# Western Riverside Council of Governments
# Administration & Finance Committee

# AGENDA

**Wednesday, February 8, 2017**
**12:00 p.m.**

**County of Riverside**
**Administrative Center**
**4080 Lemon Street**
**5th Floor, Conference Room C**
**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 Administration & Finance 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 Administration & Finance 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. PUBLIC COMMENTS

At this time members of the public can address the Administration & Finance Committee regarding any items listed on this agenda.  Members of the public will have an opportunity to speak on agendized 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.

## 3. 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 January 11, 2017, Administration & Finance Committee meeting are available for consideration.** **P. 1**

**_Requested Action_:** *1. Approve Summary Minutes from the January 11, 2017, Administration & Finance Committee meeting.*

B. **Finance Department Activities Update** **P. 11**

**_Requested Action_:** *1. Receive and file.*

C. **Financial Report Summary through December 2016** **P. 13**

**_Requested Action_:** *1. Receive and file.*

D. **PACE Program Activities Update** **P. 19**

**_Requested Action_:** *1. Authorize travel for the Chair, Vice-Chair, and WRCOG staff to Washington, D.C., to meet with legislators and federal departments and agencies regarding PACE Programs.*

E. **WRCOG 2017/2018 Legislative Platform** **P. 21**

**_Requested Action_:** *1. Review the draft 2017/2018 Legislative Platform and provide feedback to staff by Thursday, February 23, 2017.*

## 4. REPORTS/DISCUSSION

A. **Community Choice Aggregation Program Activities Update** **P. 31**

**_Requested Action_:** *1. Provide staff direction on a governance structure for the CCA.*

B. **Draft Subregional Economic Development Initiative** **P. 35**

**_Requested Action_:** *1. Discuss and provide input regarding next steps.*

C. **Transportation Uniform Mitigation (TUMF) Program Activities Update** **P. 37**

**_Requested Actions_:**
*1. Consider whether to direct staff to initiate discussions with member agencies regarding potential changes to the TUMF Program.*
*2. Direct staff to continue work on the current 2017 TUMF Nexus Study and release the study for public review.*

D. **CEQA Ad Hoc Committee Update** **P. 47**

**_Requested Actions_:**
*1. Recommend to the Executive Committee that WRCOG work with its partner agencies to support the proposed updates to CEQA legislation as recommended by the CEQA Ad Hoc Committee.*
*2. Direct staff to provide a summary of any CEQA reform / modernization efforts at the conclusion of the Legislative Session.*
*3. Recommend to the Executive Committee that the CEQA Modernization Ad Hoc Committee be disbanded.*

**E. 26th Annual General Assembly & Leadership Address** **P. 49**

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

## 5. ITEMS FOR FUTURE AGENDAS ***Members***

Members are invited to suggest additional items to be brought forward for discussion at future Administration & Finance Committee meetings.

## 6. GENERAL ANNOUNCEMENTS ***Members***

Members are invited to announce items / activities which may be of general interest to the Administration & Finance Committee.

## 7. NEXT MEETING: **The next Administration & Finance Committee meeting is scheduled for Wednesday, March 8, 2017, at 12:00 p.m., in the County of Riverside Administrative Center, 5th Floor, Conference Room C.**

## 8. ADJOURNMENT

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**Administration & Finance Committee** **Item 3.A**
**January 11, 2017**
**Summary Minutes**

## 1. CALL TO ORDER

The meeting of the Administration & Finance Committee (Committee) was called to order at 12:03 p.m. by Chair Ben Benoit, at the County of Riverside Administrative Center, 5th Floor, Conference Room C.

**Members present:**

Debbie Franklin, City of Banning
Eugene Montanez, City of Corona
Bonnie Wright, City of Hemet
Laura Roughton, City of Jurupa Valley
Brian Tisdale, City of Lake Elsinore (12:10 p.m. arrival; 1:19 p.m. departure)
Ben Benoit, City of Wildomar (Chair)
Mike Naggar, City of Temecula (1:09 p.m. departure)
Chuck Washington, County of Riverside District 3 (1:07 p.m. departure)
Marion Ashley, County of Riverside District 5
Brenda Dennstedt, Western Municipal Water District (12:06 p.m. arrival)

**Staff present:**

Steve DeBaun, Legal Counsel, Best Best & Krieger
Rick Bishop, Executive Director
Ernie Reyna, Chief Financial Officer
Barbara Spoonhour, Director of Energy and Environmental Programs
Jennifer Ward, Director of Government Relations
Christopher Gray, Director of Transportation
Tyler Masters, Program Manager
Michael Wasgatt, Program Manager
Andrew Ruiz, Program Manager
Crystal Adams, Staff Analyst
Amber Bolden, Intern
Janis Leonard, Executive Assistant

**Guest present:**

Warren Diven, Best Best & Krieger
Gary Thompson, City of Jurupa Valley
John Lyon, Flabob Airport / Tom Wathen Center
Jeremy Hutman, Renew Financial
Victor Vilapland, Renovate America
Ellen Quals, Renovate America
Ari Matusiak, Renovate America
JP McNeill, Renovate America

## 2. PUBLIC COMMENTS

There were no public comments.

**3. CONSENT CALENDAR** – *(Wright/Franklin) 8 yes; 0 no; 0 abstention. Items 3.A through 3.D were approved by a unanimous vote of those members present. The City of Lake Elsinore and the Western Municipal Water District were not present.*

**A. Summary Minutes from the December 14, 2016, Administration & Finance Committee meeting are available for consideration.**

***Action*:** *1. Approved Summary Minutes of the December 14, 2016, Administration & Finance Committee meeting.*

**B. Finance Department Activities Update**

***Action*:** *1. Received report.*

**C. Financial Report Summary through November 2016**

***Action*:** *1. Received report.*

**D. Single Signature Authority Report**

***Action*:** *1. Received report.*

**4. REPORTS/DISCUSSION**

**A. Transportation Uniform Mitigation Fee (TUMF) Program Activities Update**

Christopher Gray reported that the Flabob Airport, a public use airport owned and operated by the Tom Wathen Center within the City of Jurupa Valley, is appealing the TUMF assessed on 57 hangars it received from the Rialto Airport. The TUMF Administrative Plan should be updated to revise the language for the government / public building exemption to include public use airports which hold a current permit from the Division of Aeronautics of Caltrans.

The City has followed the appeal procedures, and is in support of the appeal. Staff have reviewed the applicants materials, the City's materials, and the TUMF Administration Plan, and believes that the project should be exempt from the TUMF Program because it is a public use facility.

There is a loss of revenue to the Program to the tune of $140,000; however, staff does not anticipate any further appeals related to this matter or future revenue loss to the Program. Buildings on the airport are exempt, and development outside of the airport is subject to TUMF.

John Lyon thanked the City and WRCOG staff for their support.

***Actions*:**
*1. Approved staff's recommendation to approve the appeal.*
*2. Recommended that the Executive Committee approve the appeal consistent with staff's recommendation.*

*(Ashley/Washington) 9 yes; 0 no; 0 abstention. Item 4.A was approved by a unanimous vote of those members present. The City of Lake Elsinore was not present.*

**B. 2nd Quarter Draft Budget Amendment for Fiscal Year 2016/2017**

Andrew Ruiz reported that budget amendments are designed by staff to offset any increases to any single line item expenditure by decreasing the budget of other unused line item expenditures so there is no net increase to the budget. The General Fund had an increase in criminal insurance due to its inclusion to the Agency, and general computer supplies, which were offset by a decrease in fringe benefits and membership dues. The Transportation Department had additional legal expenditures, which were offset by a decrease in consulting labor. The Energy Department had an increase in legal expenditures as well as electric vehicle charging equipment purchases; legal expenditures will be offset by a decrease in consulting labor, and the equipment will be offset by a partial reimbursement by the South Coast Air Quality Management District. Total Agency expenditures increased by $19,605, and will be offset by future HERO Program revenues.

***Action:*** *1. Recommended that the Executive Committee approve the 2nd Quarter Draft Budget Amendment for Fiscal Year 2016/2017.*

*(Ashley/Wright) 10 yes; 0 no; 0 abstention. Item 4.B was approved by a unanimous vote of those members present.*

**C. Community Choice Aggregation Program Activities Update**

Barbara Spoonhour provided background information on the Community Choice Aggregation (CCA) Program, and reported that a CCA allows for greener energy choices than what Individually Operated Utilities (IOUs) provide, and has a favorable economic impact.

A feasibility study was initiated in January 2016, and depending on the type of renewable energy used by customers, the savings ranged from 3.8% to 5.7% for the first year. There are five different Governance Structure models to choose from: two-County; one County; Individual Council of Governments (COG); or Individual jurisdiction. In the two-County scenario, a Joint Powers Authority (JPA) must be created in which either Riverside and San Bernardino jurisdictions take part, or one of the three COGs – WRCOG, San Bernardino COG, or Coachella Valley Associated Governments – take the lead of the operational functions. Jurisdictions with their own utilities could not participate on the CCA Board.

Committee member Laura Roughton asked if the savings were based upon all three COGs joining together.

Ms. Spoonhour responded that it is. Projected savings are the result of higher costs due to start-up costs such as overhead, staffing, equipment purchases, etc.

Committee member Roughton asked how the start-up costs will be paid.

Ms. Spoonhour responded that most start-up CCAs borrow the financing via a 5-year loan, which has generally been repaid within the first one to two years.

Committee member Eugene Montanez asked if the other two COGs are willing to join a CCA with WRCOG.

Rick Bishop responded that the other COGs have not yet made a determination. It has been found that the larger the CCA, the lower the cost. From a Governance Structure, however, it is complicated.

Ms. Spoonhour indicated that the other COGs are making presentations to their respective Boards in February and March.

Operational structure can be managed by internal staff, a combination of internal staff and consultants, or outsourced to a consultant who would handle all of the operations. The fully outsourced model is not something done in this state so it is difficult to determine costs involved with that model. Staff is requesting the release of a Request For Proposals in order to determine those costs.

Rick Bishop added that the final Study suggests that a CCA should be pursued. The Governance Structure is where the focus should be. One part of the Study that staff does not agree with has to do with the suggestion of forming a JPA. That is the only approach taken in this state. Staff would like an apples-to-apples comparison on what it would cost to run a CCA through an outsourcing scenario.

Committee member Marion Ashley indicated that there is already a JPA between Riverside and San Bernardino Counties and it is functioning quite well – the Inland Empire Health Plan. It is the second or third largest entity in the Inland Empire. Its Board has two members from each County, and three at-large.

Ms. Spoonhour indicated that a CCA could launch in November 2017. A resolution of participation will need to be adopted by any jurisdiction wanting to participate in the Program; jurisdictions are not automatically participants in the CCA.

Committee member Montanez asked if it would be prudent to have in the Business Plan the exclusion of one or two larger cities to ensure that the numbers still make sense.

Ms. Spoonhour indicated that by excluding the County unincorporated areas from the Study leaves a large piece out, and the numbers still show savings.

Mr. Bishop indicated that the opt-out rate statewide is approximately 10%. This Study assumes an opt-out rate of approximately 20%. This is most likely not to occur but provides for additional consumptions.

Committee member Roughton clarified that even if jurisdiction opts in, individuals can still opt-out.

Committee member Montanez added that if a jurisdiction opts-out, the residents cannot participate.

