Western Riverside Council of Governments
Planning Directors Committee

AGENDA

Thursday, May 14, 2020
9:30 a.m.

Western Riverside Council of Governments
(CLOSED TO PUBLIC)
3390 University Avenue, Suite 200
Riverside, CA 92501

Join Zoom Meeting
Click Here

OR:
Meeting ID: 822 4818 8631
Password: 729729

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SPECIAL NOTICE – COVID-19 RELATED PROCEDURES IN EFFECT

Due to the state and local State of Emergency resulting from the threat of Novel Coronavirus (COVID-19), Governor Newsom has issued Executive Order N-29-20 (issued March 17, 2020) in which Section 3 supersedes Paragraph 11 of Executive Order N-25-20 (issued on March 12, 2020). This new order states that WRCOG does not need to make a physical location available for members of the public to observe a public meeting and offer public comment. The Order allows WRCOG to hold Committee meetings via teleconferencing and allows for members of the public to observe and address the meeting telephonically or electronically.

To follow the new Order issued by the Governor, the Administration & Finance Committee meeting scheduled for Thursday, May 14, 2020 at 9:30 a.m. will be closed to the public. Members of the public may send public comments by emailing snelson@wrcog.us, or calling (951) 405-6703 before or during the meeting, prior to the close of public comment.

Any member of the public requiring a reasonable accommodation to participate in this meeting in light of this announcement shall contact Suzy Nelson prior to 9:30 a.m. on May 12, 2020, at (951) 405-6703 or snelson@wrcog.us.

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

1. CALL TO ORDER (H.P. Kang, Chair)

2. ROLL CALL

3. PUBLIC COMMENTS

At this time members of the public can address the Planning Directors Committee regarding any items with the subject matter jurisdiction of the Committee that are not separately listed on this agenda. Members of the public will have an opportunity to speak on 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.

4. 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 March 12, 2020, Planning Directors Committee Meeting are Available for Consideration. **P. 1**

Requested Action: *1. Approve Summary Minutes from the March 12, 2020, Planning Directors Committee meeting.*

B. Local Early Action Planning Grants Activities Update **P. 5**

Requested Action: *1. Receive and file.*

5. REPORTS / DISCUSSION

A. State Housing Legislative Update ***Chris Gray, WRCOG*** **P. 33**

Requested Action: *1. Receive and file.*

B. GIS Solutions for Housing Elements ***Elisa Laurel, WRCOG*** **P. 35**

Requested Action: *1. Receive and file.*

C. Future Forward Series, COVID-19 Fiscal Impacts Analysis, Economic Planning Systems, Inc. (EPS) ***Elisa Laurel, WRCOG*** **P. 37**

Requested Action: *1. Receive and file.*

D. **TUMF Revenue and Fiscal Year 2018/2019 Annual Review Report** — *Ivana Medina, WRCOG* — **P. 89**

Requested Action: *1. Receive and file.*

E. **Subregional Climate Action Plan Activities Update** — *Chris Tzeng, WRCOG* — **P. 93**

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

6. REPORT FROM THE DIRECTOR OF TRANSPORTATION & PLANNING

7. ITEMS FOR FUTURE AGENDAS — *Members*

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

8. GENERAL ANNOUNCEMENTS — *Members*

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

9. NEXT MEETING: **The next Planning Directors Committee meeting is scheduled for Thursday, June 11, 2020, at 9:30 a.m., via Zoom platform.**

10. ADJOURNMENT

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Planning Directors Committee **Item 4.A**
March 12, 2020
Summary Minutes

1. CALL TO ORDER

The meeting of the Planning Directors Committee was called to order at 9:30 a.m. by 2nd Vice-Chair Travis Randel, at WRCOG's Office, Citrus Conference Room.

2. SELF INTRODUCTIONS

Members present:

Adam Rush, City of Banning
Christina Taylor, City of Beaumont
Gina Gibson Williams, City of Eastvale
Richard MacHott, City of Lake Elsinore
Doug Darnell, City of Menifee
Patty Nevins, City of Moreno Valley
Jarett Ramaiya, City of Murrieta
Kenneth Phung, City of Perris
Travis Randel, City of San Jacinto, 2nd Vice-Chair
Keith Gardner, County of Riverside
Jennifer Nguyen, Riverside Transit Agency

Staff present:

Christopher Gray, Director of Transportation & Planning
Christopher Tzeng, Program Manager
Cameron Brown, Program Manager
Don Ries, Program Manager
Suzy Nelson, Administrative Assistant
Haley Henson, Intern
Natalie Ikhrata, Intern

Guests present:

Jeff Caton, ESA
Jenny Chan, Riverside County Transportation Commission
Bill Blankenship, WB Consulting
Phayvanh Nanthavongduongsy, County of Riverside
Jason Killebrew, City of Eastvale

3. PLEDGE OF ALLEGIANCE

2nd Vice-Chair Travis Randel led members and guests in the Pledge of Allegiance.

4. PUBLIC COMMENTS

Don Ries provided an update regarding Western Community Energy (WCE). WCE will be launching in April and May 2020, providing residents in six member jurisdictions energy rates and programs that give them a choice. WCE is a Community Choice Aggregation Program that gives local government the opportunity to buy electricity directly from its source and then offer it to the community at a more competitive rate than the current utility provider.

5. MINUTES – *(Banning / Lake Elsinore) 11 yes; 0 no; 0 abstention. Item 5.A was approved. The Cities of Calimesa, Canyon Lake, Corona, Hemet, Jurupa Valley, Norco, Riverside, Temecula, and Wildomar, the March JPA, Western Municipal Water District, and Morongo Band of Mission Indians were not present.*

A. Summary Minutes from the February 13, 2020, Planning Directors Committee Meeting are Available for Consideration.

Action: *1. Approved the Summary Minutes from the February 13, 2020, Planning Directors Committee meeting.*

6. CONSENT CALENDAR – *(Lake Elsinore / Banning) 11 yes; 0 no; 0 abstentions. Items 6.A and 6.B were approved. The Cities of Calimesa, Canyon Lake, Corona, Hemet, Jurupa Valley, Norco, Riverside, Temecula, and Wildomar, the March JPA, Western Municipal Water District, and Morongo Band of Mission Indians were not present.*

A. WRCOG Committees and Agency Activities Update

Action: *1. Received and filed.*

B. Traffic Impact Analysis Guidelines Template

Action: *1. Received and filed.*

7. REPORTS / DISCUSSION

A. Senate Bill 330 Summary

Chris Gray provided a summary surrounding Senate Bill (SB) 330 that was signed into law on October 9, 2019. SB 330 targets some of the local barriers to the creation of new housing in the State of California. The Bill amends the Housing Accountability Act and establishes new timelines for the development application and approval processes. The Act addresses local agencies, defined as a city, county, or special district, that has housing development projects which are defined as single-family or multi-family dwelling units, mixed-use projects, transitional, and supportive housing projects.

Multiple amendments to the current project approval process were shared, such as local agencies now have 30 calendar days from the submittal of a development project to determine in writing if the application is deemed complete. A project applicant is required to submit a full development application within 180 days of the submittal of a preliminary application. The applicant will need to resubmit within 90 days of receiving a written notice of incompleteness, or the preliminary application will expire.

As part of the amendments to the current Housing Accountability Act, local agencies are prohibited from applying new ordinances, policies, adopted standards, and development fees to a pending project that was not previously adopted and in effect when the development project application was deemed complete. However, there is an exception to written findings that are project specific.

Given the complexities of SB 330 and its various requirements, WRCOG urges each of its member agencies to discuss this legislation with agency legal staff to ensure that the agency is in full compliance with these new requirements.

Action: *1. Received and filed.*

B. Update on Statewide Study on Residential Development Impact Fees

Chris Gray provided an update on recent statewide efforts to limit residential development impact fees. UC Berkeley's Terner Center for Housing completed two studies based on the impacts of residential housing, one in 2017 and the other in 2019. The original study resulted from discussions in the State Legislature related to the cost of housing and the perception that impact fees significantly contribute to the high cost of California housing. Since the completion of the first study, a second and more comprehensive study was completed. This study addressed more jurisdictions in California but still focused solely on fees assessed by the local government through Assembly Bill (AB) 1600 (Mitigation Fee Act). The second study provided a number of conclusions, which range from minor procedural changes to larger changes in the statewide fiscal structure.

In February 2020, eight Assembly Bills were introduced that implement many of the recommendations of the two Terner Center studies. WRCOG, its consultants, and legal counsel are still reviewing these bills which were introduced at the end of February 2020. The initial review indicates that AB 1484 (changes the methodology used in the Nexus Studies) and AB 3145 (establishes a ceiling for development fees based on the median home price in a jurisdiction) will have the most significant impact on the process by which development fees are assessed. It could also limit the number of fees that are changed by local agencies.

AB 3144 (provides state funding to reimburse local governments that waive impact fees on affordable housing) could actually be beneficial to the WRCOG subregion. For example, WRCOG exempts affordable housing projects from paying into the Transportation Uniform Mitigation Fee Program. It may be possible for WRCOG or its member agencies to receive some additional funding if this Bill were to pass.

Staff expects that these bills will likely move forward over the next several months and will continue to monitor on a regular basis and provide updates as information becomes available.

Action: *1. Received and filed.*

C. Local Early Action Planning Grants Opportunity

Christopher Tzeng provided a summary of the new Local Early Action Planning (LEAP) grant opportunity from the California Housing and Community Development Department (HCD). This new grant opportunity was released in January 2020, but technical assistance will be provided in April 2020. This Program will fund technical assistance, preparation and adoption of planning documents, and process improvements that accelerate housing production and facilitate compliance to implement the 6th cycle of the Regional Housing Needs Assessment (RHNA). It is advised that jurisdictions planning to develop a project for the Local Early Action Planning (LEAP) grants reach out directly to the California Department of Housing and Community Development. WRCOG will provide updates on the LEAP grants and notify members when technical staff becomes available.

