforts being undertaken to update the TUMF Program Nexus Study, WRCOG has received comments from public and private stakeholders regarding the impact of TUMF on the regional economy and the fees' effect on development in the subregion. WRCOG is conducting a study to analyze fees / exactions required and collected by jurisdictions / agencies in, and immediately adjacent to the WRCOG subregion.

Fee Analysis

In July 2015, WRCOG distributed the draft 2015 TUMF Nexus Study for review and comment. During the comment period, WRCOG received various comments from public and private stakeholders regarding the impact of TUMF on the regional economy and the fees' effect on development in the subregion. In response to the comments received on the draft Nexus Study, WRCOG released a Request for Proposal (RFP) to solicit firms interested in performing an analysis of fees / exactions required and collected by jurisdictions / agencies in and immediately adjacent to the WRCOG subregion. In March 2016, the WRCOG Executive Committee authorized a Professional Services Agreement with Economic & Planning Systems (EPS), in association with Rodriguez Consulting Group (RCG), to conduct the fee analysis.

The Fee Analysis (Study), expected to be completed by the end of September 2016, and will provide WRCOG jurisdictions with comprehensive fee comparisons. The Study will also discuss the effect of other development costs, such as the cost of land and interest rates, within the overall development framework. Another key element of the Study will be an analysis documenting the economic benefits of transportation investment.

Jurisdictions for Fee Comparison: In addition to the jurisdictions within the WRCOG subregion, the Study will analyze jurisdictions within the Coachella Valley, San Bernardino and Orange Counties, and the northern portion of San Diego County. The inclusion of additional neighboring / peer communities will allow for consideration of relative fee levels between the WRCOG subregion and jurisdictions in surrounding areas that may compete for new development. At its April 14, 2016, meeting, the WRCOG Planning Directors' Committee provided input on the additional jurisdictions to be studied – an additional 11 jurisdictions surrounding the WRCOG subregion were selected for comparison.

Land Uses and Development Prototypes: Fee comparisons are being conducted for five key land use categories, "development prototypes," including single-family residential, multi-family residential, office, retail, and industrial developments. Since every development project is different, and because fee structures are often complex and derived based on different development characteristics, it is helpful to create "development

prototypes” for each of the land uses studied. The use of consistent development prototypes increases the extent to which the fee comparison is an “apples-to-apples comparison.”

Development prototypes were selected based on recent trends in new development in Western Riverside County. For single-family development, the selected prototype represents the median home and lot size characteristics of homes built and sold in Western Riverside County since 2014. Development prototypes for the multi-family residential, office, retail, and industrial buildings represent the average building sizes for similar buildings developed since 2010 in Western Riverside County. The proposed prototypical projects being analyzed are as follows:

- **Single-Family Residential Development:** 50 unit residential subdivision with 2,700 square foot homes and 7,200 square foot lots
- **Multi-Family Residential Development:** 200 unit market-rate, multi-family residential development in 260,000 gross square foot of building space
- **Retail Development:** 10,000 square foot retail building
- **Office Development:** 20,000 square foot, Class A or Class B office building
- **Industrial Development:** 265,000 square foot “high cube” industrial building

Fee Categories: The primary focus of the Study is on the array of fees charged on new development to pay for a range of infrastructure / capital facilities. The major categories of fees include: 1) school development impact fees; 2) water / sewer connection / capacity fees; 3) City capital facilities fees; 4) regional transportation fees (TUMF in Western Riverside County), and 5) other capital facilities / infrastructure / mitigation fees charged by other regional / subregional agencies. As noted in prior fee comparisons, these fees typically represent 90 to 95 percent of the overall development fees on new development. Additional processing, permitting, and entitlement fees are not included in this analysis. Based on the consultant team’s initial review of fees, they concluded that the scale of planning / processing fees versus development impact fees was different in that most jurisdictions charge moderate levels of planning / processing fees as compared to development impact fees – meaning the development impact fees are much higher than the planning / processing fees. The initial analysis focuses on development impact fees, as these fees are much larger than planning / processing fees for comparison purposes. WRCOG does leave open the option to include processing fees if there are certain jurisdictions where the processing fees are substantial compared to the permit fees.

Service Providers and Development Prototypes: The system of infrastructure and capital facilities fees in most California jurisdictions is complicated by multiple service providers and, often, differential fees in different parts of individual cities. Multiple entities charge infrastructure / capital facilities fees, e.g., City, Water Districts, School Districts, and Regional Agencies. Additionally, individual jurisdictions are often served by different service providers (e.g., more than one Water District or School District) with different subareas within a jurisdiction, sometimes paying different fees for water facilities and school facilities. Additionally, some City fees, such as storm drain fees, are sometimes differentiated by jurisdictional subareas.