***Actions:***

1. *Recommended that the Executive Committee receive the final draft Inland Choice Power Community Choice Aggregation Business Plan.*
2. *Directed the Executive Director to issue a Request for Proposals for CCA contract services.*

*(Montanez/Naggar) 9 yes; 0 no; 1 abstention. Item 4.C was approved by a unanimous vote of those members present. The City of Banning abstained given that it has its own utility.*

**D. PACE Program Activities Update**

Barbara Spoonhour reported that staff from Renovate America would be providing a presentation on interest rates and the potential reduction thereof.

JP McNeil reported that Renovate America has had a great relationship with WRCOG of seven years. Renovate would like to offer lower interest rates for homeowners participating in the Program. HERO's interest rates are currently higher than what other financial institutions offer to people with high credit scores. The only difference is that it is an unsecured credit. Renovate would like to lower the HERO interest rate to an amount lower than what other financial institutions offer. This will not only lower payments for homeowners who currently participate in the Program, but will also be more competitive to not only those with high credit scores, but everyone.

Approximately 50% of all projects are financed through unsecured means. Other options include cash and home equity lines of credit. Other financial institutions will allow the contractors to pay a fee to present to a homeowner their interest rate. Wells Fargo, for example, has four different plans, offering interest rates from as low as 3.9% to as high as 9.90%, in which the contractor fee varies between 5.31% and 12.71%.

Renovate is proposing to offer three promotional rates, which compare with all the other unsecured financing options which currently exist. On average, HERO's fees are 4% better than its competitors in terms of a reduced cost to the contractor. On average, each homeowner participating in the Program would save $6,700 over the life of their payment term.

Like other financing options, contractors are prohibited from passing along the contractor fee to the homeowner. The Contractor Code would be amended to prohibit passing along that fee. Renovate would monitor and institute safeguards to ensure contractors are not passing along that fee. Those who do will be suspended, and potentially terminated, from the Program.

Committee member Laura Roughton asked what will prohibit the contractor from passing along the cost via the improvement.

Mr. McNeil responded that Renovate has a history of financed projects from every HERO contractor. Actual average costs in any given month, as well as a 90-day average, are tracked. Historical project costs are compared against new project costs, making it easy to spot any rise in project costs.

Contractors build in the cost of financing in their overhead, whether it is in rent, electricity, etc., and spread that cost amongst all the borrowers regardless if they are paying with cash, or financing.

Committee member Debbie Franklin asked if there is any bearing on the interest rate based upon geographical location?

Mr. McNeil responded that there is not. Renovate is proposing that a contractor pick a rate, and that is the rate offered to all homeowners regardless of the jurisdiction.

Committee member Eugene Montanez indicated that it seems difficult to believe that if a contractor has that much extra profit in a project would be able to overcharge a fee, whether they charge a fee or not.

Mr. McNeil responded that the contractors are aware of how many projects they have financed, and they know that the number one financing is a financing option that charges a fee, so the contractor builds in overhead into the cost of every project.

Committee member Montanez asked if the contractor would offer a better price if the project is paid for in cash.

Mr. McNeil responded that the contractor would not. In Renovate's proposal, contractors would be prohibited from offering different costs based upon cash payment. The problem with HERO's high rates is that the contractor will first present cash options, then various payment options. If the homeowner does not qualify, then the contractor will present HERO's payment option. At the end of the day, it is the homeowner utilizing HERO financing who is being penalized.

Committee member Roughton explained an experience in which she was approached by a contractor to replace her HVAC system. The contractor told her that the cost would be different, dependent upon which type of payment option was utilized. Committee member Roughton feels like lowering interest rates are being done on the backs of the contractors.

Mr. McNeil indicated that Renovate has a high interest rate product that tends to be utilized by homeowners who may not have access to lower interest rates. Lower interest rates, even if the cost of the project increases, are still better for the homeowner.

Committee member Brenda Dennstedt asked what percentage of HERO contractors are expected to jump onto a program like this for the cost savings for the consumer, because the contractor is not getting anything out of it; and how will the cost differences be assessed on a new HERO contractor.

Mr. McNeil responded that contractors have indicated that they like the Program because it has provided them the same or lower interest rates, and lower contractor fees. Over time, this will not only benefit the contractor, because their overhead costs are reduced, but ultimately contractors will be able to offer lower project costs in the same way they would get a 4% reduction in their product. For new contractors, there are baseline industry rates for products to compare their projects to. Contractors have even been known to report when other contractors are breaking the rules.

Committee member Brian Tisdale asked how many HERO contractors are in the Program.

Mr. McNeil responded that there are a couple thousand which have transacted with HERO, and approximately 300 that are considered active, e.g., five transactions per month.

Committee member Tisdale asked how many transactions will create a trigger.

Mr. McNeil responded that one transaction can create a trigger.

Committee member Roughton asked if current Program participants will be able to refinance at the lower interest rate.

Mr. McNeil responded that a mechanism does not currently exist which would allow a homeowner to refinance a previous project.

Ms. Spoonhour added that there is law, AB 1883, allowing for refinancing of PACE assessments. Given a potentially decrease of interest rates, staff can research this and return with some recommendations.

Committee member Roughton indicated that she was impressed after taking a tour of Renovate's facility, and feels comfortable in that Renovate has the tools to track the costs of the projects and pick up any red flags rather quickly.

Committee member Bonnie Wright asked how a consumer knows if a contractor is a HERO approved contractors.

Mr. McNeil responded that Renovate tracks not only the businesses, but every individual employed, as well as if both the business and the individuals are in good standing with the Program. Once engaged in communications, Renovate can then inform the homeowner whether or not a contractor is in good standing with the Program.

Committee member Wright asked what outreach is done to consumers so they understand the true process.

Mr. McNeil responded that general awareness is the first step. Once the homeowner applies for financing, a confirmation of terms call is made by Renovate to the homeowner to confirm terms, the products, and payments. There are also marketing and branding guidelines.

Ari Matusiak indicated that the contractor is not the only individual that the homeowners engage with; the homeowner must also interact with Renovate staff. Quality control and assurances sits with Renovate and not the contractor.

Committee member Franklin asked what the disadvantages are for both the consumer and the contractor.

Ms. Spoonhour responded that if a contractor has passed along the fee to the consumer, and the consumer sells or refinances and is required to pay off the assessment, then that payoff amount would be higher than today's amount under the proposed decreased interest rates.

Mr. McNeil indicated that those homeowners who participate in the promotional interest rates are going to be better off because their payments will be lower. If a homeowner has received a project in which the contractor has not complied and the homeowner is forced to pay off the balance due to a sell or refinance, the savings in the interest rate is not yet sufficient to account for the incremental costs that have been added to the project, in which case the contractor would be investigated and all the homeowners would be flagged as harmed or potentially harmed. If the homeowner pays off the project over a long period of time, the homeowner will benefit from reduced savings. But in the situation where the homeowner is forced to pay off in a short period of time, Renovate estimates that dollar amount to be approximately $610.00, where the difference between the savings and when they are forced to pay off in the project cost increase associated with that, then Renovate or the contractor would reduce the amount the homeowner would have to pay back by the calculated amount of what Renovate believes the increase in project costs were.

Committee member Franklin asked why the contractor would be liable.

Mr. McNeil responded that because the contractor committed to Renovate and the Program that the contractor would follow all Program Guidelines. So under any circumstance, e.g., the contractor did not do a good job or passed along a fee, Renovate forces the contractor to remedy whatever has occurred. The contractor would be informed that they did not comply with the Program and is required to pay a certain amount of money to the homeowner if that homeowner were required to pay off that amount in a short period of time. The forced prepayment rate is 2.4% on a per annum basis.

Ms. Spoonhour added that one more potential disadvantage is that there could be small or mid-size contractors not wanting to participate in the Program because of contractor fees.

Mr. McNeil indicated that it is more about how efficient the business is, not necessarily a function of the size of the business. Which contractors are participating in the promotional interest rates will be tracked to determine if there is any correlation between the size of the contractor and using the contractor fee, or not using the contractor fee. If a correlation exists, then it has to be assessed if there is a way to modify the Program for smaller contractors.

Committee member Roughton asked that when a red flag pops up, will Renovate deal with the consumer then, or wait and see whether or not the project is paid off early.

Mr. McNeil responded that at the end of the day, the homeowner will achieve savings, versus if they were to select an interest rate which included no contractor fee. Renovate could set up a fund that could aggregate dollars associated with that. A reserve fund already exists for bonds, so it is easy to create a reserve fund to that extent.

Committee member Roughton indicated that she is not comfortable with it not being taken care of when it is discovered, even though the homeowner is experiencing a savings, because they're not getting the savings they thought they were getting.

Mr. McNeil indicated that we could have a policy, we could be modify it such that every homeowner identified as being harmed, irrespective of whether or not they will receive a benefit, that they would get a payment. Renovate would see if that policy would be a better policy of not allocating money in case the homeowner was worse off.

Committee member Roughton indicated that when we discover a contractor is not playing by the rules, we are not going back to the consumer because perhaps the consumer is not expecting it, but would that not show integrity showing that the HERO Program goes the extra mile?

Mr. McNeil indicated that the homeowner is making the conscious decision that they will be benefitted by an improvement given the terms they were presented with. Renovate is trying to create good practice from a contractor's perspective. The homeowner is really not getting a benefit, per say, it is more about enforcing policy within the workforce.

Committee member Montanez recommended Renovate return with some adapted policies, given today's discussion, so it does not have to be designed here today.

Ms. Spoonhour suggested staff work with Renovate on that issue.

Mr. McNeil indicated that there are a lot of benefits other than lowering contractor fees in the workforce and saving people money. A lot of homeowners have expressed that they think the interest rates of the Program are too high, so we could hire customer satisfaction from disbursements. We will get more favorable reviews. People will be able to move forward with improvement because interest rates will be lower than they otherwise would be. And ultimately because payments are lower, the impact that they payment would have on the borrower would obviously be less, whether it is their property tax payment or mortgage payments.

The proposed promotional rate generates less money for Renovate. The idea behind it is, if you are an investor, and you have a choice between investing in one interest rate versus another, you would prefer the lower interest rate because you are going to get more money. Renovate, in essence the entity providing the financing, by selecting a certain amount, even though there is a contractor fee, if you add the total interest earned at 8% versus 6%, it is substantially less. If you add the contractor fee and the total value that would be realized from that financing, it is less in one scenario than in the other.

This is not better for Renovate economically, but ultimately on a unit basis, Renovate will be able to serve more people, and will be better off over time, not on an individual basis.

Between now and the February 6, 2017, Executive Committee meeting, Renovate would like to be able to move forward, knowing that improvements need to be made on an ongoing basis.

Ms. Spoonhour indicated that staff reached out to WRCOG's financial advisory, Public Financial Management (PFM), to perform an analysis on the contractor fee and whether it is a good thing moving forward. PFM concluded that lower interest rates are good for the Program, the homeowner, and PACE as a financing product. Lower interest rates do reduce the homeowner's payments and capitalized interest a homeowner pays. It is likely to reduce the amount of prepayment frequencies. The public perception of the Program could be improved.

PFM did come up with some operational complexities that the contractor fee being passed through creates additional tracking complexities. Staff does not disagree with that. Renovate and WRCOG will spend more time tracking; however, the overall benefit is to the consumer. WRCOG will receive monthly reports and will review interest rates and contractor fees on a quarterly basis with Renovate. WRCOG's PACE Ad Hoc Committee can also be utilized as a sounding board.