Action: *1. Received and filed.*

D. Subregional Climate Action Plan Activities Update

Jeff Caton provided an update to the reduction measures from the 2010 data gathered by the Subregional Climate Action Plan (CAP) project team. The CAP provides a roadmap for the subregion to achieve deep greenhouse gas (GHG) emissions reductions through the year 2050 and will establish policies and priorities enabling participating cities to implement strategies that successfully fulfill the requirements of multiple bills passed through legislation. The data collected, which included GHG inventories and targets, will establish long-term emissions reduction targets for the years 2030 and 2050. WRCOG staff and the project team are seeking input from member jurisdictions on past and present efforts related to CAPs. A survey was sent out to each member asking for feedback.

Action: *1. Received and filed.*

E. Call for Proposals – 'Place' Panel Discussion at WRCOG's Leadership Conference

Chris Gray provided an update on WRCOG's 29th Annual General Assembly & Leadership Conference. Preceding the General Assembly is the Leadership Conference. This year's theme is "A Region at its TIPing Point – Dynamic Discussion on Talent, Innovation, and Place," and will explore equipping future leaders with the tools to activate change in light of future growth. WRCOG staff is seeking proposals for its 'Place' panel discussion, which will consist of a moderator and three panelists. The 'Place' panel discussion seeks to highlight the exciting spaces, places, and trends that are developing in Western Riverside County.

If anyone or jurisdiction is interested in being a part of the panel discussion please submit your interest to Elisa Laurel at elaurel@wrcog.us by March 31, 2020.

Action: *1. Received and filed.*

8. REPORT FROM THE DIRECTOR OF TRANSPORTATION & PLANNING

Chris Gray announced that WRCOG is taking precautionary measures against COVID-19 and may possibly cancel all April committee meetings. Staff will keep Committee members updated.

9. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

10. GENERAL ANNOUNCEMENTS

There were no general announcements.

11. NEXT MEETING: The next Planning Directors Committee meeting is scheduled for Thursday, April 9, 2020, at 9:30 a.m., at WRCOG's office located at 3390 University Avenue, Suite 200, Riverside.

12. ADJOURNMENT: The meeting of the Planning Directors Committee adjourned at 11:04 a.m.

Item 4.B

Western Riverside Council of Governments
Planning Directors Committee

Staff Report

Subject: **Local Early Action Planning Grants Program Update**

Contact: **Christopher Tzeng, Program Manager, ctzeng@wrcog.us, (951) 405-6711**

Date: **May 14, 2020**

***The purpose of this item is to** provide an update and summary on a new planning grant opportunity from the California Department of Housing and Community Development (HCD) Local Early Action Planning (LEAP) Grants.*

Requested Action:

1. Receive and file.

Members of the Planning Directors Committee requested more information on the new LEAP Grant opportunity from HCD during its February meeting. This new grant opportunity was released in January 2020, but technical assistance will be provided beginning in April 2020. This Program will fund technical assistance, preparation, and adoption of planning documents and process improvements that accelerate housing production and facilitate compliance to implement the 6th cycle Regional Housing Needs Assessment (RHNA). It is advised that jurisdictions planning to develop a project for the LEAP Grants reach out directly to HCD staff. HCD does anticipate releasing a Technical Assistance Program to assist jurisdictions. WRCOG will continue to provide updates on the LEAP Grants and notify members when technical staff becomes available.

LEAP Technical Assistance Program

HCD has indicated that a Technical Assistance (TA) Program will be made available to jurisdictions to assist with developing LEAP Grants applications. The TA Program will offer assistance with identifying potential eligible activities under the LEAP Grants Program, provide feedback on applications, and review draft applications. It was anticipated that TA would be made available beginning in April but has been delayed. WRCOG will make sure to provide updates when they become available to ensure jurisdictions are utilizing the resources provided by HCD to submit successful LEAP Grants applications.

Background

To assist cities and counties, HCD is providing funding, incentives, and resources to local governments and regional entities. One of these funding incentives - the LEAP - is available to local governments. The Grant provides over-the-counter funding that is complemented with technical assistance to local governments for the preparation and adoption of planning documents, and process improvements that accelerate housing production and facilitate compliance to implement the 6th cycle RHNA. This is not a competitive grant but is offered on an over-the-counter basis.

HCD is encouraging applicants to consider LEAP funds to facilitate designation as a Pro-housing jurisdiction. The 2019-2020 Budget Act requires HCD to develop the Pro-housing designation emergency regulations by no later than July 1, 2021. These regulations will allow HCD to designate jurisdictions as "Pro-housing," when it demonstrates policies and strategies to accelerate housing production. In turn, Pro-housing jurisdictions will be awarded additional points or preference in programs such as the Affordable Housing and Sustainable Communities (AHSC), Transformative Climate Communities (TCC), Infill Infrastructure Grant (IIG) Programs, and other state-funded programs. HCD anticipates developing emergency regulations and Pro-housing designations prior to July 1, 2021.

Eligible activities include, but are not limited to:

- Must demonstrate an increase in housing-related planning activities and facilitate accelerated housing production.
- May be part of a larger planning effort (e.g., a comprehensive zoning code update) if proposed activities have not been completed prior to the Notice of Funding Availability (NOFA) date, are distinct, and demonstrate a nexus to accelerating housing production.
- Are not necessarily jurisdiction-wide and may include a smaller geography with a significant impact on housing production. For example, eligible activities may include a housing development-related projects with a significant community level impact or planning or process improvement for a project with an ongoing community impact beyond the project.
- May include a variety of planning documents and processes, including, but not limited to, the following, as set forth in the Health and Safety Code Section 50515.03(c):

    1. Rezoning and encouraging development by updating planning documents and zoning ordinances, such as General Plans, community plans, specific plans, implementation of sustainable communities' strategies, and local coastal programs.
    2. Completing environmental clearance to eliminate the need for project-specific review.
    3. Establishing housing incentive zones or other area-based housing incentives beyond State Density Bonus Law such as a workforce housing opportunity zone pursuant to Article 10.10 (commencing with Section 65620) of Chapter 3 of Division 1 of Title 7 of the Government Code, or a housing sustainability district pursuant to Chapter 11 (commencing with Section 66200) of Division 1 of Title 7 of the Government Code.
    4. Performing infrastructure planning, including for sewers, water systems, transit, roads, or other public facilities necessary to support new housing and new residents.
    5. Planning documents to promote development of publicly owned land, such as partnering with other local entities to identify and prepare excess or surplus property for residential development.
    6. Revamping local planning processes to speed-up housing production.
    7. Developing or improving an accessory dwelling unit ordinance in compliance with Section 65852.2 of the Government Code.
    8. Planning documents for a smaller geography (less than jurisdiction-wide) with a significant impact on housing production, including an overlay district, project-level specific plan, or development standards modifications proposed for significant areas of a locality, such as corridors, downtown, or priority growth areas.
    9. Rezoning to meet requirements pursuant to Government Code Section 65583(c) (1), and other rezoning efforts to comply with Housing Element requirements, including Government Code Section 65583.2(c) (AB 1397, Statutes of 2018).
    10. Up-zoning or other implementation measures to intensify land use patterns in strategic locations, such as close proximity to transit, jobs, or other amenities.
    11. Rezoning for multi-family housing in high resource areas (according to Tax Credit Allocation Committee / Housing Community Development Opportunity Area Maps).
    12. Establishing pre-approved architectural and site plans.
    13. Preparing and adopting Housing Elements of the General Plan that include an implementation component to facilitate compliance with the sixth cycle RHNA.
    14. Adopting planning documents to coordinate with sub-allocations under Regional Early Action Planning Grants (REAP) pursuant to Health and Safety Code Section 50515.02(f) that accommodate the development of housing and infrastructure, and accelerate housing production in a way that aligns with state planning priorities, housing, transportation equity, and climate goals, including hazard mitigation or climate adaptation.
    15. Zoning for by-right supportive housing, pursuant to Government Code Section 65651 (Chapter 753, Statutes of 2018).

16. Zoning incentives for housing for persons with special needs, including persons with developmental disabilities.
17. Planning documents related to carrying out a local or regional housing trust fund.
18. Environmental hazard assessments, data collection on permit tracking, feasibility studies, site analysis, or other background studies that are ancillary (e.g., less than 15 percent of the total grant amount) and part of a proposed activity with a nexus to accelerating housing production.
19. Other planning documents or process improvements that demonstrate an increase in housing-related planning activities and facilitate accelerating housing production.
20. Establishing Pro-housing policies.

Grant uses include:

1. Grant funds may cover the costs of temporary staffing or consultant needs associated with eligible activities.
2. Grant funds shall be used for the costs of preparing and adopting the proposed activity.
3. A jurisdiction that receives funds under this Program may use a subcontractor. The subcontractor shall provide for compliance with all the requirements of the Program. The subcontractor shall not relieve the jurisdiction of its responsibilities under the Program.
4. Eligible expenditures may be incurred and expended for the project(s) subject to the terms and conditions of the Standard Agreement.
5. Only approved and eligible costs incurred for work after the NOFA date, continued past the date of the Standard Agreement, and completed during the grant term, will be reimbursable.

One question that has come up is whether jurisdictions should defer any consultant selection or other activities if a jurisdiction has received SB 2 funding. At this time, WRCOG recommends that each agency should proceed with any activities that has received SB 2 funding and also apply for the LEAP funding. This item was discussed during a recent informational session held by HCD at the Southern California Association of Governments' office on February 20, 2020, because some agencies are experiencing difficulty in finding consultants who are able to perform the work based on the SB 2 budget. The LEAP grant is one way to back-fill any funding gaps that exist.

Prior Action:

March 12, 2020: The Planning Directors Committee received and filed.