For the purposes of the Study, an individual service provider was selected where multiple service providers were present, and an individual subarea was selected where different fees were charged by subarea. An effort was made to select service providers that cover a substantive portion of the jurisdiction, as well as to include service providers that serve multiple jurisdictions (e.g., Eastern Municipal Water District).

Completed To-Date: After identification of the cities for fee evaluation and development of prototypes by land use, the focus of the Study efforts has been on collecting fee schedules and applying them to the development prototypes. The research effort has involved: 1) reviewing available development impact fee schedules online; 2) reaching out to service providers (Jurisdiction, Water Districts, School Districts) where fee levels or fee calculations were difficult to discern; 3) conducting necessary fee calculations; and 4) presenting initial fee estimates for all WRCOG jurisdictions.

WRCOG staff sent a document containing the initial fee estimates for each jurisdiction to each jurisdiction’s representative on the WRCOG Planning Directors’ Committee and Public Works Committee for review and comment on the week of June 20, 2016. WRCOG staff presented an update of the Study to these same

Committees on July 14, 2016. The update included a summary of jurisdictions that have provided confirmation and feedback on their initial fee analysis, and those whose comments were pending. WRCOG followed up with those jurisdictions whose comments still had yet to be addressed and those that had not provided any comments.

Each WRCOG jurisdiction has finalized their initial fee analysis and a report will be produced for their use. The goal of this initial fee analysis is to provide jurisdictions in the WRCOG subregion the opportunity to review their fee collection structure while being able to compare it to the fee collection structure of neighboring jurisdictions. WRCOG is committed to presenting the findings in the best possible manner. This analysis is an informational item only.

The table below displays each development prototype's range of total fees, and the percentage of the total fees TUMF makes up.

WRCOG Development Impact Fee Summary *

Item	Average	Range	
		Low	High
Single Family			
Total Fees per Unit	\$44,933	\$32,935	\$59,366
TUMF as a % of Total Fees	19.7%	26.9%	14.9%
Multifamily			
Total Fees per Unit	\$28,314	\$19,262	\$40,573
TUMF as a % of Total Fees	22.0%	32.3%	15.4%
Retail			
Total Fees per Sq.Ft.	\$24.06	\$14.88	\$33.20
TUMF as a % of Total Fees	43.6%	70.5%	31.6%
Industrial			
Total Fees per Sq.Ft.	\$4.65	\$2.85	\$9.60
TUMF as a % of Total Fees	30.5%	54.9%	14.8%
Office			
Total Fees per Sq.Ft.	\$12.96	\$6.53	\$19.07
TUMF as a % of Total Fees	16.9%	33.6%	11.5%

* Average and ranges as shown encompass 20 jurisdictions, including 17 cities, the unincorporated County areas of Temescal Valley and Winchester, and March JPA.

Note: Total fees and TUMF as a % of total fees are not connected - i.e. low fees do not correlate to low TUMF percentage.

Fee Analysis Comparisons: A fee comparison of WRCOG and neighboring jurisdictions has been conducted, and, overall, total fees by development type are generally uniform throughout the region for that development type, with one exception. For example, average total fees for single-family residential are similar throughout the WRCOG and neighboring San Bernardino County jurisdictions – there are differences in the types of fees charged, such as water fees fluctuate between water districts. Fees collected in San Bernardino County may invest in different categories and fee categories may be defined differently than those in WRCOG jurisdictions. It should also be noted that many fees on new development are outside the direct control of jurisdictions, such as MSHCP, School, TUMF, Water, etc.

The one exception in which fees are uniformly higher in the WRCOG subregion than in any other region is retail fees. Retail fees are shown to be higher in the WRCOG subregion because of TUMF, Water, and City fees.

Ongoing / Next Steps: Preliminary development feasibility analyses are being prepared to provide insights into the costs of new development in Western Riverside County, including development impact fees, as well as the overall economic / feasibility of these development products. Finally, research is beginning on the economic benefits of regional transportation.

Prior WRCOG Actions:

<u>August 18, 2016:</u>	The WRCOG Technical Advisory Committee received an update.
<u>August 11, 2016:</u>	The WRCOG Public Works Committee received an update.
<u>July 14, 2016:</u>	The WRCOG Public Works Committee received an update.
<u>June 14, 2016:</u>	The WRCOG Planning Directors' Committee received an update.
<u>May 12, 2016:</u>	The WRCOG Public Works Committee received an update.

WRCOG Fiscal Impact:

The fee analysis study is included in the Agency's adopted Fiscal Year 2016/2017 Budget under the Transportation Department.

Attachment:

None.