***Action:*** *1. Requested this item not be forwarded to the Executive Committee, but brought back here once today's comments have been addressed.*

*(Roughton/Dennstedt) 7 yes; 0 no; 0 abstention. Item 4.D was approved by a unanimous vote of those members present. The Cities of Lake Elsinore and Temecula and the County of Riverside District 3 were not present.*

**E. Regional Sustainability Demonstration Center Proposal**

Jennifer Ward reported that this concept celebrates work done on sustainability, quality of life, energy efficiency, and water conservation occurring in Western Riverside County, in a facility which would not only provide a benefit to WRCOG's member jurisdictions, but more importantly address the public and provide education on all the different components of sustainability.

In August 2016, this Committee directed staff to survey WRCOG member jurisdictions and potential partners who would support this type of concept and gather feedback. There was an overwhelming positive response from utility partners, and three potential sites have been determined: Eastern Municipal Water District's (EMWD) facility in the City of Perris; the retrofit of an existing building in downtown Riverside; and a couple of different options in the City of Temecula.

Next steps include two phases; first, an opportunities and constraints study of these potential sites, and second, a more in depth feasibility analysis of the preferred site(s). Staff recommends investing a small amount of resources toward an opportunity and constraints analysis; results will be presented to this Committee. Additional resources would then be required for a more detailed analysis in phase two on the results of the first analysis. This would also involve geographical drawings, cost analysis, identification of partners, etc.

The chosen site could include an amphitheater to hold concerts, a farm-to-fork restaurant, etc. The potential also exists to have all or some of these types of concepts in multiple locations. Staff submitted two SCAG grants to look at the feasibility of having this concept at the EMWD facility as well as the location in downtown Riverside.

Rick Bishop added that there seems to be a lot of interest in this, and WRCOG needs to take the next steps to determine what can be done, and where. From there, a more formal feasibility study would be pursued. It is expected that costs will be shared by the concept partners. Phase one would be a study of all three sites, as they are all very different. Phase one could be anywhere from $50,000 to $100,000 to prepare an opportunity and constraints analysis, to be shared by four entities. Phase two would be more costly, and include a more in-depth study of any chosen site(s).

Committee member Debbie Franklin suggested the possibility of having a common theme at multiple sites, spread throughout the subregion, allowing for more creativity on a wider range.

Ms. Ward responded that that will most likely come through during the opportunity and constraints analysis. Most of the funding is already in the budget under Agency carryover funds; this process is to allocate a set amount of funding to this project.

***Action:*** *1. Recommended forwarding this item to the Executive Committee for funding discussion and approval.*

*(Ashley/Wright) 7 yes; 0 no; 0 abstention. Item 4.E was approved by a unanimous vote of those members present. The Cities of Lake Elsinore and Temecula and the County of Riverside District 3 were not present.*

**F. Potential WRCOG Agency Office Relocation**

Rick Bishop reported that this item was agendized as a placeholder in the event further discussion was required after the last Executive Committee meeting. George Johnson, from the County's Executive Office, phone yesterday to discuss this matter, per the request of Supervisor Kevin Jeffries. A meeting will occur later today and that information will then be shared with Chairman Benoit.

***Action:*** *1. Received report.*

**G. 26th Annual General Assembly & Leadership Address**

Jennifer Ward reported that this year's event is scheduled for June 22, 2017. A list of potential speakers will be presented to this Committee at its February meeting. Ms. Ward asked Committee members to start thinking of nominees for the two agency community service awards which are presented at the event.

***Action:*** *1. Received report.*

At this time, Chairman Benoit indicated that Renovate America has a brief, additional item to add to their previous presentation. The Committee was amenable to continued discussions.

Mr. Matusiak indicated that Renovate has an opportunity to move forward and introduce a solution which will immediately allow for lower interest rates for homeowners participating in the HERO Program. During the previous discussion, concerns were raised with regard to triggers and it was suggested that Renovate and WRCOG staff work together on a solution and return to this Committee.

Given the general enthusiasm for the shift in the Program, Renovate would like to move this matter presented to and approved by the Executive Committee at its next meeting in February. Any delay pushes out the ability for homeowners to take advantage of lower interest rates.

Chairman Benoit indicated that if this matter is forwarded to the Executive Committee, the concerns can be worked on in the meantime.

Steve DeBaun indicated that because the item has already been discussed and voted on, a motion would have to be made to reconsider. If the motion to reconsider is approved, the discussion can continue.

***Action:*** *1. This item was reconsidered for discussion.*

*(Montanez/Dennstedt) 7 yes; 0 no; 0 abstention. The reconsideration was approved by a unanimous vote of those members present. The Cities of Lake Elsinore and Temecula and the County of Riverside District 3 were not present.*

Chairman Benoit indicated that the question is, can Renovate work on the concerns expressed by this Committee and present this matter to the Executive Committee next month, rather than bring it back to this Committee next month, and then to the Executive Committee in two months.

Committee member Laura Roughton indicated that if this matter is forwarded to the Executive Committee without clear direction, which is not as intimate with the Program details as this Committee is, could cause for another long conversation. This would only be delayed by 30 days, and the urgency is unclear. Concerns should be addressed first. Renovate has been very good at being responsive. Not understanding the urgency, Committee member Roughton wants concerns addressed before the matter moves forward.

Chairman Benoit suggested that Renovate and the PACE Ad Hoc Committee meet to discuss between now and the Executive Committee meeting, and then the PACE Ad Hoc Committee would make a recommendation to the Executive Committee.

Committee member Roughton added that if the concerns are not addressed, then the matter should come back to this Committee, and not forwarded to the Executive Committee until a later time.

***Action:*** *1. Directed WRCOG staff to schedule the PACE Ad Hoc Committee to meet, between now and the February Executive Committee meeting, to discuss the concerns expressed by this Committee; the PACE Ad Hoc Committee will make a recommendation to the Executive Committee if all concerns are addressed, otherwise this matter will return to this Committee for further discussion.*

*(Montanez/Ashley) 7 yes; 0 no; 0 abstention. The reconsideration was approved by a unanimous vote of those members present. The Cities of Lake Elsinore and Temecula and the County of Riverside District 3 were not present.*

**H. New WRCOG Agency Website**

Jennifer Ward indicated that due to time constraints, this item was not heard.

***Action:*** *1. Postponed for a future presentation.*

**5. ITEMS FOR FUTURE AGENDAS**

At a recent Board meeting of the Riverside County Transportation Commission (RCTC), Board member Kevin Jeffries mentioned the possibility of bringing WRCOG's TUMF Program to RCTC. Chairman Benoit would like to have this matter agendized for this Committee to discuss.

**6. GENERAL ANNOUNCEMENTS**

There were no general announcements

**7. NEXT MEETING: The next Administration & Finance Committee meeting is scheduled for Wednesday, February 8, 2017, at 12:00 p.m., in the Riverside County Administrative Center, 5th Floor, Conference Room C.**

**8. ADJOURNMENT: The meeting of the Administration & Finance Committee adjourned from Closed Session at 1:43 p.m.**

Item 3.B

# Western Riverside Council of Governments
## Administration & Finance Committee

### Staff Report

**Subject:** **Finance Department Activities Update**

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

**Date:** **February 8, 2017**

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***The purpose of this item is to*** *provide an update on the interim WRCOG audit of Fiscal Year 2015/2016, which resulted in a final Comprehensive Annual Financial Report issued on January 31, 2017. This report also provides an update on the next upcoming Agency budget amendment report, and an update on the annual TUMF Audit for 2015/2016.*

**Requested Action:**

1. Receive and file.

---

**Financial Audit**

Financial auditors from Vavrinek, Trine, Day, & Co have completed the Comprehensive Annual Financial Report (CAFR). It is anticipated that the Finance Directors' Committee will receive a report on the audit and financial statements at its March 23, 2017, meeting. The Administration & Finance Committee will receive the report at its April 12, 2017, meeting.

**Budget Amendment**

March 31, 2017, will mark the end of the third quarter of FY 2016/2017, and it is anticipated the Administration & Finance Committee will be presented with a budget amendment at its April 12, 2017, meeting. The Technical Advisory Committee will also consider the amendment report at its April 20, 2017, meeting. The Executive Committee will consider the amendment report at its May 1, 2017, meeting.

**Annual TUMF Audit for FY 2015/2016**

Staff has completed the TUMF audits of each jurisdiction and the final reports will be issued in February of 2017. The TUMF audits allow staff to ensure that member agencies are correctly calculating and remitting TUMF funds in compliance with the TUMF Program.

**Prior Action:**

January 11, 2017: The Administration & Finance Committee received report.

**Fiscal Impact:**

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

**Attachment:**

None.

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Item 3.C

# Western Riverside Council of Governments
## Administration & Finance Committee

### Staff Report

**Subject:** **Financial Report Summary through December 2016**

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

**Date:** **February 8, 2017**

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***The purpose of this item is to*** *provide a monthly summary of WRCOG's financial statements in the form of combined Agency revenues and costs.*

**Requested Action:**

1. Receive and file.

---

Attached for Committee review is the Financial Report Summary through December 2016.

**Prior Action:**

January 11, 2016: The Administration & Finance Committee received report.

**Fiscal Impact:**

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

**Attachment:**

1. Financial Report Summary – December 2016.

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# Item 3.C

## Financial Report Summary through December 2016

# Attachment 1

## Financial Report Summary – December 2016

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**Western Riverside Council of Governments**
**Monthly Budget to Actuals**
**For the Month Ending December 31, 2016**