Fiscal Impact:

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

Attachment:

1. Notice of Funding Availability – Local Early Action Planning Grants Program.

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Item 4.B

Local Early Action Planning Grants Program Update

Attachment 1

Notice of Funding Availability – Local Early Action Planning Grants Program

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DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE
2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2771 / FAX (916) 263-2763
www.hcd.ca.gov

January 27, 2020

MEMORANDUM FOR: **All Potential Applicants**

FROM: **Zachary Olmstead, Deputy Director**
Division of Housing Policy Development

SUBJECT: **NOTICE OF FUNDING AVAILABILITY -**
LOCAL EARLY ACTION PLANNING GRANTS PROGRAM

The California Department of Housing and Community Development (Department) is pleased to announce the release of this Notice of Funding Availability (NOFA) for approximately $119,040,000 as part of the Local Early Action Planning Grants Program (LEAP or Program). LEAP is made available as a portion of the Local Government Planning Support Grants Program pursuant to Chapter 3.1 of Health and Safety Code (Sections 50515 to 50515.05) (Chapter 159, Statutes of 2019). LEAP provides funding to jurisdictions for the preparation and adoption of planning documents, process improvements that accelerate housing production, and facilitate compliance in implementing the sixth cycle of the regional housing need assessment (RHNA).

In order to be eligible for grant funding, an applicant must submit a completed, signed original application and an electronic copy on CD or USB flash drive. Applications will be accepted on an Over-the-Counter (OTC) basis as of the date of this NOFA through July 1, 2020. The Department encourages early applications and will accept applications post-marked by the July 1, 2020 deadline. Applicants may utilize various carrier services, such as the U.S. Postal Service, UPS, FedEx, or other carrier services. All applications must be submitted to the Department at the following address:

California Department of Housing and Community Development
Division of Housing Policy Development
2020 West El Camino Ave, Suite 500
Sacramento, CA 95833

Program applications, forms and instructions are available on the Department's website at https://www.hcd.ca.gov/grants-funding/active-funding/leap.shtml. If you have questions regarding this NOFA, please email the Department at EarlyActionPlanning@hcd.ca.gov.

Attachment

LOCAL EARLY ACTION PLANNING GRANTS PROGRAM (LEAP)
2020 NOTICE OF FUNDING AVAILABILITY

State of California
Governor Gavin Newsom

Alexis Podesta, Secretary
Business, Consumer Services and Housing Agency

Douglas R. McCauley, Acting Director
California Department of Housing and Community Development

Zachary Olmstead, Deputy Director
California Department of Housing and Community Development
Division of Housing Policy Development

2020 West El Camino Avenue, Suite 500
Sacramento, CA 95833
Telephone: (916) 263-2911
Website: https://www.hcd.ca.gov/grants-funding/active-funding/leap.shtml
Email: EarlyActionPlanning@hcd.ca.gov

January 27, 2020

Table of Contents

2019 NOTICE OF FUNDING AVAILABILITY
LOCAL EARLY ACTION PLANNING GRANTS PROGRAM

I. Introduction

The California Department of Housing and Community Development (Department) is pleased to announce the release of this Notice of Funding Availability (NOFA) for approximately $119,040,000 as part of the Local Early Action Planning Grants Program (LEAP or Program). LEAP is made available as a portion of the Local Government Planning Support Grants Program pursuant to Chapter 3.1 of Health and Safety Code (Sections 50515.03 (Chapter 159, Statutes of 2019). The Program provides funding to jurisdictions for the preparation and adoption of planning documents, process improvements that accelerate housing production, and facilitate compliance in implementing the sixth cycle of the RHNA.

II. Authority and Scope

This NOFA is authorized pursuant to Chapter 3.1 of Health and Safety Code (Sections 50515 to 50515.05). The NOFA implements, interprets, and makes specific provisions for purposes of implementing planning grants to jurisdictions pursuant to 50515.03 (hereinafter "LEAP").

This NOFA establishes terms, conditions, forms, procedures and other mechanisms as the Department deems necessary to exercise the powers and perform the duties conferred by Chapter 3.1.

The matters set forth herein are regulatory mandates, and are adopted in accordance with the authorities set forth below:

Quasi-legislative regulations … have the dignity of statutes … [and]… delegation of legislative authority includes the power to elaborate the meaning of key statutory terms…

> *Ramirez v. Yosemite Water Co.*, 20 Cal. 4th 785, 800 (1999)

Further, the Department may implement the Program through the issuance of forms, guidelines, and one or more NOFAs, as the Department deems necessary, to exercise the powers and perform the duties conferred on it by this chapter. Any forms, guidelines, and notices of funding availability adopted pursuant to this section are hereby exempted from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). (Health and Safety Code Section 50515.04(f)).

The Department reserves the right, at its sole discretion, to suspend or amend the provisions of this NOFA, including, but not limited to, grant award amounts.

III. Program Summary

The Local Early Action Planning Grants Program (LEAP or Program) is part of the broader Program formerly known as the Local Government Planning Support Grants Program, which was established as part of the 2019-20 Budget Act. The 2019-20 Budget Act provides a spectrum of support, incentives, resources and accountability to meet California’s housing goals. Some specific elements include:

- Planning Support (local and regional planning grants)
- Incentives (Prohousing preference and infill incentive grants)
- Funding Resources
- Accountability (penalties for noncompliant housing plans)
- Reform (collaborative processes to reform regional housing needs)

The Local Government Planning Support Grants Program provides one-time grant funding to regions and jurisdictions for technical assistance, preparation and adoption of planning documents, and process improvements. The over-arching goals of the Program are to (1) accelerate housing production; and (2) facilitate compliance to implement the sixth cycle of the regional housing need assessment (RHNA).

IV. Program Timeline

Grants will be available to eligible applicants on a noncompetitive, Over-the-Counter (OTC) basis. Applications will be accepted from the date of the release of this NOFA and up until July 1, 2020. See Table 1 below for the anticipated timeline for awards for the OTC period.

Event	**Date**
NOFA Release	January 27, 2020
NOFA Application Webinar	February 14, 2020
NOFA Application Workshops	February and March 2020
Final Due Date for OTC Applications	July 1, 2020
Technical Assistance	February 2020 through December 31, 2023
Expenditure Deadline	December 31, 2023

The Department will review applications within 30 days and target award of applications within 60 days, with subsequent Standard Agreements processed within 60 days of award. Applicants are encouraged to submit early in the application window.

The Department will hold workshops and a webinar to review the LEAP NOFA and application and will be conducting technical assistance to aid applicants throughout the OTC period and implementation of the grant. For a list of dates, times, and locations for the workshops as well as information on technical assistance, please visit the Department's website at https://www.hcd.ca.gov/grants-funding/active-funding/leap.shtml.

V. Award Amounts

This Program will make $119,040,000 dollars available to jurisdictions for Program implementation, including state operations and expenditures, and technical assistance. Maximum award amounts are based on population estimates as of January 1, 2019.[1] The minimum award amount is $25,000. The maximum amount that a jurisdiction may receive pursuant to this subdivision shall be as follows:

Jurisdiction Size (in population)	**Maximum Award Amount**
750,000 or greater	$1,500,000
300,000 to 749,999	$750,000
100,000 to 299,999	$500,000
60,000 to 99,999	$300,000
20,000 to 59,999	$150,000
Less than 20,000	$65,000

Applicants seeking partnerships with other local governments will be additive. For example, two jurisdictions between 100,000 and 299,999 people could submit a proposal for up to $1.0 million.

VI. Eligible Applicants

Eligible applicants are limited to local governments, i.e., cities and counties. However, local governments may partner through legally binding agreements with other forms of governments or entities where the proposal will have a direct effect

[1] Population estimates, posted as of January 1, 2019, are based on the Department of Finance E-1 report. Official maximum amounts per jurisdiction can be found at the Department's website at https://www.hcd.ca.gov/grants-funding/active-funding/leap.shtml.

on land-use or development within the participating localities. This includes, but is not limited to, partnerships with other localities, regional governments, housing authorities, school districts, special districts, community-based organizations, or any duly constituted governing body of an Indian Reservation or Rancheria. Applicants forming partnerships, must submit separate, completed and signed application packages, including resolutions and a copy of the signed agreement between partners to the Department in order to be awarded funds.

VII. Eligible Activities

Eligible activities must demonstrate an increase in housing related planning activities and facilitate accelerated housing production. Eligible activities may be part of a larger planning effort (e.g., a comprehensive zoning code update) if proposed activities have not been completed prior to the NOFA date, are distinct, and demonstrate a nexus to accelerating housing production. Eligible activities are not necessarily jurisdiction-wide and may include a smaller geography with a significant impact on housing production. For example, eligible activities may include a housing development-related project with a significant community level impact, or planning or process improvement for a project with an ongoing community impact beyond the project. Eligible activities may include a variety of planning documents and processes, including, but not limited to, the following as set forth in Health and Safety Code section 50515.03(c):

1. Rezoning and encouraging development by updating planning documents and zoning ordinances, such as General Plans, community plans, specific plans, implementation of sustainable communities' strategies, and local coastal programs;
2. Completing environmental clearance to eliminate the need for project-specific review;
3. Establishing housing incentive zones or other area-based housing incentives beyond State Density Bonus Law such as a workforce housing opportunity zone pursuant to Article 10.10 (commencing with Section 65620) of Chapter 3 of Division 1 of Title 7 of the Government Code, or a housing sustainability district pursuant to Chapter 11 (commencing with Section 66200) of Division 1 of Title 7 of the Government Code;
4. Performing infrastructure planning, including for sewers, water systems, transit, roads, or other public facilities necessary to support new housing and new residents;
5. Planning documents to promote development of publicly-owned land, such as partnering with other local entities to identify and prepare excess or surplus property for residential development;
6. Revamping local planning processes to speed up housing production;
7. Developing or improving an accessory dwelling unit ordinance in compliance with Section 65852.2 of the Government Code;
8. Planning documents for a smaller geography (less than jurisdiction-wide) with a significant impact on housing production, including an overlay district, project level specific plan, or development standards modifications proposed for significant areas of a locality, such as corridors, downtown or priority growth areas;

9. Rezoning to meet requirements pursuant to Gov. Code Section 65583(c)(1), and other rezoning efforts to comply with Housing Element requirements, including Gov. Code Section 65583.2(c) (AB 1397, Statutes of 2018);
10. Upzoning or other implementation measures to intensify land use patterns in strategic locations, such as close proximity to transit, jobs or other amenities;
11. Rezoning for multifamily housing in high resource areas (according to Tax Credit Allocation Committee/Housing Community Development Opportunity Area Maps);
12. Establishing pre-approved architectural and site plans;
13. Preparing and adopting Housing Elements of the General Plan that include an implementation component to facilitate compliance with the sixth cycle RHNA;
14. Adopting planning documents to coordinate with suballocations under Regional Early Action Planning Grants (REAP) pursuant to Health and Safety Code Section 50515.02(f) that accommodate the development of housing and infrastructure, and accelerate housing production in a way that aligns with state planning priorities, housing, transportation equity and climate goals, including hazard mitigation or climate adaptation;
15. Zoning for by-right supportive housing, pursuant to Gov. Code section 65651 (Chapter 753, Statutes of 2018);
16. Zoning incentives for housing for persons with special needs, including persons with developmental disabilities;
17. Planning documents related to carrying out a local or regional housing trust fund;
18. Environmental hazard assessments; data collection on permit tracking; feasibility studies, site analysis, or other background studies that are ancillary (e.g., less than 15 percent of the total grant amount) and part of a proposed activity with a nexus to accelerating housing production; and
19. Other planning documents or process improvements that demonstrate an increase in housing related planning activities and facilitate accelerating housing production; and
20. Establishing Prohousing Policies, as follows:

Prohousing Policies

The Department encourages applicants to consider LEAP funds to facilitate designation as a Prohousing jurisdiction.