| | | Approved 6/30/2017 Budget | Thru 12/31/2016 Actual | Remaining 6/30/2017 Budget |
|---|---|---|---|---|
| | **Revenues** | | | |
| 40001 | Member Dues | 309,410 | 306,410 | 3,000 |
| 42001 | Other Revenue | - | 15 | (15) |
| 42004 | General Assembly | 300,000 | 5,000 | 295,000 |
| 40601 | WRCOG HERO | 1,963,735 | 726,327 | 1,237,409 |
| 40602 | SCE Phase II | 57,000 | | 57,000 |
| 40604 | CA HERO | 7,615,461 | 3,490,796 | 4,124,665 |
| 40605 | The Gas Company Partnership | 62,000 | 31,398 | 30,602 |
| 40606 | SCE WRELP | - | 51,108 | (51,108) |
| 40607 | WRCOG HERO Commercial | 27,500 | 11,384 | 16,116 |
| 40609 | SCE Phase III | - | 10,634 | (10,634) |
| 40611 | WRCOG HERO Recording Revenue | 335,555 | 166,075 | 169,480 |
| 40612 | CA HERO Recording Revenue | 1,301,300 | 733,705 | 567,595 |
| 40614 | Active Transportation | 200,000 | 50,254 | 149,746 |
| 41201 | Solid Waste | 107,915 | 98,415 | 9,500 |
| 41401 | Used Oil Opportunity Grants | 250,000 | 264,320 | (14,320) |
| 41402 | Air Quality-Clean Cities | 139,500 | 128,000 | 11,500 |
| 41701 | LTF | 692,000 | 701,250 | (9,250) |
| 43001 | Commercial/Service - Admin (4%) | 37,074 | 31,492 | 5,582 |
| 43002 | Retail - Admin (4%) | 142,224 | 51,428 | 90,796 |
| 43003 | Industrial - Admin 4%) | 128,446 | 68,843 | 59,603 |
| 43004 | Residential/Multi/Single - Admin (4%) | 1,067,271 | 374,451 | 692,820 |
| 43005 | Multi-Family - Admin (4%) | 224,983 | 21,185 | 203,798 |
| 43001 | Commercial/Service | 889,786 | 756,087 | 133,698 |
| 43002 | Retail | 3,413,375 | 1,234,273 | 2,179,102 |
| 43003 | Industrial | 3,082,710 | 1,652,230 | 1,430,480 |
| 43004 | Residential/Multi/Single | 25,614,514 | 8,986,547 | 16,627,967 |
| 43005 | Multi-Family | 5,399,595 | 508,450 | 4,891,146 |
| | **Total Revenues** | **61,125,676** | **20,460,078** | **40,665,598** |
| | **Expenditures** | | | |
| | **Wages and Benefits** | | | |
| 60001 | Wages & Salaries | 1,981,159 | 1,161,465 | 819,694 |
| 61000 | Fringe Benefits | 579,477 | 364,290 | 215,187 |
| | **Total Wages and Benefits** | **2,620,636** | **1,525,754** | **1,094,882** |
| | **General Operations** | | | |
| 63000 | Overhead Allocation | 1,518,136 | 759,068 | 759,068 |
| 65101 | General Legal Services | 410,673 | 386,565 | 24,108 |
| 65401 | Audit Fees | 25,000 | 10,300 | 14,700 |
| 65505 | Bank Fees | 25,500 | 7,904 | 17,596 |
| 65507 | Commissioners Per Diem | 46,500 | 26,850 | 19,650 |
| 73001 | Office Lease | 145,000 | 79,389 | 65,611 |
| 73003 | WRCOG Auto Fuels Expense | 178 | 329 | (151) |
| 73004 | WRCOG Auto Maint Expense | 16 | 33 | (17) |
| 73102 | Parking Validations | 3,650 | 2,835 | 815 |
| 73104 | Staff Recognition | 1,200 | 632 | 568 |
| 73107 | Event Support | 181,888 | 72,049 | 109,839 |
| 73108 | General Supplies | 20,833 | 8,683 | 12,150 |
| 73109 | Computer Supplies | 7,925 | 3,416 | 4,509 |
| 73110 | Computer Software | 13,705 | 21,388 | (7,683) |
| 73111 | Rent/Lease Equipment | 25,000 | 18,544 | 6,456 |
| 73113 | Membership Dues | 40,600 | 8,300 | 32,300 |
| 73114 | Subcriptions/Publications | 8,283 | 16,169 | (7,886) |
| 73115 | Meeting Support/Services | 14,098 | 4,935 | 9,163 |
| 73116 | Postage | 5,653 | 1,776 | 3,877 |
| 73117 | Other Household Expenditures | 2,354 | 2,813 | (459) |
| 73118 | COG Partnership Agreement | 40,000 | 10,254 | 29,746 |
| 73122 | Computer Hardware | 4,000 | 337 | 3,663 |
| 73126 | EV Charging Equipment | - | 49,605 | (49,605) |
| 73201 | Communications-Regular | 2,000 | 420 | 1,580 |
| 73203 | Communications-Long Distance | 1,200 | 114 | 1,086 |
| 73204 | Communications-Cellular | 11,186 | 5,619 | 5,567 |
| 73206 | Communications-Comp Sv | 17,000 | 36,486 | (19,486) |
| 73209 | Communications-Web Site | 15,600 | 627 | 14,973 |
| 73301 | Equipment Maintenance - General | 7,070 | 6,464 | 606 |
| 73302 | Equipment Maintenance - Computers | 3,267 | 10,188 | (6,921) |
| 73405 | Insurance - General/Business Liason | 63,520 | 73,020 | (9,500) |
| 73407 | WRCOG Auto Insurance | 345 | 1,570 | (1,225) |
| 73502 | County RCIT | 2,500 | 545 | 1,955 |
| 73506 | CA HERO Recording Fee | 1,636,855 | 788,816 | 848,039 |
| 73601 | Seminars/Conferences | 25,013 | 7,383 | 17,631 |
| 73605 | General Assembly | 300,000 | 1,822 | 298,178 |
| 73611 | Travel - Mileage Reimbursement | 21,252 | 8,841 | 12,411 |
| 73612 | Travel - Ground Transportation | 8,779 | 1,791 | 6,988 |
| 73613 | Travel - Airfare | 22,000 | 6,993 | 15,007 |
| 73620 | Lodging | 19,550 | 5,413 | 14,137 |
| 73630 | Meals | 10,091 | 4,624 | 5,467 |
| 73640 | Other Incidentals | 14,164 | 5,932 | 8,232 |
| 73650 | Training | 14,200 | 40 | 14,160 |
| 73703 | Supplies/Materials | 45,700 | 300 | 45,400 |
| 73706 | Radio & TV Ads | 44,853 | 34,683 | 10,170 |
| XXXXX | TUMF Projects | 38,399,980 | 18,957,329 | 19,442,651 |
| 85101 | Consulting Labor | 3,528,328 | 1,514,922 | 2,013,406 |
| 85102 | Consulting Expenses | 245,000 | 2,889 | 242,111 |
| 85180 | BEYOND Expenditures | 2,023,000 | 167,029 | 1,855,971 |
| 90101 | Computer Equipment/Software | 31,500 | 19,742 | 11,758 |
| | **Total General Operations** | **49,225,890** | **22,523,216** | **26,070,118** |
| | **Total Expenditures** | **51,846,526** | **24,048,970** | **27,164,999** |

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Item 3.D

# Western Riverside Council of Governments
## Administration & Finance Committee

### Staff Report

**Subject:** **PACE Program Activities Update**

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

**Date:** **February 8, 2017**

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***The purpose of this item is to*** *provide the Committee with an update on the PACE Programs that WRCOG oversees. This includes the HERO Program, CaliforniaFIRST, and Spruce Finance.*

**Requested Action:**

1. Authorize travel for the Chair, Vice-Chair and WRCOG staff to Washington, D.C., to meet with legislators and federal departments and agencies regarding PACE Programs.

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*WRCOG's PACE Programs provide 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. The CaliforniaFirst and Spruce Programs will launch in the 1st Quarter 2017.*

**HERO Program Activities Update**

**Washington, D.C., trip:** In the past, WRCOG has sent a delegation to meet with its Congressional representatives and staff of key departments for the purposes of discussing WRCOG programs and activities, and to discuss potential funding opportunities. These trips generally included the Chair and Vice-Chair of the Executive Committee, and representatives from Renovate America (who fund their own travel). With the addition of new PACE Providers coming under WRCOG's PACE Umbrella, staff will extend the same invitation it has in the past to Renovate America for participation in the trip to CaliforniaFirst and Spruce representatives.

With a new change in federal leadership and announcements from the Federal Housing Agency (FHA) and Veteran Affairs (VA) that state Property Assessed Clean Energy (PACE) Program assessments are to be treated just like any other assessment and can remain with the property during a sale and/or refinancing utilizing their government backed financing, it would be beneficial for WRCOG's delegation to travel to Washington, D.C., to meet with key legislators and other influential groups to provide updates on the HERO Program. Staff is tentatively targeting the week of April 6, 2017, for a trip. If approved, WRCOG staff will begin working with the County of Riverside's Washington, D.C., representative to finalize the meeting dates and schedule the meetings. The funding for this trip is included in the WRCOG HERO and California HERO Fiscal Year 2016/2017 Budgets.

**Prior Action:**

December 5, 2016: The Executive Committee 1) received summary of the Revised California HERO Program Report; 2) conducted a Public Hearing Regarding the Inclusion of the Town of Hillsborough and the City of Yreka, 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) continued the Public Hearing for the County of Colusa Unincorporated Areas until January 9, 2017; 4) adopted WRCOG Resolution Number 39-16; 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; 5) accepted the Counties of Mendocino and Siskiyou unincorporated areas as Associate Members of the Western Riverside Council of Governments; and 6) adopted WRCOG Resolution Number 40-16; 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.

**Fiscal Impact:**

Travel expenditures for these anticipated trips are included in the adopted Fiscal Year 2016/2017 Budget under the Energy Department.

**Attachment:**

None.

Item 3.E

# Western Riverside Council of Governments
## Administration & Finance Committee

### Staff Report

**Subject:** **WRCOG 2017/2018 Legislative Platform**

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

**Date:** **February 8, 2017**

---

***The purpose of this item is to*** *share the draft 2017/2018 WRCOG Legislative Platform for review and input by Committee members.*

**Requested Action:**

1. Review the draft 2017/2018 Legislative Platform and provide feedback to staff by Thursday, February 23, 2017.

---

*The 2017/2018 WRCOG Legislative Platform is designed to provide guidance to WRCOG and its member jurisdictions on legislation that focuses on issues of mutual concern.*

**Background**

At the start of each legislative session, WRCOG adopts a set of priorities in its Legislative Platform that serve to guide staff on actions related to monitoring, tracking, and recommending Agency positions on various legislation. Typically, items of legislative interest are brought to staff's attention by WRCOG's member agencies, who desire to have the Agency take a position in order to demonstrate a subregional commitment to a particular issue. By adopting this Platform, the Executive Committee provides guidance to WRCOG staff in expressing its member interests to State and Federal legislators. Attached is the draft WRCOG 2017/2018 Legislative Platform for review and comment. This draft has also been shared with stakeholders in each of the industries affected by the Platform Components

Staff is requesting that all comments be submitted to Jennifer Ward at ward@wrcog.cog.ca.us by Thursday, February 23, 2017.

Platform Components: In 2010, WRCOG established the following Agency priorities: e conomic development, education, energy and environment, health, transportation, water, and legislative advocacy. The Legislative Platform will build upon these established goals and guide WRCOG's role in addressing these and other issues at the subregional level. Working in coordination with its member jurisdictions, and within the regional context of inland Southern California, WRCOG will pursue the following general advocacy goals:

- Pursue state and federal funding to establish or enhance existing programs that promote quality of life and prosperity for Western Riverside County.
- Oppose legislation that seeks to limit local control, reduce funding opportunities to local jurisdictions, or increase fees and taxes on residents.
- Coordinate advocacy efforts to promote the interests of Western Riverside County to decision makers at all levels of government.

**Prior Action:**

None.

**Fiscal Impact:**

Staff activities related to monitoring, tracking, and adopting Agency positions on legislation are programmed in the FY 2016/2017 Agency Budget under the Government Relations Department.

**Attachment:**

1. Draft 2017/2018 WRCOG Legislative Platform.

# Item 3.E

## WRCOG 2017/2018 Legislative Platform

# Attachment 1

## Draft 2017/2018 WRCOG Legislative Platform

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**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS**
**2017/2018 LEGISLATIVE PLATFORM**

## *INTRODUCTION*

The 2017/2018 WRCOG Legislative Platform (Platform) is designed to provide guidance to WRCOG and its member jurisdictions on legislation that focuses on issues of mutual concern. Positions adopted by the WRCOG Executive Committee will be forwarded to Sacramento, Washington D.C., and interested parties as appropriate. By adopting this Platform, the Executive Committee provides guidance to WRCOG staff in expressing its member interests to State and Federal legislators. The Platform is adopted by WRCOG at the start of the State's two-year legislative season.