The 2019-20 Budget Act requires the Department to develop the Prohousing designation emergency regulations by no later than July 1, 2021. This program will allow the Department to designate jurisdictions as "Prohousing," when they demonstrate policies and strategies to accelerate housing production. In turn, Prohousing jurisdictions will be awarded additional points or preference in programs such as the Affordable Housing and Sustainable Communities (AHSC), Transformative Climate Communities (TCC), Infill Infrastructure Grant (IIG) programs and other state funding programs. The Department anticipates developing emergency regulations and Prohousing designations prior to July 1, 2021, and will seek to designate jurisdictions prior to future rounds of AHSC, TCC and IIG programs.

Pursuant to Gov. Code Section 65589.9(f)(2), “Prohousing” policies mean policies that facilitate the planning, approval, or construction of housing. These policies may include, but are not limited to, the following:

A. Planning for local financial incentives for housing, including, but not limited to, establishing a local housing trust fund;
B. Reducing parking requirements for sites that are zoned for residential development;
C. Adoption of zoning allowing for use by right for residential and mixed-use development;
D. Zoning more sites for residential development or zoning sites at higher densities than is required to accommodate the minimum existing RHNA for the current Housing Element cycle;
E. Adoption of accessory dwelling unit ordinances or other mechanisms that reduce barriers for property owners to create accessory dwelling units beyond the requirements outlined in Section 65852.2, as determined by the Department;
F. Process improvements that reduce permit processing time;
G. Creating of objective development standards;
H. Studies and implementing actions that reduce development impact fees; and
I. Establishing a Workforce Housing Opportunity Zone, as defined in Section 65620, or a housing sustainability district, as defined in Section 66200.”

VIII. Ineligible Activities

1. Activities unrelated to preparation and adoption of planning documents, and process improvements to accelerate housing production and facilitate compliance to implement the sixth cycle of the RHNA;
2. Activities that obstruct or hinder housing production, e.g., moratoriums, downzoning, planning documents with conditional use permits that significantly impact supply, cost, approval certainty and timing, planned development, or other similarly constraining processes; and
3. Project specific planning documents that do not have a significant impact on accelerating housing production or significant community level or re-occurring benefit beyond the project.
4. The Department may consider proposals that are combined with larger proposals that have a positive housing component and the net effect on accelerating housing production is significant. For example, an applicant may propose combining an open-space designation, downzoning, or anti-displacement measures with by-right upzoning that has a significant net gain in housing capacity.

IX. Eligible Uses

1. Grant funds may cover the costs of temporary staffing or consultant needs associated with eligible activities;
2. Grant funds shall be used for the costs of preparing and adopting the proposed activity;
3. A jurisdiction that receives funds under this Program may use a subcontractor. The subcontract shall provide for compliance with all the requirements of the Program. The subcontract shall not relieve the jurisdiction of its responsibilities under the Program;
4. Eligible expenditures may be incurred and expended for the project(s) subject to the terms and conditions of the Standard Agreement; and
5. Only approved and eligible costs incurred for work after the NOFA date, continued past the date of the Standard Agreement, and completed during the grant term, will be reimbursable.

X. Ineligible Uses

1. Program grant funds may not be used for administrative costs of persons employed by the grantee for activities not directly related to the preparation and adoption of the proposed activity;
2. No more than 5 percent of the grant amount may be used for administrative costs for any proposed use, to be approved by the Department upon disbursement; and
3. Approved and eligible costs incurred prior to the NOFA date are ineligible.

XI. Application Requirements

Until July 1, 2020, a jurisdiction may request an allocation of funds pursuant to this section by submitting a complete application to the Department that demonstrates:

1. A budget, including timelines, deliverables, sub-steps and adoption, that demonstrates funds will be utilized for eligible activities and uses;
2. How proposed activities will increase housing planning and facilitate accelerating local housing production;
3. Completed or proposed activities consistent with the state or other planning priorities; and
4. All other required information contained in the Department's application

Applicants will demonstrate consistency with these requirements utilizing the forms and manner prescribed in the Department application.

Accelerating Housing Production: Applicants must propose and document plans or processes that increase housing planning and facilitate accelerating local housing production. The application must demonstrate a significant positive effect on accelerating housing production through timing, cost, approval certainty, entitlement streamlining, feasibility, infrastructure capacity, or impact on housing supply and affordability. An application must include an explanation and documentation of the nexus to accelerating housing production based on a reasonable and verifiable methodology and must utilize the Department's form (see the Department's application). A verifiable methodology may include a statement of support from a non-profit or for-profit developer that is active in the locality.

State and Other Planning Priorities: Consistency with state or other planning priorities may be demonstrated through proposed activities in the application **OR** activities that were completed within the last five years. Applicants must self-certify utilizing the Department's form (see Department's application).

XII. Application Submission Requirements

In order to be eligible for grant funding, an applicant must submit a completed, signed original application and an electronic copy on CD or USB flash drive. Applications will be accepted on an OTC basis as of the date of this NOFA through July 1, 2020. The Department encourages early applications and will accept applications post-marked by the July 1, 2020 deadline. Applicants may utilize various carrier services, such as the U.S. Postal Service, UPS, FedEx, or other carrier services. All applications must be submitted to the Department at the following address:

California Department of Housing and Community Development
Division of Housing Policy Development
2020 West El Camino Ave, Suite 500
Sacramento, CA 95833

Applications must be on Department forms and cannot be altered or modified by the applicant. Program applications and forms are available on the Department's website located at https://www.hcd.ca.gov/grants-funding/active-funding/leap.shtml.

XIII. Application Review

1. The Program will not utilize a competitive process to award funds.
2. Funds will be available to eligible applicants on a rolling OTC basis that begins as of the date of this NOFA and ends July 1, 2020.
3. An application form will be available upon release of the NOFA and will include forms to demonstrate meeting eligibility requirements such as, among other forms, a resolution, a proposed budget and timeline table and self-certified attachments demonstrating a nexus to housing production and consistency with state planning and other priorities;
4. Applications will first be reviewed for, among other things, completeness, eligibility requirements, and accuracy;
5. In order to be considered complete, an application must contain requested

information and supporting documentation where appropriate;
6. All applications must meet the eligibility requirements as specified in this NOFA;
7. If the application is ineligible, it will not be considered for funding, but may be amended and resubmitted;
8. The Department may request additional information to complete and approve the application for funding;
9. Applications recommended for funding are subject to conditions specified by the Department;
10. Applications will be reviewed within 30 days from the date the Department receives the application; and
11. All applicants not meeting the eligibility requirements will be informed within 30 days from the date the Department receives the application.

XIV. Award Letter and Standard Agreement

Successful applicants will receive an Award Letter from the Department and will be awarded funds. Applicants will enter into a state Standard Agreement (Standard Agreement) for distribution of funds. The Standard Agreement process will specify, among other things, the amount of funds granted, timeline for expenditure of funds, and the approved use of funds. Expenditure report dates and other requirements will also be identified in the Standard Agreement.

XV. Appeals

1. Basis of Appeals:

   A. Upon receipt of the Department's notice deeming an application incomplete or ineligible, applicants under this NOFA may appeal such decision(s) to the Department Director.
   B. The decision of the Director is final and not subject to further administrative or judicial review.
   C. No applicant shall have the right to appeal a decision of the Department relating to another applicant's eligibility, award, denial of award, or any other related matter.

2. Appeals Process and Deadlines:

   A. Process. In order to lodge an appeal, applicants must submit to the Director by the deadline set forth in subsection (b) below, a written appeal which states all relevant facts, arguments, and evidence upon which the appeal is based. No new or additional information will be accepted. Once the written appeal is submitted to the Director, no further information or materials is required to be accepted or considered thereafter. Appeals are to be submitted to the Director at following address:

California Department of Housing and Community Development
Division of Housing Policy Development
2020 W. El Camino Avenue, Suite 500
Sacramento, California 95833
EarlyActionPlanning@hcd.ca.gov

The Director will accept appeals delivered through a carrier service such as the U.S. Postal Service, UPS, Fed-Ex, or other carrier services that provide date stamp verification of delivery. Deliveries must be received during the Department's weekday (non-state holiday) business hours of 9:00 a.m. to 5:00 p.m. Pacific Standard Time. Additionally, emails to the email address listed above will be accepted if the email time stamp is prior to the appeal deadline.

B. Filing Deadline. Appeals must be received by the Director no later than (5) five business days from the date of the Department's determination.

3. Decision:

Any request to amend the Department's decision shall be reviewed for compliance with this NOFA and its application. The Director shall render his/her decision in writing within fifteen (15) business days of receipt of the applicant's written appeal. The decision of the Director shall be the Department's final decision, and shall not be appealable to any court or tribunal.

XVI. Administration

1. Grant Execution and Term

A. The Department will notify the grantee if they have been selected for a grant award;
B. After the Standard Agreement has been drawn, the grantee will be provided instructions for signing all required documents. The grantee must submit all supporting materials and a signed Standard Agreement within the timeline provided in the instructions, or risk forfeiting the grant award;
C. The grant term begins on the day the Department and the grantee have fully executed the Standard Agreement. The Department will notify the grantee and partners when work may proceed under the agreement. However, eligible activities that are approved by the Department may be retroactively reimbursed to the date of the NOFA; and
D. The end of the grant term will be determined by the state based on the availability of grant funds and the administrative requirements for liquidation.

2. Payment and Accounting of Grant Funds

   A. Grant funds cannot be disbursed until the Standard Agreement has been fully executed;
   B. The grantee will be responsible for compiling and submitting all invoices and reporting documents. Grantees will submit for reimbursements to the Department based on actual cost incurred;
   C. The grantee must bill the state based on clear deliverables outlined in the Standard Agreement or budget timeline. Only approved and eligible costs incurred for work after the NOFA date, continued past the date of the Standard Agreement, and completed and processed prior to the expenditure deadline, will be reimbursable. Approved and eligible costs incurred prior to the NOFA date are ineligible;
   D. Work must be completed prior to requesting reimbursement;
   E. Grant fund payment will be made on a reimbursement basis; advance payments are not allowed. The grantee and partners must have adequate cash flow to pay all grant-related expenses prior to requesting reimbursement from the Department. Project invoices will be submitted to the Department by the grantee on a quarterly basis;
   F. In unusual circumstances, the Department may consider alternative arrangements to reimbursement and payment methods based on documentation demonstrating cost burdens, including the inability to pay for work;
   G. Supporting documentation may include, but is not limited to: receipts, progress payments, subcontractor invoices, time cards, etc.;
   H. Invoices must be accompanied by reporting materials where appropriate. Invoices without the appropriate reporting materials will not be paid. The Department may withhold 10 percent of the grant until grant terms have been fulfilled; and
   I. Each recipient of funds under the Program shall expend those funds no later than December 31, 2023.

3. Accounting Records and Audits

   A. The grantee must establish a separate ledger account for receipts and expenditures of grant funds and maintain expenditure details in accordance with the budget and timeline. Separate bank accounts are not required;
   B. The grantee shall maintain documentation of its normal procurement policy and competitive bid process (including the use of sole source purchasing), and financial records of expenditures incurred during the course of the project, in accordance with generally accepted accounting principles;
   C. The grantee agrees that the state or designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of the Standard Agreement;
   D. The grantee agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated;
   E. Subcontractors employed by the grantee and paid with moneys under the

terms of this Standard Agreement shall be responsible for maintaining accounting records as specified above;

F. At any time during the term of the Standard Agreement, the Department may perform, or cause to be performed, a financial audit of any and all phases of the award. At the Department's request, the awardee shall provide, at its own expense, a financial audit prepared by a certified public accountant. The State of California has the right to review project documents and conduct audits during project implementation and over the project life;
G. The Department may request additional information, as needed, to meet other applicable audit requirements; and
H. The Department may monitor expenditures and activities of an applicant, as the Department deems necessary, to ensure compliance with Program requirements.

4. Remedies of Nonperformance

A. In the event that it is determined, at the sole discretion of the state, that the grantee is not meeting the terms and conditions of the Standard Agreement, immediately upon receiving a written notice from the Department to stop work, the grantee shall cease all work under the Standard Agreement. The Department has the sole discretion to determine that the grantee meets the terms and conditions after a stop work order, and to deliver a written notice to the grantee to resume work under the Standard Agreement;
B. Both the grantee and the Department have the right to terminate the Standard Agreement at any time upon 30 days written notice. The notice shall specify the reason for early termination and may permit the grantee or the Department to rectify any deficiency(ies) prior to the early termination date. The grantee will submit any requested documents to the Department within 30 days of the early termination notice; and
C. There must be a strong implementation component for the funded activity through this Program, including, where appropriate, agreement by the locality to formally adopt the completed planning document. Localities that do not formally adopt the funded activity could be subject to repayment of the grant.
D. The Department may, as it deems appropriate or necessary, request the repayment of funds from an applicant, or pursue any other remedies available to it by law for failure to comply with Program requirements (Health and Safety Code section 50515.04(e).

5. Reporting

A. At any time during the term of the Standard Agreement, the Department may request a performance report that demonstrates satisfaction of all requirements identified in the Standard Agreement with emphasis on eligible activities, eligible uses, ineligible uses, and expenditures, according to timelines and budgets referenced in the Standard Agreement;
B. Awardees shall submit a report, in the form and manner prescribed by

the Department, to be made publicly available on its internet website, by April 1 of the year following the receipt of those funds, and annually thereafter until those funds are expended, that contains the following information:

- The status of the proposed uses listed in the entity's application for funding and the corresponding impact on housing within the region or jurisdiction; and
- A summary of building permits, certificates of occupancy, or other completed entitlements issued by entities within the region, or by the jurisdiction, as applicable.

C. The awardee must, in lieu of a separate report, provide the above described information as part of its annual report pursuant to Gov. Code Section 65400;
D. The Department may request additional information, as needed, to meet other applicable reporting requirements;
E. Upon completion of all deliverables within the Standard Agreement, the awardee shall submit a close out report. See Attachment 1; and
F. The Department shall maintain records of the following and provide that information publicly on its internet website:

- The name of each applicant for Program funds and the status of that entity's application;
- The number of applications for Program funding received by the Department; and
- The information described in 5(B) above for each recipient of Program funds.

XVII. Right to Modify or Suspend the NOFA, and Final Decision-making

The Department reserves the right, at is sole discretion, to suspend, amend, or modify the provisions of this NOFA at any time, including, without limitation, the amount of funds available hereunder. If such an action occurs, the Department will notify all interested parties and will post the revisions to the Department's website. You may subscribe to the Department's email list here: http://www.hcd.ca.gov/HCD_SSI/subscribe-form.html.

Further, the Department's decision to approve or deny an application or request for funding pursuant to the Program, and its determination of the amount of funding to be provided, shall be final.

XVIII. Definitions

All terms not defined below shall, unless their context suggests otherwise, be interpreted in accordance with the meanings of terms described in Health and Safety Code section 50470.

A. “Accelerating Housing Production” means improving the timing, cost, feasibility, approval and amount of development through various mechanisms such as zoning incentives (e.g., increased density and heights, reduced parking requirements), upzoning, zoning amendments to permit residential in non-residential zones, corridor planning, development standards modifications, non-discretionary review, financing strategies, sliding scale fee modifications, facilitating adequate infrastructure to support development, approval streamlining that addresses quickness and ease of entitlements, and other mechanisms that promote production or remove or mitigate regulatory barriers.

B. “Affordability” means a housing unit that satisfies at least one of the following criteria:

    1. It is available at an “affordable rent” as that term is used and defined in Section 50053 of the Health & Safety Code;

    2. It is offered at an “affordable housing cost”, as that term is used and defined in Section 50052.5 of the Health & Safety Code; or

    3. It is available at an “affordable rent” or an “affordable housing cost” according to the alternative percentages of income for agency-assisted rental and cooperative housing developments pursuant to Department regulations adopted under Health and Safety Code section 50462(f).

C. “Annual Progress Report” (APR) means the annual report required to be submitted to the Department pursuant to paragraph (2) of subdivision (a) of Section 65400 of the Government Code.

D. “Completed entitlement” means a housing development project that has received all the required land use approvals or entitlements necessary for the issuance of a building permit and for which no additional action, including environmental review or appeals, is required to be eligible to apply for and obtain a building permit.

E. “Council of governments” means a single or multicounty council created by a joint powers agreement pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code that is responsible for allocating regional housing need pursuant to Sections 65584, 65584.04, and 65584.05 of the Government Code.

F. “Department” means the California Department of Housing and Community Development.

G. “Housing” means any development that satisfies both of the following criteria:

1. At least two-thirds of the square footage of the development must be designated for residential use; and

2. Includes a house, an apartment, a mobile home or trailer, a group of rooms, or a single room that is occupied as separate living quarters, or, if vacant, is intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants live separately from any other individuals in the building, and which have a direct access from the outside of the building, or through a common hall.

Note: accessory dwelling units (ADU) and junior accessory dwelling units (JADU) pursuant to Gov. Code sections 65852.2 and 65852.22 meet the definition above.

H. “Housing Element” or “element” means the Housing Element of a community’s General Plan, as required pursuant to subdivision (c) of Section 65302 of the Government Code and prepared in accordance with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code.

I. “Jurisdiction” means any city, including a charter city, county, including a charter county or city and county, including a charter city and county.

J. “Local government” or “Locality” means any city, including a charter city, county, including a charter county or city and county, including a charter city and county.

K. “Objective zoning standard”, “objective subdivision standard”, and “objective design review standard” means standards that involve no personal or subjective judgment by a public official, and are uniformly verifiable by reference to an external and uniform benchmark or criterion available, and knowable by both the development applicant or proponent and the public official prior to submittal. “Objective design review standards” means only objective design standards published and adopted by ordinance or resolution by a local jurisdiction before submission of a development application, which are broadly applicable to development within the jurisdiction.

L. “Other Planning Priorities” means planning, policies, programs or investments to promote housing choices and affordability to lower and moderate income households, the encouragement of conservation of the existing affordable housing stock, and efforts to take into account current and future impacts of climate change, including hazard mitigation.

M. “Regional housing need assessment” means the existing and projected need for housing for each region, as determined by the Department pursuant to Section 65584.01 of the Government Code.

N. “State Planning Priorities” means priorities which are intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety in the state, including in urban, suburban, and rural communities pursuant to Gov. Code Section 65041.1.

O. “Streamlined Housing Production” means improving the entitlement process through actions such as removing, mitigating or minimizing local regulatory requirements, reforming the local approval process to reduce processing times, the number of local discretionary approvals and permits needed for projects, improving approval certainty, establishing non-discretionary processes, modifying development standards, such as reducing parking requirements and increasing height limits, or other efforts, such as taking the fullest advantage of existing streamlining mechanisms provided in state law.