Typically, items of legislative interest are brought to WRCOG's attention by WRCOG's member agencies, who desire to have the Agency take a position in order to demonstrate a subregional commitment to a particular issue. WRCOG does not currently employ full time legislative staff or lobbyists, therefore has limited ability to commit significant time to legislative activities. Staff will, to the extent possible, monitor legislation that falls within the scope of the adopted Platform and use the Platform as a guide to respond to issues and/or requests raised by WRCOG's member agencies. Staff will strive to also provide information on the impacts of such legislation to member agencies through WRCOG's existing Committee structure.

If urgent action is needed, the WRCOG Executive Director and/or the Executive Committee Chair may submit position letters and/or undertake other tasks that may be necessary on legislative matters that are consistent with the areas identified in this Platform. These actions will be reported at subsequent meetings of the WRCOG Committees.

In 2010 WRCOG established the following Agency priorities: economic development, education, energy and environment, health, transportation, water, and legislative advocacy. The following Platform will build upon these established goals and guide WRCOG's role in addressing these and other issues at the subregional level.

## *GENERAL ADVOCACY*

The purpose of WRCOG is to unify Western Riverside County so that it can speak with a collective voice on issues of mutual concern that cross jurisdictional lines. The goal of the Agency is to respect local control while providing regional perspective. Working in coordination with its member jurisdictions, and within the regional context of inland Southern California, WRCOG will pursue the following advocacy goals:

- Pursue state and federal funding to establish or enhance existing programs that promote quality of life and prosperity for Western Riverside County.
- Oppose legislation that seeks to limit local control, reduce funding opportunities to local jurisdictions, or increase fees and taxes on residents.
- Coordinate advocacy efforts to promote the interests of Western Riverside County to decision makers at all levels of government.

***PLATFORM COMPONENTS***

## 1. Economic Development

Western Riverside County is a subregion rich in diversity, resources, and labor. Key legislative priorities for WRCOG support establishing a common vision and brand identity for the subregion and enhancing the subregion's ability to attract new investment by improving the overall quality of life in the subregion.

- Support legislation that encourages technology to assist jurisdictions and the education system in attracting potential businesses and educating future workers (e.g., wireless internet access).
- Support legislative action that streamlines the California Environmental Quality Act (CEQA) process and modernizes CEQA law.
- Support legislation that would encourage employers to open satellite facilities for residents that work outside of Western Riverside County or commute long distances within the region for employment, implement telecommuting, and other transportation demand management strategies.
- Support legislation that expands marketability of the subregion, and provide opportunities to "brand" Western Riverside County as a destination location and a desirable place to live, work, and play.
- Support legislation that would institute an equitable geographic distribution of state funding for the development of programs that would improve the subregion.
- Support legislation that facilitates collaboration between local government, education, and business.
- Support legislation that would maintain and/or allocate grant funding for coordinated local and regional economic development efforts.
- Support legislation that would lead to job creation in the WRCOG subregion, especially permanent, living-wage jobs.
- Support legislation that encourages the creation of jobs near housing to improve the jobs / housing balance.
- Oppose legislation that would encourage or incentivize businesses to leave Western Riverside County.

## 2. Education

Education plays a pivotal role in the future of Western Riverside County. WRCOG supports legislative efforts that encourage collaboration between jurisdictions and education leaders to facilitate educational opportunities in Western Riverside County. An educated workforce will attract a broader level of employers and increase the earning capabilities of residents. Expanding higher educational and skilled labor training opportunities available to residents in Western Riverside County is vital.

- Support legislation that would improve the quality of and access to education for all students.
- Support legislation that encourages public / private partnerships to increase the number of students who are college-ready, enroll and graduate from college, and who achieve degrees that are in demand in Western Riverside County.
- Support legislation that provides funding to retrain individuals for workforce re-entrance.

- Support the development of curriculum geared towards preparing students for sustainable “green collar” and clean technology jobs.
- Support legislation that would allow for the joint use of high school facilities for post-secondary education to expand access to and enrollment in college.
- Support legislation that facilitates access to Career Technical Education to fulfil growing need of skilled labor.
- Oppose legislation that redirects funding from the K-12 and post-secondary education system in Western Riverside County.

## 3. Energy and Environment

WRCOG is committed to the conservation of natural resources and the advancement of alternative energy sources to promote ongoing sustainability of the subregion. Energy conservation and efficiency can help residents, businesses, and jurisdictions save money, improve air quality, and protect the environment. WRCOG supports legislative efforts which support innovative “green” technologies, facilitate energy conservation and efficiency, and promote alternative energy activities to extend the benefits of these actions throughout the subregion while meeting the demands of the growing population.

- Support legislation that removes barriers for and provides funding to expand the WRCOG Property Assessed Clean Energy (PACE) Programs.
- Support legislation that provides incentives for the private sector and local governments to voluntarily implement energy saving measures.
- Support legislation that establishes and preserves the role of local government in energy decisions, particularly for activities pertaining to electricity generation, supply, demand, and conservation to ensure adequate supply and reasonable costs for residents and businesses.
- Support legislation that encourages or provides incentives for the production and use of clean alternative energy sources.
- Support legislation that encourages emissions reductions from sources under federal control (e.g., caused by planes, trains, and ships) and increased emissions monitoring methods.
- Support the continuation of air quality management at the air basin level rather than at the statewide or individual county level.
- Support legislation that extends federal alternative fuel and vehicle tax credits and incentives.
- Support legislation that would encourage the development of alternative fuel facilities.
- Support legislation that encourages the expansion of solid waste conversion technologies.
- Support legislation that increases markets for recyclable or compostable materials.
- Support legislation that implements programs to reduce litter and illegal dumping.
- Support the increase of fines and/or confiscation of vehicles for individuals and companies caught in the act of illegal dumping.
- Support state loans, grants, and loan guarantees for businesses implementing source reduction programs and utilizing post-consumer recycled materials in the manufacture of new products.
- Support legislation that encourages the proper disposal of hazardous waste.

- Support legislation that implements Extended Producer Responsibility principles aimed at removing the cost burden for disposal of products from local jurisdictions and agencies.
- Oppose waste management requirements that would put local jurisdictions at risk of not meeting AB 939 requirements, or create excessive costs absent funding.

## 4. Health

Health outcomes influence educational attainment, economic opportunity, and similar factors, critical to a high quality of life. Riverside County has a poor state and national ranking in several key health indicators. Contributing factors including a lack of clinical care (e.g., access to health care facilities, insurance, and professionals), social and economic conditions (e.g., income, education, jobs, and safety), and environmental quality (e.g., park access and air quality). WRCOG supports legislative activities that increase awareness of health challenges impacting Western Riverside County; foster a natural, social, and economic environment conducive to optimal health; and empower the subregion to address these challenges in a collaborative, sustainable manor through the provision of requisite tools and resources.

- Support legislation that reduces state regulatory barriers that impede the provision of health services in Western Riverside County.
- Support legislation that facilitates regional collaboration in addressing health and healthcare problems.
- Support legislation aimed at increasing institutions that offer training and residency opportunities for healthcare professionals in exchange for contractual services.
- Support legislation and legislative actions aimed at increasing the number of hospital beds in the region.
- Support legislation that increases local government authority to oversee location of community care facilities and transportation options to the care facilities.
- Oppose legislation that could potentially establish unnecessary barriers to the creation and construction of healthcare facilities.
- Support legislation that supports continued financing and development of the University of California, Riverside School of Medicine to attract and retain health care professionals in the region.
- Support legislation that provides funding and other assistance for the development of a Youth Master Plan that contains plans and programs for special needs children (i.e., parks, recreational needs, and housing opportunities for children with special needs).
- Support legislation that creates an information exchange or information network where residents can access available support services and data on specific issues.
- Support legislation that facilitates Office of Statewide Health Planning and Development (OSHPD) and California Environmental Quality Act (CEQA) streamlining for efficient hospital construction.
- Support legislation that promotes the development of walkable communities.
- Support legislation that coordinates health goals with economic development actions.
- Support legislation that seeks to improve the level of physical activity among adults and children.
- Support legislation that seeks to improve access to affordable, healthy foods.

## 5. Transportation

In order to meet the needs of Western Riverside County's current population and sustainably accommodate future growth, the subregion must expand the capacity and efficiency of its transportation network. WRCOG supports legislative efforts to direct investment towards transportation infrastructure, not only for roads and highways, but for transit, goods movement, and non-motorized transportation. WRCOG also supports collaboration with regional transportation agencies to impact transportation funding and regulatory policies to bring equity and fairness to the inland Southern California region.

- Support Federal and State efforts to provide sustainable and stable funding for the transportation system.
- Support efforts to ensure that communities in Riverside County receive fair and equitable allocations of transportation funding at the Federal, State, and regional level.
- Support legislation that gives priority to self-help and "super" self-help counties when allocating bond funding and other transportation funding mechanisms.
- Support legislation to improve access and funding to public transportation.
- Support legislation and funding mechanisms that support and encourage the use of transit and non-motorized transportation, including active transportation.
- Support legislation that enhances the safety of city streets and arterials for vehicular, bicycle, and pedestrian traffic.
- Support legislation that will reduce traffic congestion and support regional transportation programs.
- Support legislation that provides funding for goods movement-related projects and studies.
- Support legislation that would create funding opportunities for upgrades and/or separations for at-grade crossings.
- Support legislation that provides increased funding for non-motorized planning and projects.
- Support legislation that increases local flexibility in the allocation of transportation capital funds.
- Oppose legislation to eliminate or restrict the use of Riverside County State Improvement Transportation Funds, federal transportation funding, Measure A, or Gas Tax funding for local transportation projects.

## 6. Water

Western Riverside County's economic well-being and quality of life depend on securing a reliable supply of water to meet the existing and future demands of the subregion. WRCOG supports continued conservation efforts that can reduce water use, strengthening and improving the Sacramento-San Joaquin Bay Delta levees and ecosystem, and supporting the identification and construction of alternative means for conveying water to Southern California residents and businesses.

- Support legislation and legislative actions that promote alternative water resource development such as recycled water, storm water reclamation and groundwater desalination.
- Support legislation that examines water use, not building size or acreage, when determining whether a water supply assessment is needed for commercial or industrial projects.
- Support legislation that examines a variety of water storage methods.

- Support legislation that provides funding to local governments for water quality and conservation-related programs.
- Support legislation to improve the state's water infrastructure and delivery mechanisms without causing excessive financial burdens or delivery delays to Southern California.
- Oppose legislation that shifts or re-aligns local ad valorem property tax revenues approved by local voters for vital water and wastewater infrastructure.

### 7. Other Local Government Issues

The active presence and vitality of local government continues to sustain the subregion. WRCOG supports legislative initiatives that preserves and expands local jurisdictional control. Further, recognizing that well-designed land use and planning decisions are vital to the successful growth and development of the subregion. WRCOG supports legislative efforts that promote strategic land use and development practices that maintain and/or increase local control. Finally, to promote the safety and well-being of all residents in the subregion, WRCOG supports legislative proposals that broaden access to timely public safety assistance and to the justice system.

- Support legislation that requires additional transparency and communication in state and federal legislative and commission activities.
- Support legislation and legislative actions that require the Governor and the legislature to pass an on-time budget that does not rely on borrowing or taking from local governments.
- Support legislative actions that protect the rights of jurisdictions to plan and govern their own communities.
- Support legislation that would offer funding and assistance to enable jurisdictions to continue redevelopment activities.
- Support legislation that would restore funding to newly incorporated cities in Western Riverside County resulting from the loss of Motor Vehicle License Fee revenues.
- Oppose legislation that prevents a local government from entering into or negotiating a franchise agreement with a local service provider.
- Oppose legislation that reduces state funding for local activities but still requires local governments to maintain existing service levels and responsibilities.
- Oppose legislation that calls for additional state and/or federal mandates absent funding.
- Oppose legislation that seeks to take away local control and give more control to the State.
- Support legislation that provides ongoing state funding for mandated planning projects such as the Regional Housing Needs Assessment, Sustainable Communities Strategy (SCS), General Plan Housing Element updates, and other planning initiatives under AB 32 and SB 375.
- Oppose legislation that creates restrictions on local control of land use and development.
- Oppose legislative actions or reform measures that penalize jurisdictions for non-compliance with state-mandated Housing Element update schedules.

# Western Riverside Council of Governments
## Administration & Finance 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:** **February 8, 2017**

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***The purpose of this item is to*** *provide the Committee with an update on WRCOG's efforts to examine the feasibly of a Community Choice Aggregation Program for either the subregion, Riverside County, or two Counties (Riverside and San Bernardino).*

**Requested Action:**

1. Provide staff direction on a governance structure for the CCA.

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*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 local jurisdictions to form a CCA for this purpose. Several local jurisdictions throughout California 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. WRCOG, the San Bernardino Associated Governments (SANBAG) and Coachella Valley Association of Governments (CVAG) have funded a joint, two-county feasibility study in response to the Executive Committee's direction; the study has recently been completed.*

**CCA Activities Update**

In January 2016, staff received direction from the Executive Committee to pursue a Feasibility Study for the potential formation of a CCA Program. To achieve economies of scale and resource efficiencies, San Bernardino Associated Governments, now known as San Bernardino Council of Governments (SBCOG), 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. The final draft of the Study, which is expected to be received by the Executive Committee on February 6, concludes that the development and implementation of a CCA at a number of geographic scales and with a number of conservative assumptions will yield savings to CCA participants (residential and business consumers of electricity).

On October 3, 2016, the Executive Committee directed staff to move forward with the development of a Community Choice Aggregation Program and to return with recommendations from the Administration & Finance Committee on governance and operational structures.

The next step in implementing a CCA is to determine the governance structure. The governance structure outlines who is going to make the decisions for the CCA; it is not necessarily related to a CCA's operational structure, which outlines who is going to complete the work (i.e., internal staff, consultants, or a combination of the two). WRCOG staff, in conjunction with CVAG and SBCOG, will be releasing a Request for Proposals (assuming direction is given to do so at the February 6 Executive Committee meeting) to gather information regarding the costs associated with operating a CCA.

<u>Governance structures</u>: WRCOG staff has developed a number of different CCA governance scenarios and is providing a "benefits and constraints" for the members to review and discuss at the meeting. Outside of the individual jurisdictional scenario (where a single city or county operates its own CCA for that jurisdiction only), a joint powers authority (JPA) must be formed or exist. CPUC language is clear that if more than one jurisdiction desires to combine its energy load to form a CCA, it must be done through a JPA structure. Through the development of the JPA, the voting structure would be determined.

**Two County Scenario** - One JPA is formed that represents all participating jurisdictions within Riverside and San Bernardino Counties. Governance (voting structure) could range from "one member = one vote" to

*Option 1: The JPA is formed **with** COG involvement.*

Benefits: Large size of CCA provides best economies of scale.

Provides highest cost savings to the consumer.

Lower implementation costs since it would utilize COG resources.

Constraints: Potentially the "bulkiest" governance structure, given that up to 48 members from two counties could constitute the CCA governance board.

Governing Board would need to decide how workload among the COG's would be shared, unless determined to assign responsibilities to a single COG.

*Option 2: The JPA is formed **without** COG involvement.*

Benefits: Large size of CCA provides best economies of scale.

Provides highest cost savings to the consumer.

Constraints: Organization starts from "scratch"; who takes the lead to pull this together?

Possible higher implementation costs given it might not utilize any resources from any of the member jurisdictions or from the COGs (i.e., staff, office space, computers, etc.).

Potentially the "bulkiest" governance structure, given that up to 48 members from two counties could constitute the CCA governance board.

**One County Scenario** - Separate JPAs are formed for each of the Counties.

*Option 1: The JPAs are formed **with** COG involvement.*

Benefits: Provides economies of scale but less than the two-county models.

Provides savings to the consumer but at a lower rate than the two-county models .

Lower implementation costs since it would utilize existing COG resources.

Greater local control compared to the two-county model.

Constraints: For Riverside County, new Governing Board would need to decide how workload among the COG's would be shared, unless it is determined to assign responsibilities to a single COG.

*Option 2: The JPAs are formed **without** COG involvement.*

Benefits: Provides economies of scale but lower than the two-county models.

Provides savings to the consumer but at a lower rate than the two-county models.

Greater local control compared to the two-county model.

Constraints: Possible higher implementation costs given it might not utilize any resources from any of the member jurisdictions or from the COGs (i.e., staff, office space, computers, etc.).

**Individual COG Scenario – three separate JPAs would be formed for the Western Riverside, Coachella Valley and San Bernardino areas**

*Option 1: The JPAs are formed **with** COG involvement.*

For WRCOG, there are two ways to implement this scenario. WRCOG could amend its current JPA or WRCOG could create a new JPA.

Benefits: Provides economies of scale but lower than the one or two-county models.

Provides savings to the consumer but at a lower rate than the one or two-county models.

Provides more local control on Program design than the one or two-county models.

Governing Board would be consistent with the WRCOG Executive Committee.

Lower implementation costs since it could utilize existing WRCOG resources and committee structures, etc.

Does not create another "layer of governance."

Constraints: Some might not like WRCOG or the other COGs taking on additional responsibilities.

*Option 2: The JPAs are formed **without** COG involvement.*

Benefits: Provides economies of scale but lower than the one or two-county models.

Provides savings to the consumer but at a lower rate than the one or two-county models.

More local control on Program design than the one or two-county models.

Constraints: Possible higher implementation costs given it might not utilize any resources from any of the member jurisdictions or from the COGs (i.e., staff, office space, computers, etc.).

Starts from scratch; who takes lead to pull this together (all staffing and related start-up)?

Could be viewed as being structurally duplicative of WRCOG ("another layer of bureaucracy / governance).

**Individual Jurisdiction Scenario -** A single jurisdiction establishes and administers its own CCA.

Benefits: Likely the fastest to implement.

Provides highest level of local control.

Constraints: Possible that overall economies of scale compared to larger-scale models might not be as great.

Would having multiple CCA's in a subregion be confusing?

Next Steps: Once the governance structure has been identified, there are other steps that need to be developed in moving forward. These include:

1. Vet business plan and finalize (**February 2017**)
2. Determine governance preference (**WE ARE HERE**)
3. Release RFP for CCA implementation assistance (**FEBRUARY 2017**)
4. Select power supply and data management vendor (**APRIL 2017**)
5. Adopt Resolution of Intent and File Implementation Plan with CPUC (**MAY 2017**)
6. File Notice of Intent with SCE (**MAY 2017**)
7. Arrange financing of start-up costs
8. SCE data testing (**MAY 2017 THROUGH NOVEMBER 2017**)
9. Opt-out notice – 1 and 2
10. Launch phase 1 (**NOVEMBER 2017**)
11. Opt-out notices – 3 and 4

**Prior Action:**

December 5, 2016: The Executive Committee received report.

**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 an upcoming Quarterly Budget Amendment.

**Attachment:**

None.

# Western Riverside Council of Governments
## Administration & Finance Committee

### Staff Report

**Subject:** **Draft Subregional Economic Development Initiative**

**Contact:** **Andrea Howard, Staff Analyst, howard@wrcog.cog.ca.us, (951) 955-8515**

**Date:** **February 8, 2017**

***The purpose of this item is to*** *introduce and solicit comments from members of the Committee regarding development of a Subregional Economic Development Initiative, which WRCOG staff have been directed to undertake to address shared economic challenges and develop regional solutions.*

**Requested Action:**

1. Discuss and provide input regarding next steps.

**Background**

In 2016, through various discussions by the WRCOG Agency Carryover Funds Ad Hoc Committee, Administration & Finance Committee, and Executive Committee, $250,000 of the Fiscal Year 2015/2016 Agency Carryover Funds were identified for desired use on a Subregional Economic Development Initiative (Initiative). The purpose of the Initiative, as it was discussed, is to address challenges associated with attracting economic development opportunities to the subregion. Based on input form Committee members, the Initiative also might include a regional "branding initiative", or similar economic development strategies to attract and retain quality businesses and employment opportunities.

Subregional Economic Development Initiative Approach: To determine what might be an appropriate role for WRCOG in economic development efforts, staff sought input from outside experts regarding the most advisable course of action to follow for the Initiative. Staff engaged in discussions with Dr. Robert Kleinhenz and Professor Rick Smith of the University of California, Riverside (UCR), Center for Economic Forecasting and Development at the School of Business Administration (the Center). Dr. Kleinhenz and Professor Smith advised that a sensible first step for WRCOG to pursue is data gathering and analytics to obtain a comprehensive understanding of the economic environment across the WRCOG subregion and within individual jurisdictions. Staff also engaged with the County of Riverside Economic Development Agency (EDA), which is partnering with UCR on a County-specific data gathering process, to identify how WRCOG can partner with County EDA's ongoing efforts to address regional economic development.

Historically, the state of the economy in the WRCOG subregion has been poorly understood owing to a dearth of data and relevant studies. Though the right information is being collected, the results are not publicly available and even if they were, not all local jurisdictions have the resources to conduct in depth analyses to make full use of the data. A potential role for WRCOG is to facilitate the collection of information on behalf of its member jurisdictions to provide insight on the "existing conditions" of our subregion's economy that can inform future economic development work. The UCR Center is currently undergoing a process to obtain access to local economic data from the State Economic Development Department (EDD) in partnership with County EDA. The County EDA will be using this data to conduct analysis at the County and, potentially, Supervisorial district level, but not at the COG or local level. If WRCOG were to partner with the UCR Center and/or County EDA to perform an economic existing conditions analysis, the UCR Center would be able to use this data (which contains granular information that is conserved confidential / sensitive) to inform the Initiative, while following the regulations governing the use of said information.

To complement the existing conditions analysis, which staff believes to be an important first step of a Subregional Economic Development Initiative, staff identified the following potential next steps (listed in no particular order) through conversations with UCR and County EDA:

- Potential Economic Development Strategies: Recognizing that the efficacy of economic development strategies is contingent on the suitability of the strategy for the local economy, WRCOG could retain experts to consider the findings of the existing conditions analysis and advise the Agency on the most appropriate economic development strategy/strategies. The resulting data-driven recommendations might include such strategies as a regional branding initiative and/or marketing campaign.

- Resiliency Study: In lieu of the cyclical nature of the economy, there is a growing trend for jurisdictions to take a proactive approach to economic planning by developing economic resiliency plans, to prepare strategic approaches to economic downturns. These plans typically have long shelf-lives and can help avoid the type of backlash the region is still recovering from experienced during the most recent recession.

- Economic Development Working Group: During prior Committee discussions, Committee members identified that a potential role for WRCOG is the facilitation of a working group or task force to help steer the Subregional Economic Development Initiative. This working group could be comprised of local City and County representatives and relevant experts, which staff believe are critical stakeholders to involve in this Initiative to avoid duplication of effort and ensure efficiency in the delivery of desired outcomes.