Attachment 1
Close Out Reporting Form

LEAP Grant Close Out Reporting Template

Brief Summary

- Overview of the project
- Project start date and duration
- Project goals and relevance to LEAP goals
- Quantified outcomes

Lead Agency and Partnerships

- List lead agency and partnerships (including names, titles, organizations, and roles and responsibilities of each)
- What did those collaborative relationships and processes look like?

Drivers

- Did any local, state, or federal legislation or mandates drive the project? (SB 35, AB 1397, etc.)
- Was it a community driven effort?
- Were there additional funding opportunities present?

Engagement Process

- Who were your stakeholders?
- What did the engagement process look like?
- What role did stakeholders play in the process? (Keep in mind: training, education, council formation, technical assistance, etc.)
- What were the outcomes of the engagement process?

Challenges

- What challenges were encountered?
- What solutions were encountered or created?
- Are there areas for improvement of policy alignment at the state or federal level to help achieve this project more easily?

LEAP Grant Close Out Reporting Template

Outcomes

- What are the current or projected outcomes? Benefits?
- Were outcomes as anticipated?
- Have new opportunities arisen as a result of this project?
- What are the next steps?

Replicability

- What aspects of the project could be replicated in other communities?
- Useful resources and tools? For a specific region or sector?

Additional Resources

- Links to the project itself
- Links to resources used throughout and any other relevant resources

Further Information

- Who can be reached to ask more questions about this project?
- Name
- Number and/or email

Western Riverside Council of Governments
Planning Directors Committee

Staff Report

Subject: **State Housing Legislative Update**

Contact: **Chris Gray, Director of Planning & Transportation, cgray@wrcog.us, (951) 405-6710**

Date: **May 14, 2020**

The purpose of this item is to *an update on recent legislative action is it relates to housing and other planning issues germane to the WRCOG subregion.*

Requested Action:

1. Receive and file.

Legislative Update

Because of COVID-19, the California Legislature temporarily adjourned in March and is scheduled to return to work the week of May 4, 2020. At that time, they will resume reviewing the approximately 2,500 bills that were introduced before the adjournment.

It is expected that the Legislature will primarily focus on COVID-19 response and recovery. Additionally, the Legislature is mandated to pass a State budget prior to June 15, 2020, which means that their primary focus will be on those two areas.

However, it is expected that the Legislature will continue to address the issue of housing. Prior to the March adjournment, Senator Weiner introduced SB 902, which is a replacement for SB 50. Seven bills related to the imposition of impact fees on housing were also introduced.

Bill Blankenship, a consultant for WRCOG, will provide an update on recent legislative developments and the likely outlook for the remainder of the year.

Prior Action:

March 12, 2020: The Planning Directors Committee received and filed.

Fiscal Impact:

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

Attachment:

None.

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Western Riverside Council of Governments
Planning Directors Committee

Staff Report

Subject: **GIS Solutions for Housing Elements**

Contact: **Elisa Laurel, Program Manager, elaurel@wrcog.us, (951) 951 405-6705**

Date: **May 14, 2020**

The purpose of this item is to *demonstrate the services of Houseal Lavigne & Associates' turn-key Geographic Information System (GIS) solution in harnessing the power of visual storytelling to drive results for positive planning outcomes, particularly for the development of jurisdictional Housing Elements.*

Requested Action:

1. Receive and file.

Houseal Lavigne & Associates is a professional consulting firm specializing in all areas of Community Planning, Urban Design, and Economic Development. Its team provides a collaboration of disciplines and is committed to developing creative solutions that ensure compatibility between the existing, new, built, and natural environments. Its work strengthens communities through creative, dynamic, and viable approaches to planning, design, and development, and ranges from revitalizing downtowns to creating context sensitive zoning regulations.

Members of Houseal Lavigne & Associates will demonstrate one turn-key GIS services to help jurisdictions create visually compelling mappings solutions, particularly as applicable to the development of housing elements.

Prior Action:

None.

Fiscal Impact:

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

Attachment:

None.

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Western Riverside Council of Governments
Planning Directors Committee

Staff Report

Subject: **Future Forward Series, COVID-19 Fiscal Impacts Analysis, Economic Planning Systems, Inc. (EPS)**

Contact: **Elisa Laurel, Program Manager, elaurel@wrcog.us, (951) 405-6705**

Date: **May 14, 2020**

The purpose of this item is to *provide an update on a recent analysis produced by Economic Planning System, Inc. (EPS) on the near-term fiscal impacts jurisdictions within Western Riverside County will be facing due to the COVID-19 public health crisis.*

Requested Action:

1. Receive and file.

WRCOG has commenced an assessment of the fiscal implications of the current public health crisis-driven economic downturn on Western Riverside County jurisdictions. The COVID-19-driven public health crisis has required the curtailment of a broad range of activities and has already had a major economic impact on U.S. and global economies.

The curtailments on movement and gatherings and the associated closure of businesses has had an immediate and major impact on the retail, hospitality, and leisure sectors and workers. Other industry sectors and connected businesses are also facing losses of business and downturns. While the duration of the health crisis and associated economic impacts are uncertain, a scenario-based approach will be utilized to evaluate the potential level and timing of impacts on the tax revenues that typically accrue to Western Riverside County jurisdictions.

The assessment will be conducted in two phases. Phase 1 is now complete and identifies the expected level and timing of impacts on the two tax revenues that will be most directly affected, including sales and use tax revenues and transient occupancy taxes. Phase I also identified the scale of job losses in the retail and hospitality sectors as well as the potential increases in the warehouse and distribution sectors. Before September 30, 2020, Phase 2 will build on the Phase I work with feedback and will involve additional analysis, looking in more detail at a broader range of public revenues, the different ways in which they may be affected, and the implications for the Western Riverside County jurisdictions' overall fiscal health.

Phase 1 findings of this assessment were presented on April 30, 2020, as part of WRCOG's Future Forward webinar series. Teifion Rice-Evans, Managing Principal at EPS, provided an in-depth overview of the near-term fiscal impacts jurisdictions within Western Riverside County will be facing due to the current COVID-19 pandemic. His presentation marked the first episode of WRCOG's launch of its Future Forward Series. The Future Forward Series is a monthly virtual broadcast dedicated to innovating through disruptive times. Its content aims to feature thoughtful leadership and meaningful information to the Western Riverside County subregion and in some cases to the greater Inland Empire area. Each episode is broadcasted on the last Thursday of every month from 9:00 a.m. – 10:00 a.m.

Teifion Rice-Evans will be providing a presentation on the major highlights produced from Phase 1 of its economic analysis.

Prior Action:

None.

Fiscal Impact:

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

Attachment:

1. COVID-19 PowerPoint presentation slides.

Item 5.C

Future Forward Series, COVID-19 Fiscal Impacts Analysis, Economic Planning Systems, Inc. (EPS)

Attachment 1

COVID-19 PowerPoint presentation slides

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FUTURE FORWARD SERIES

COVID-19: ECONOMIC & FISCAL VULNERABILITIES AND IMPACTS

Focus on the Inland Empire and Western Riverside County

Teifion Rice-Evans, Managing Principal

April 30, 2020

Economic & Planning Systems, Inc.
The Economics of Land Use

One Kaiser Plaza, Suite 1410 ▪ Oakland, CA 94612
510.841.9190 ▪ www.epsys.com

PRESENTATION OVERVIEW

KEY SECTIONS

1. COVID-19 and the Economy
2. Uncertainty and Control
3. Where We Stood
4. Economic Vulnerabilities
5. Fiscal Vulnerabilities
6. Scenarios and Forecasts
7. Implications

COVID-19 AND THE ECONOMY

UNIQUE AND UNIVERSAL IMPACT

COVID-19 has affected every State in the U.S.

- There is no escaping the virus and its impact

Relative Ease of Transfer and Difficulty to Detect

- Makes Social Distancing and Stay-at-Home necessary

Strikes at the Heart of the Economy

- Large and immediate impact on economic activity in the U.S., unprecedented in last 100 years

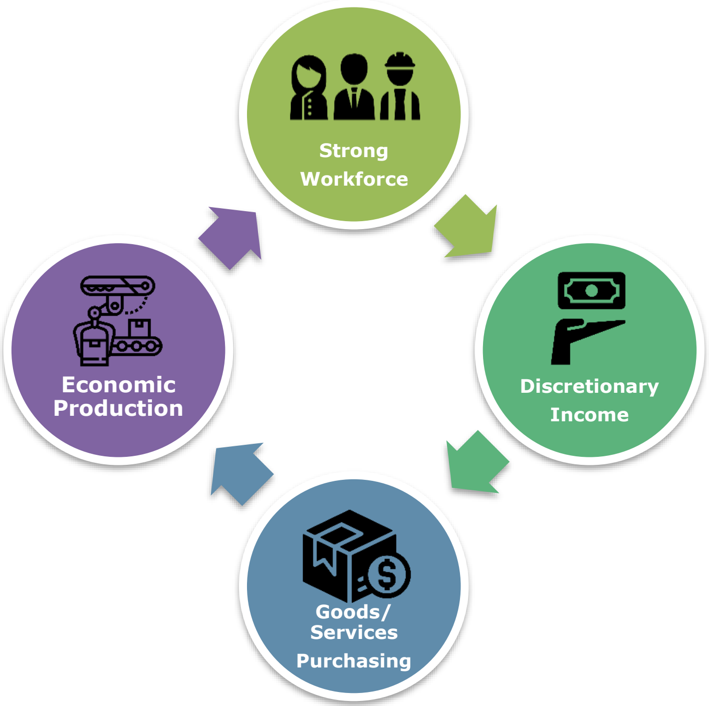
*“**The best way to send information is wrap it up in a person**.” Robert Oppenheimer*

SOCIAL DISTANCING AND THE ECONOMY

Human interaction is critical to most economic activity

Social distancing affects economy in fundamental ways:

- It restricts access to the physical spaces where most goods and services are produced and consumed
- By limiting economic activity, it reduces business and household income, creating a downward ripple effect on spending and incomes
- About 70% of US GDP is directly tied to consumer spending, 20% of which is discretionary
- Due to the interconnected ecosystem that is our economy, halts in production in one sector create "supply-chain" and production challenges in others