Staff recommends that the Administration & Finance Committee approve moving forward with development of an existing conditions analysis in partnership with relevant entities (e.g. County EDA, UCR, local jurisdictions, and/or others). The analysis would reveal current economic challenges and opportunities, illuminate what questions need to be answered in subsequent phases of the Initiative, and provide benchmarks to measure economic development strategies adopted moving forward. In addition, by collecting information both at the jurisdiction and COG level, results of the analysis can support local economic development initiatives undertaken at the local level.

If approved, staff will commence negotiations with potential entities to conduct the analysis, and return to the Administration & Finance Committee with detailed costs, schedule, and potential contract agreement terms. The existing conditions analysis would be conducted as a first step in the Initiative and used to inform any next steps. Once complete, the existing conditions analysis would be presented to this Committee along with additional information on potential next steps.

**Prior Action:**

None.

**Fiscal Impact:**

Funding for the Subregional Economic Development Initiative has been programmed accordingly under the Fiscal Year 2016/2017 Agency Budget, in the General Fund.

**Attachment:**

None.

Item 4.C

# Western Riverside Council of Governments
## Administration & Finance Committee

### Staff Report

**Subject:** **Transportation Uniform Mitigation Fee (TUMF) Program Activities Update**

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

**Date:** **February 8, 2017**

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***The purpose of this item is to** provide Committee members with an update on the progress of the 2017 TUMF Nexus Study Update and present information regarding recent discussions related to potential management and administrative changes to the TUMF Program.*

**Requested Actions:**

1. Consider whether to direct staff to initiate discussions with member agencies regarding potential changes to the TUMF Program.
2. Direct staff to continue work on the current 2017 TUMF Nexus Study and release the study for public review.

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*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 and the March JPA 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. 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.*

**TUMF Nexus Study Update**

Staff, in coordination with TUMF consultant Parsons Brinckerhoff, is preparing the draft 2017 TUMF Nexus Study, which is expected to be released for review and comment in February.

Draft 2017 TUMF Nexus Study: Since the action to delay finalizing the Nexus Study in September 2015, staff and the TUMF consultant have reviewed and updated all components of the technical document which includes the following:

- Growth Forecast – Adopted in April 2016 by the SCAG Regional Council, the updated demographic data shows that the subregion will add more than 650,000 people, 250,000 households and 400,000 jobs.

- TUMF Network – WRCOG and member jurisdictions undertook a comprehensive review of the facilities included in the TUMF Program to ensure that all facilities warrant inclusion in the Program. Additionally, during the draft 2015 Nexus Study comment period, WRCOG received a comment letter identifying facilities in the TUMF Network that were completed. Staff retained a consultant to review each identified facility and adjusted the TUMF Network accordingly to remove any completed facility or portion of facility.

- Fee calculation methodology – WRCOG and the TUMF consultant used a Vehicle Miles Travel (VMT) approach for fee calculations of residential and non-residential land-use types. This approach has not previously been utilized in past editions of the Nexus Study.

- Data sources – In response to the release of the draft Nexus Study in summer 2015, WRCOG received comments regarding the use of outdated studies for the employee to square footage conversion. Staff reviewed requested studies and included more recent data from SCAG and Riverside County.

A flowchart of major changes to the TUMF Nexus Study is included as Attachment 1. The update to every component of the TUMF Nexus Study resulted in the draft fee schedule presented, which with the exception of the retail land use fee, shows modest increases to the remaining land use types compared to the current fees, which have been in place since 2009.

| Land Use Type | Current Fee | 2017 TUMF Nexus Study – Proposed Fee | % Change From Current Fee |
|---|---|---|---|
| Single-Family Residential | **$8,873** | **$9,729** | **10%** |
| Multi-Family Residential | **$6,231** | **$6,336** | **2%** |
| Industrial | **$1.73** | **$1.83** | **6%** |
| Retail | **$10.49** | **$12.71** | **21%** |
| Service | **$4.19** | **$4.71** | **12%** |

Staff has received comments from member jurisdictions on what specific components led to the changes in the proposed fee schedule, in particular the non-residential land uses, compared to the the draft 2015 draft Nexus Study which contained fee increases more than fifty percent than the current fee for some uses. The major methodological change was the use of a VMT approach for the fee calculations. Staff had previously received comments from stakeholders regarding the trip lengths of residential uses versus non-residential uses.

With recent changes in state statutory requirements, more specifically the signing into law of SB 743, which changed the way that transportation impacts are to be assessed in order to comply with the California Environmental Quality Act, staff and the consultant reviewed options to be consistent with the change. Staff determined that the trip end-based approach to determine the relative share of trips by purpose should be updated to also follow a VMT-based methodology to more accurately account for the relative impacts that trips of differing purposes have on the transportation system in Western Riverside County. Therefore, the methodology for determining the relative share of trips by purpose, which is used as the basis to determine the relative distribution of traffic impacts between residential and non-residential uses, was revised from a trip-based approach to a VMT-based approach.

Draft 2017 Nexus Study Schedule: Staff has started presenting the key components, along with the proposed fee schedule, from the Nexus Study to the WRCOG committee structure. Additionally, staff is available to meet individually with member jurisdictions and stakeholders regarding the Program update upon request. The draft 2017 Nexus Study will be available for review and comment through the month of February and staff will be presenting the components of the study and recommendation by the TUMF Nexus Study Ad Hoc Committee to the WRCOG committees as scheduled below.

The tentative schedule of remaining tasks for the Nexus Study is as follows:

| | |
|---|---|
| January 2017: | TUMF Nexus Study Ad Hoc Committee recommends a phase-in option for review by the Committee structure to finalize the Nexus Study. |
| February 2017: | WRCOG releases a draft Nexus Study for review and comment by stakeholders (the draft Nexus Study comment period will be 30 days). |
| February 8, 2017: | Administration & Finance Committee receives report on the draft Nexus Study and recommendation by the Ad Hoc Committee. |
| February 16, 2017: | Technical Advisory Committee conducts first review of the draft Nexus Study and recommendation by the Ad Hoc Committee. |
| March 2017: | WRCOG responds to any comment(s) received during the 30-day comment period of the draft Nexus Study. |
| March 6, 2017: | Executive Committee conducts first review of the draft Nexus Study and recommendation by the Ad Hoc Committee. |
| March 8, 2017: | Administration & Finance Committee conducts second review of the draft Nexus Study and recommendation by the Ad Hoc Committee. |
| March 16, 2017: | Technical Advisory Committee conducts second review of the draft Nexus Study. |
| April 3, 2017: | Executive Committee conducts second review of the draft Nexus Study. |
| April 12, 2017: | Administration & Finance Committee makes a recommendation on the draft Nexus Study. |
| April 20, 2017: | Technical Advisory Committee reviews recommendation on the draft Nexus Study. |
| May 1, 2017: | Executive Committee reviews recommendation on the draft Nexus Study and takes action. |
| July / August 2017: | Any change in fee goes into effect (depending on each member jurisdiction's approval of TUMF Ordinance / Resolutions). |

<u>TUMF Nexus Study Ad Hoc Committee</u>: In September 2016, WRCOG convened an Ad Hoc Committee with the goal of ultimately selecting a preferred fee schedule option to recommend to the Committee structure for finalizing the Nexus Study. The Ad Hoc Committee was provided with all components of the Nexus Study, including TUMF Network facilities, growth forecast data, and a fee comparison study. During meetings held in late 2016, WRCOG informed the Ad Hoc Committee that staff, in coordination with member jurisdictions, had conducted a comprehensive review of the TUMF Network in order to ensure all facilities met the criteria for inclusion in the TUMF Program. The Ad Hoc Committee directed staff to provide fee phase-in options for review.

The Ad Hoc Committee met for a third time on January 23, 2017, to review a set of potential phase-in options to the fee schedule resulting from the revised TUMF Nexus Study. The Ad Hoc Committee has recommended that the various WRCOG committees (including the Public Works Committee, the Technical Advisory Committee, the Administration & Finance Committee, and ultimately the Executive Committee) review a 2-year freeze and subsequent 2-year phase in for the retail fee, plus a 2-year single-family residential phase-in option for implementation. The Ad Hoc Committee also discussed the implications of any phase-in option that is approved and how any loss to the Program would be made up. Revenue loss resulting from any phase-in can be made up through various options, including project savings in the delivery of TUMF facilities. It is important to note that losses created by reduced fees cannot be made up by increasing fees on other land uses, nor can they be captured by way of future Nexus Studies.

**Responsibilities for Administering the Western Riverside County TUMF Program**

Since 2003, WRCOG has administered the TUMF Program as a cooperative effort involving member jurisdictions, the Riverside County Transportation Commission (RCTC), the Riverside Transit Agency (RTA), and the Riverside County Conservation Agency (RCA). A fundamental tenet of the Program is in the how the Program is administered; there is a clear and purposeful division between overall Program administration responsibilities (which rest with WRCOG) project programming responsibilities (which rest with WRCOG's TUMF partners – member jurisdictions, RTA and RCTC). WRCOG's Program management responsibilities are focused on preparing the technical Nexus Study, fee ordinances, credit agreements, fee calculation handbook and Administrative Plan, for example. Project programming expertise rests with WRCOG's TUMF partners, the member jurisdictions, RCTC and RTA; those entities determine how to expend TUMF Program revenues.

In its administrative role, WRCOG has continually fielded questions and requests regarding the TUMF Program. In most cases, these requests have been addressed through changes to the TUMF Administrative Plan, Nexus Study updates, and new policies.

During the most recent process to update the Nexus Study, WRCOG received additional requests to evaluate the TUMF Program and consider whether it is appropriate to modify elements of the Program to better serve member jurisdiction needs. Some examples of these requests include, but are not limited to, the following:

- Develop a more streamlined process to reimburse member jurisdiction;
- Evaluating differences in the CVAG TUMF compared to the WRCOG TUMF;
- Develop a more formalized approach to prioritize projects;
- Revisit projects eligible for reimbursement through TUMF; and
- Revisit the Zone system.

On January 11, 2017, Riverside County Supervisor Kevin Jeffries suggested at the monthly RCTC meeting that there "…should be a discussion with WRCOG to have RCTC take over the TUMF Program." The Supervisor suggested that the matter should be discussed with WRCOG and pros and cons should be evaluated. On January 26, RCTC directed its staff to undertake an exercise to evaluate the potential transfer.

Staff Recommendation: There has been considerable turnover among both member staff and elected officials since the Program's inception in 2003, and thus the opportunities to educate officials regarding the historical and purposeful construct of the Program, including administrative staffing, programmatic, and other aspects of the Program are always welcome.

Staff's experience is that any potential changes to the TUMF Program should be considered carefully, given the magnitude of the Program. Additionally, the implementation of the TUMF occurs through Ordinances adopted by member jurisdictions, Credit Agreements, and Reimbursement Agreements, all of which may have to be updated or revised, depending on any changes made to the Program. For example, WRCOG is currently a party to hundreds of agreements related to TUMF credits or jurisdiction reimbursements, which could be affected by any changes.