UNCERTAINTY AND CONTROL

UNCERTAINTY IS THE ONLY CERTAINTY

- Path of the pandemic and public health crisis are **uncertain**
- Duration of stay-at-home orders (and any relapses) are **uncertain**
- Economic and fiscal future directly tied to these **uncertain**ties

LENGTH AND SEVERITY OF CRISIS WILL DETERMINE OUTCOMES

Economic recovery depends on length and severity of public health threat

- Models vary on spread, duration, and fatality
- Economic “Bounce-back” could be quick if virus is neutralized
- Full recovery may not occur until vaccine and / or remedy available
- Structural damage to the economy more likely the longer our behavior/ movements are limited – by public health guidelines or personal health decisions
- Desire to open up economy could lead to experimental adjustments in social distancing/ sheltering-in-place

(Will discuss potential timeframes for recovery in subsequent sections)

LEVEL OF CONTROL

There is much that is out of the hands of local governments

Virus Evolution and Control

- Infections and spread of virus
- Availability and level of testing – infection and antibody
- Vaccine development, antibody resilience, and “herd immunity”
- Seasonal effects on virus and resurgence

Federal/ State Government and Individual Responses

- Federal/ State public health policies and “re-opening”
- Success of current (and future?) Federal Stimulus packages
- Individual Household Behavior and Decisions

WHERE WE STOOD

PREVAILING WINDS

Technology, Globalization, and Other Economic Trends

Many consider us to be in midst of "5th Industrial Revolution": Age of Automation, E-Commerce, and Autonomous Vehicles

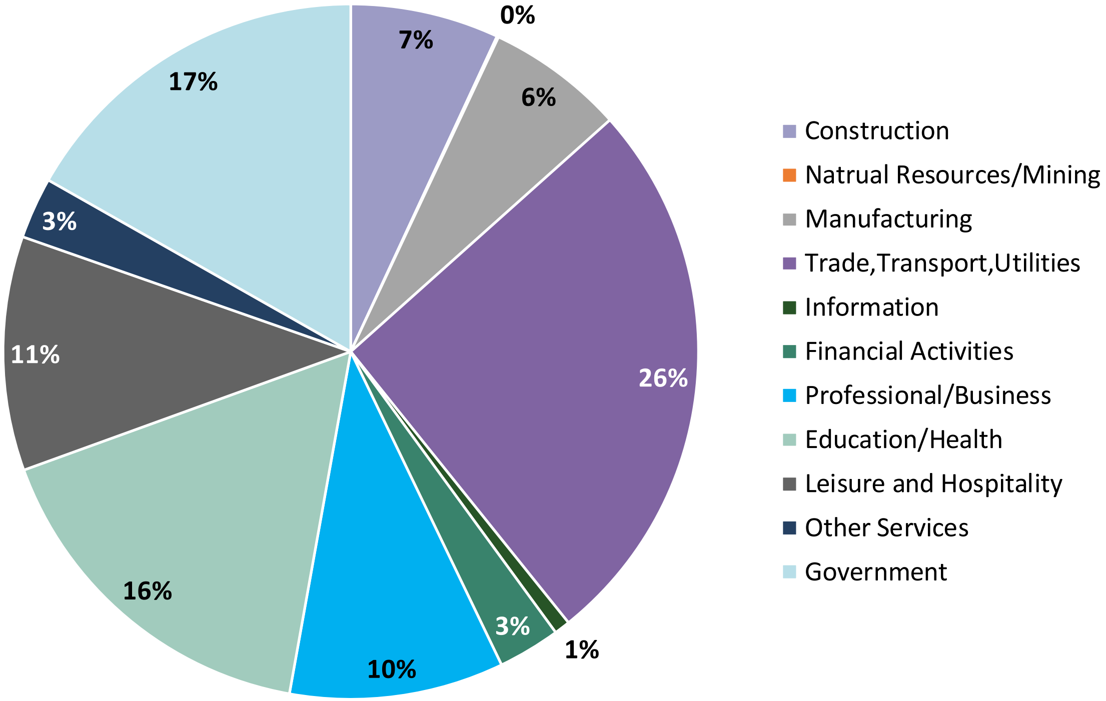
- Rise of E-Commerce and "Internet of Things"
- Contraction of Brick and Mortar Retail
- New types of jobs lost to automation
- Continued globalization and interconnected Supply Chains
- Strong international competition for manufacturing
- Fast growth and large demand for Logistics Centers
- Search for high quality of life and affordable housing

INLAND EMPIRE EMPLOYMENT AS OF FEBRUARY 2020

Total Jobs = 1.55 million

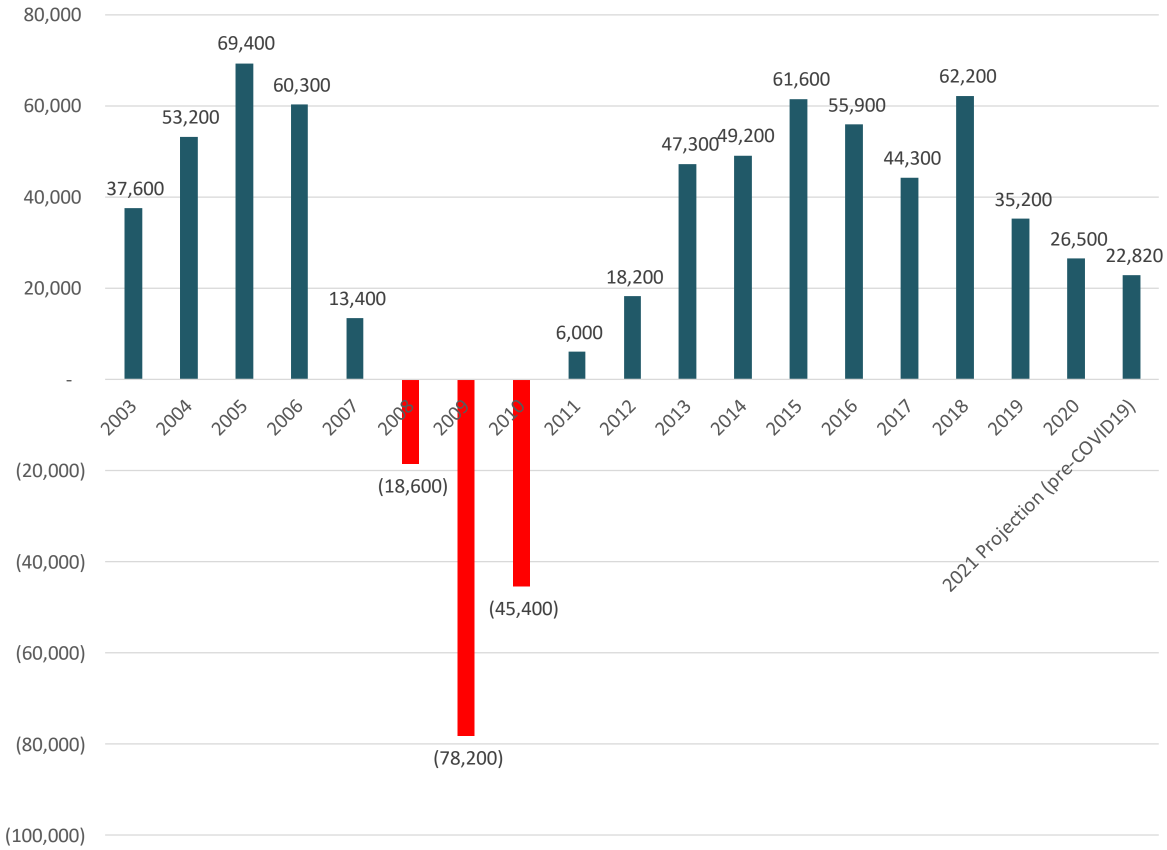
Strong concentrations in:

- Retail Trade
- Leisure and Hospitality
- Transportation and Warehousing
- Prof. and Admin. Services
- Construction & Mfg
- Education/ Health Services
- Government



Sources: CA Economic Development Department; Beacon Economics, LLC.

INLAND EMPIRE TREND – ALL EMPLOYMENT

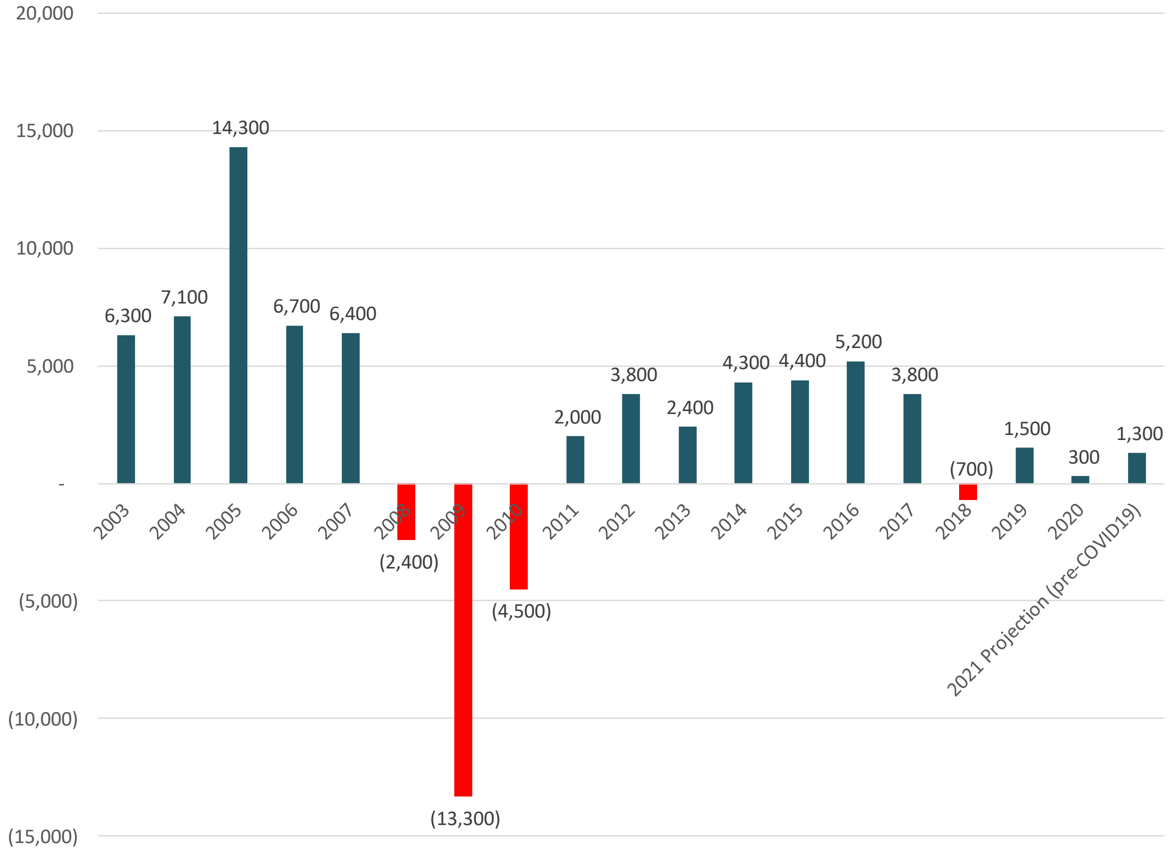


Total Jobs = 1.55 million

- Job Gains to end of 2019 = **350,000 jobs**
- Job Losses prior Recession = **145,000 jobs**
- **2011 – 2015** to return to same job levels