While RCTC staff now has direction to undertake an evaluation of the Western County TUMF Program (the Commission's action excluded examination of the Coachella Valley TUMF Program), WRCOG staff believes that it is prudent to ask its members if there is a desire to have staff engage in this effort as well. If there is, staff has developed an educational framework (below) that could be used to inform this discussion:

- History and genesis of the TUMF and its relation to Measure A;

- WRCOG administration of the TUMF: This will include a comprehensive review of Program policies and procedures, staff assignments and annual cost to run the Program. Additionally, staff will review legal and consultant costs;

- Partner agencies: Staff will review the roles and responsibilities of the partner agencies, including WRCOG member jurisdictions, the Riverside County Transportation Commission (RCTC), Riverside Transit Agency (RTA), and Riverside Conservation Authority (RCA). As the Program is currently run, nearly half of all TUMF revenues are allocated to RCTC to implement the Regional Arterial System, with a portion allocated to RTA and RCA for transit project and the acquisition of sensitive habitat;

- Reimbursement and credit process: Staff frequently receives questions from member jurisdictions and stakeholders on the eligibility of particular items and process for which member jurisdictions may issue credits against TUMF obligations for building TUMF facilities. Staff has retained a consultant to develop a Reimbursement Manual that will be available to member jurisdictions and stakeholders to make the process more efficient and user-friendly; and

- Coachella Valley TUMF Program: Staff is in the process of reviewing this Program, which is administered by the Coachella Valley Association of Governments (CVAG), to determine key comparisons any contrasts between the two programs. This will provide member jurisdictions with an opportunity to review the administration of both programs.

Staff also recommends an approach which continues work on the Nexus Study while laying the logistical groundwork for the wide-ranging discussion on the TUMF Program. Specific recommendations would include the following:

1. Staff will complete the Nexus Study and release the document for public review. Staff will work with the Public Works Committee, the Technical Advisory Committee, and Administration & Finance Committee to review the Nexus Study and obtain a recommendation regarding adoption of the Nexus Study;

2. Staff convenes these programmatic TUMF discussions with our member agencies (if there is a desire to do so) concurrent with the release of the Nexus Study.

**Prior Actions:**

| | |
|---|---|
| January 19, 2017: | The Technical Advisory Committee received report. |
| January 12, 2017: | The Public Works Committee received report. |
| January 11, 2017: | The Administration & Finance Committee 1) approved staff's recommendation to approve the appeal; and 2) recommended that the Executive Committee approve the appeal consistent with staff's recommendation. |
| January 9, 2017: | The Executive Committee received report. |
| December 8, 2016: | The Public Works Committee approved the revised TUMF Network for inclusion in the TUMF Nexus Study. |

**Fiscal Impact:**

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

**Attachment:**

1. TUMF Nexus Study Update Flowchart.

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# Item 4.C

## Transportation Uniform Mitigation Fee (TUMF) Program Activities Update

# Attachment 1

## TUMF Nexus Study Update Flowchart

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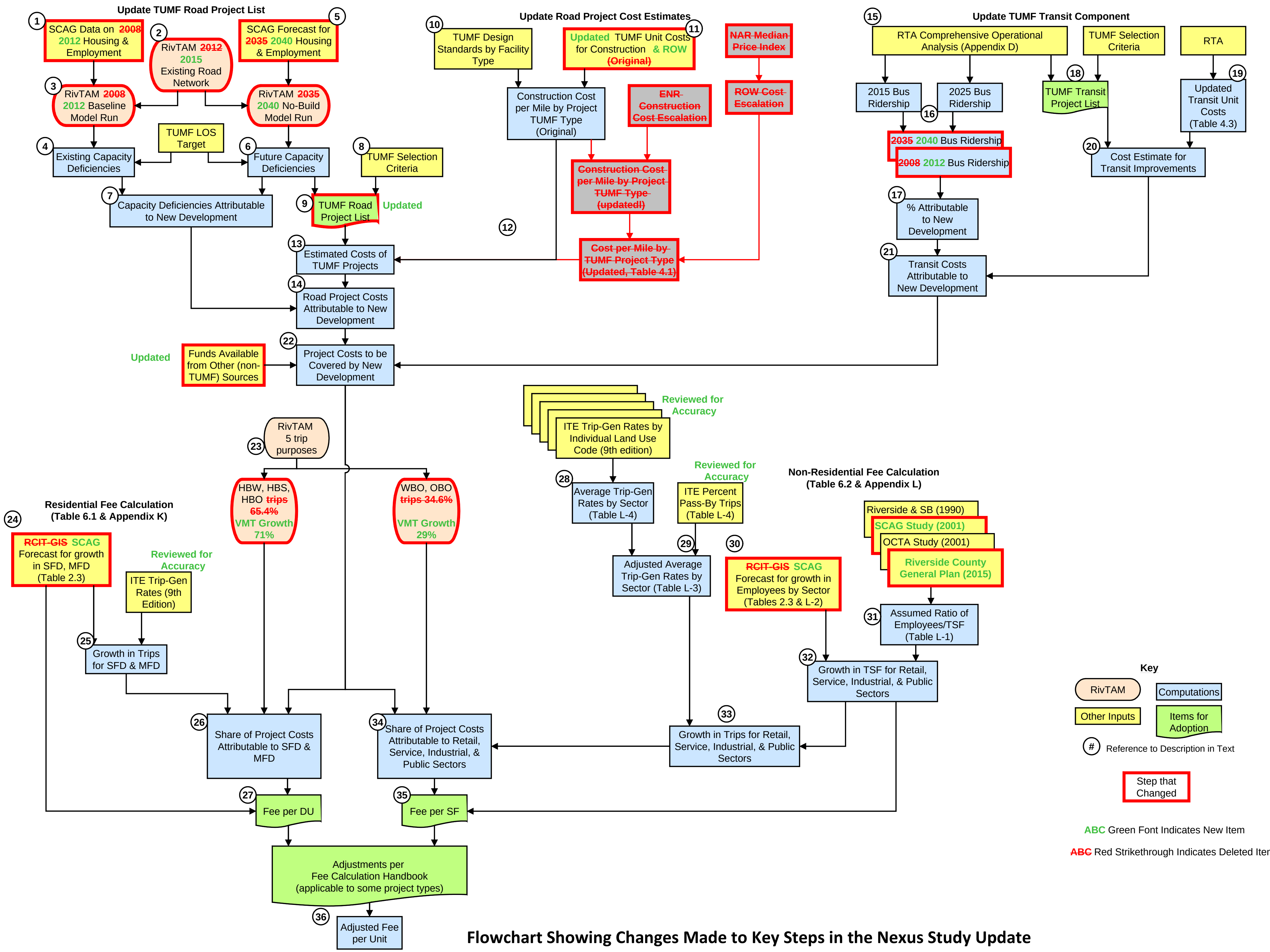


**Flowchart Showing Changes Made to Key Steps in the Nexus Study Update**

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Item 4.D

# Western Riverside Council of Governments
## Administration & Finance Committee

### Staff Report

**Subject:** **CEQA Ad Hoc Committee Update**

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

**Date:** **February 8, 2017**

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***The purpose of this item is to*** *update Committee members on discussions of the WRCOG CEQA Ad Hoc Committee and adopt several recommendations that were discussed in the Ad Hoc Committee.*

**Requested Actions:**

1. Recommend to the Executive Committee that WRCOG work with its partner agencies to support the proposed updates to CEQA legislation as recommended by the CEQA Ad Hoc Committee.
2. Direct staff to provide a summary of any CEQA reform / modernization efforts at the conclusion of the Legislative Session.
3. Recommend to the Executive Committee that the CEQA Modernization Ad Hoc Committee be disbanded.

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*At the request and approval of the Executive Committee, WRCOG convened an Ad Hoc Committee to discuss the topic of CEQA modernization. The Ad Hoc Committee has requested WRCOG and its Committee structure to discuss the recommendations the Committee has made.*

**CEQA Ad Hoc Committee Summary**

The Executive Committee requested and approved the formation of an Ad Hoc Committee to discuss the topic of CEQA modernization. The Executive Committee approved the following members to serve on the Ad Hoc Committee: Kevin Bash (City of Norco), Randon Lane (City of Murrieta), Mike Naggar (City of Temecula), and David Slawson (Eastern Municipal Water District). In addition, staff from SCAG, the Riverside County Transportation Commission (RCTC), City of Murrieta, and Best, Best & Krieger (BB&K) participated in the meetings.

The first meeting of the Ad Hoc Committee occurred in October 2016. At this first meeting, there was a general consensus that CEQA modernization is an issue to continue to track. There was also consensus that taking on CEQA reform in its entirety is not feasible, so it would be more strategic to focus on one key CEQA issue. At that point, WRCOG agreed to continue to monitor the events locally, regionally, and state-wide.

The second meeting occurred in December 2016. This meeting focused on WRCOG's partner agencies (RCTC and SCAG) CEQA-related legislative activities in the past, present, and future. After the presentations, the discussion focused on possible next steps for WRCOG to explore. It was agreed that anything the Ad Hoc Committee explores must focus on a minor tweak on the CEQA modernization issue, and there was general agreement the focus should be on a procedural aspect of CEQA and CEQA challenges. After this discussion, WRCOG requested BB&K to research and present on two-to-three items the Ad Hoc Committee could consider moving forward at the next meeting.

The third meeting occurred in January 2017. This meeting resulted in three distinct recommendations by the Ad Hoc Committee:

1. Recommend WRCOG staff to work with partner agencies (CALCOG, RCTC, SCAG, etc.) to support CEQA-related modernization issues as it relates to the following:
   a. Petitioners in challenges brought forth who are unincorporated groups must disclose the names and cities of residence of their current membership. In addition, upon written request, all petitioners must disclose to the requesting part the source(s) of any funding for the litigation.
   b. In the event a petitioner is determined to be a prevailing party and can otherwise satisfy requirements for recovery of reasonable attorney's fees, the petitioner shall be limited to recovering not more than its actual attorney's fees and costs.
   c. If a public agency prepares the record of proceedings (identified in Section 21167.6) concurrently with the completion of the pubic agency's administrative process and certifies that record of proceedings within five days of project approval, then any petition must be heard within six months of filing of the CEQA action.
2. Staff or appropriate partner agency will report at the end of this legislative session on any CEQA modernization legislation brought forth.
3. Disband the Ad Hoc Committee.

There are two main reasons to disband the CEQA Ad Hoc Committee. First, the Committee has completed its initial assignment in that it has identified potential CEQA reform / modernization language. Second, it would be more efficient to work collaboratively with other partner agencies such as RCTC who have full-time lobbying staff, lobbyists, and other resources that WRCOG lacks.

**Prior Action:**

September 12, 2016: The WRCOG Executive Committee approved formation of CEQA Ad Hoc Committee.

**Fiscal Impact:**

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

**Attachment:**

None.

# Western Riverside Council of Governments
## Administration & Finance Committee

### Staff Report

**Subject:** **26th Annual General Assembly & Leadership Address**

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

**Date:** **February 8, 2017**

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***The purpose of this item is to** begin discussions with the Committee regarding planning for the 26th Annual General Assembly & Leadership Address.*

**Requested Action:**

1. Discuss and provide direction.

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WRCOG's 26th Annual General Assembly & Leadership Address is currently scheduled for Thursday, June 22, 2017, at the Morongo Casino, Resort & Spa. Staff will provide a verbal update and initiate discussions with Committee members regarding planning for the event, including potential keynote speaker options.

**Prior Action:**

None.

**Fiscal Impact:**

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

**Attachment:**

None.

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