Sources: Bureau of Labor Statistics Current Employment Survey; State of California Employment Development Department, Employment Projections

INLAND EMPIRE TREND – RETAIL

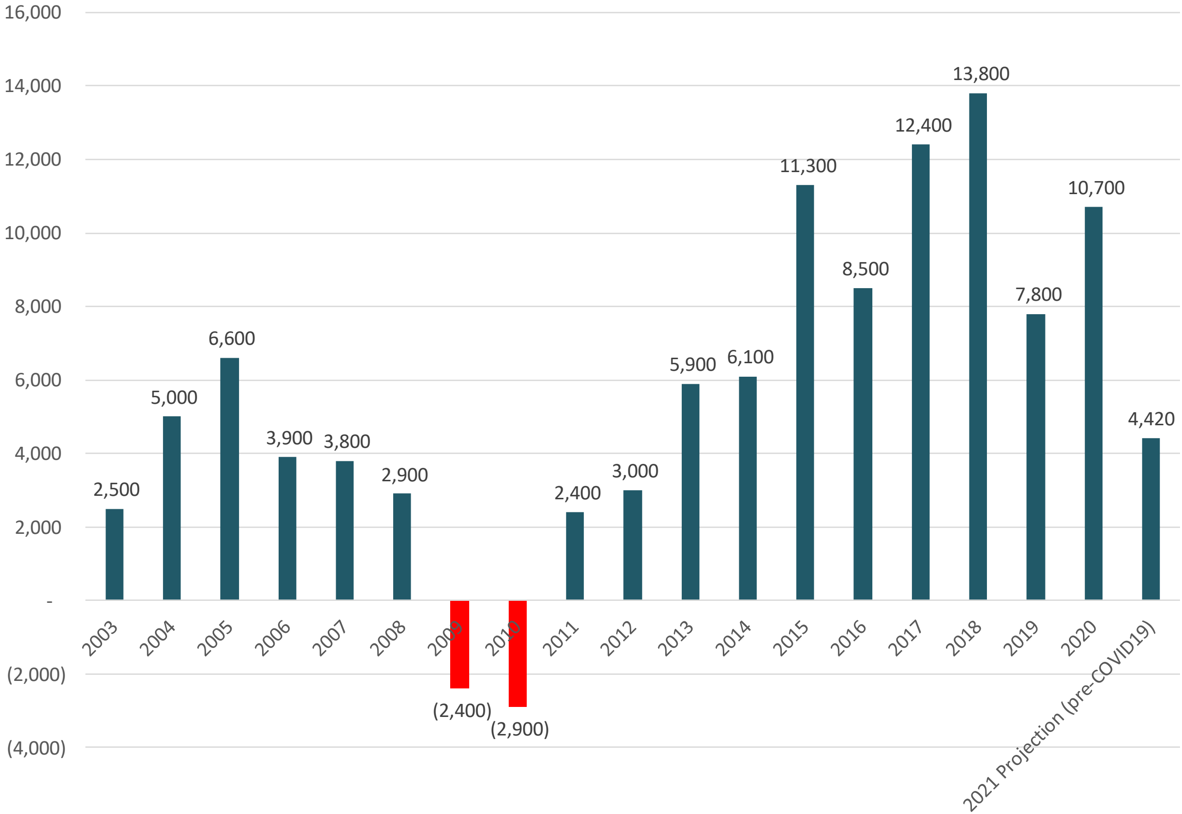


Retail Jobs = 180,000

- Job Gains to end of 2019 = **25,000 jobs**
- % of Total Job Gains = ***7%***
- Job Losses prior Recession = **20,000 jobs**
- **2011 – 2016** to return to same job levels

Sources: Bureau of Labor Statistics Current Employment Survey; State of California Employment Development Department, Employment Projections

INLAND EMPIRE TREND – LOGISTICS



Logistics Jobs = 215,000

- Job Gains to end of 2019 = **85,000 jobs**
- % of Total Job Gains = **25%**
- Job Losses prior Recession = **5,000 jobs**
- **2011 – 2012** to return to same job levels

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Sources: Bureau of Labor Statistics Current Employment Survey; State of California Employment Development Department, Employment Projections

PRE-COVID 19 CONDITIONS

As Dr. John Husing with Economic & Politics pointed out in his pre-COVID report, there were positive trends:

- Inland Empire job growth was strong
- Unemployment rates were low
- Poverty Levels were falling with Job Creation
- Growth in Professional Services Jobs as well as Logistics

And issues being worked on:

- Expanding the Job Base and changing Jobs-Housing Balance
- Retaining and Providing Middle Class Jobs
- Enhancing Adult Educational Attainment
- Addressing Housing Affordability

ECONOMIC VULNERABILITY

THERE HAVE BEEN LOSSES

Economic Impact has been immediate

- 26 million in new unemployment benefit claims in U.S. and counting (in 5 weeks to 4/23/2020)
- Pace of Job Losses faster than any other Recession
- Inland Empire Unemployment goes from 4.0 % to 5.2 % between mid-February and mid-March (prior to main job losses)
- Leisure and hospitality industry accounted for 2/3rds of CA Job Losses

DIFFERENT MEASURES OF ECONOMIC VULNERABILITY

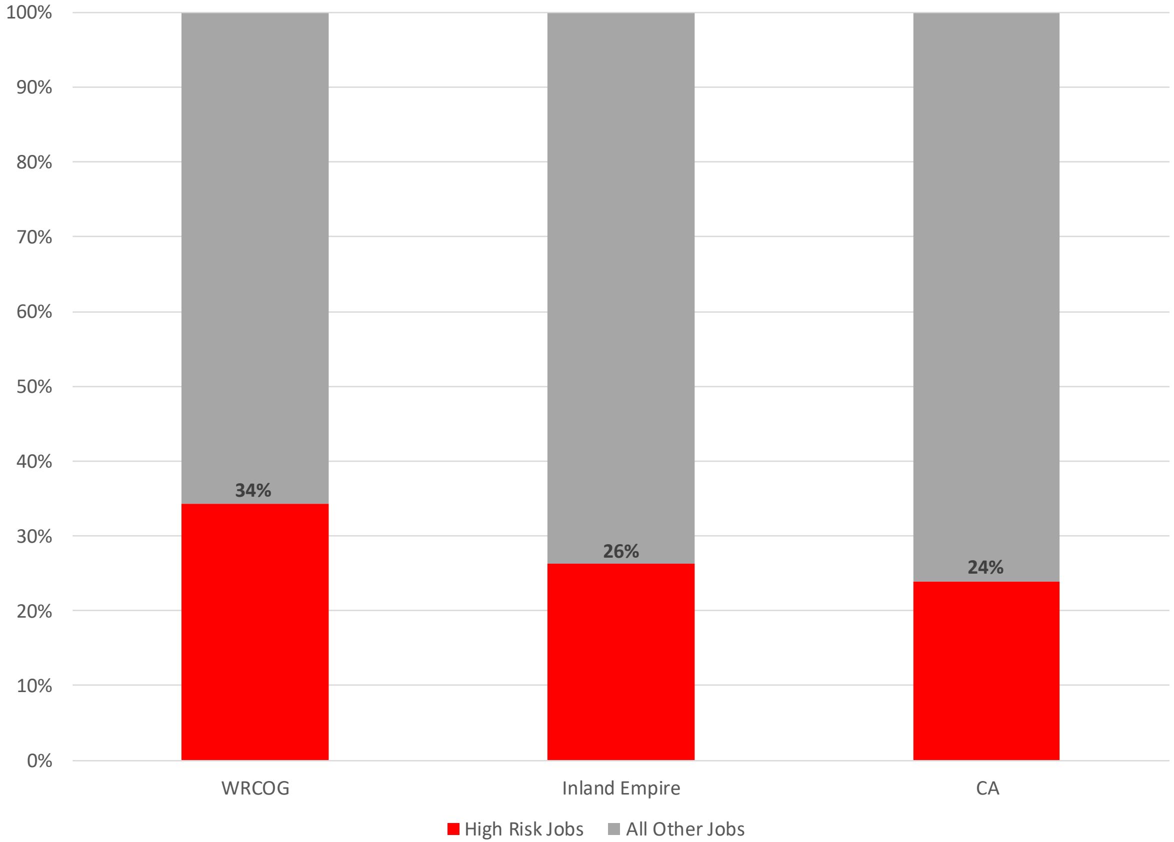
Different National Studies have looked at economic vulnerability in terms of:

- High-Risk Occupations
- High-Risk Industries
- Ability to Work from Home

Applied High-Risk Industries approach – industry sectors and sub-sectors where social proximity is required:

- Leisure and Hospitality
- Retail Trade
- Selected Services (Child Care, Personal Services, Certain Transportation Services)

JOBS IN SECTORS AT IMMEDIATE RISK



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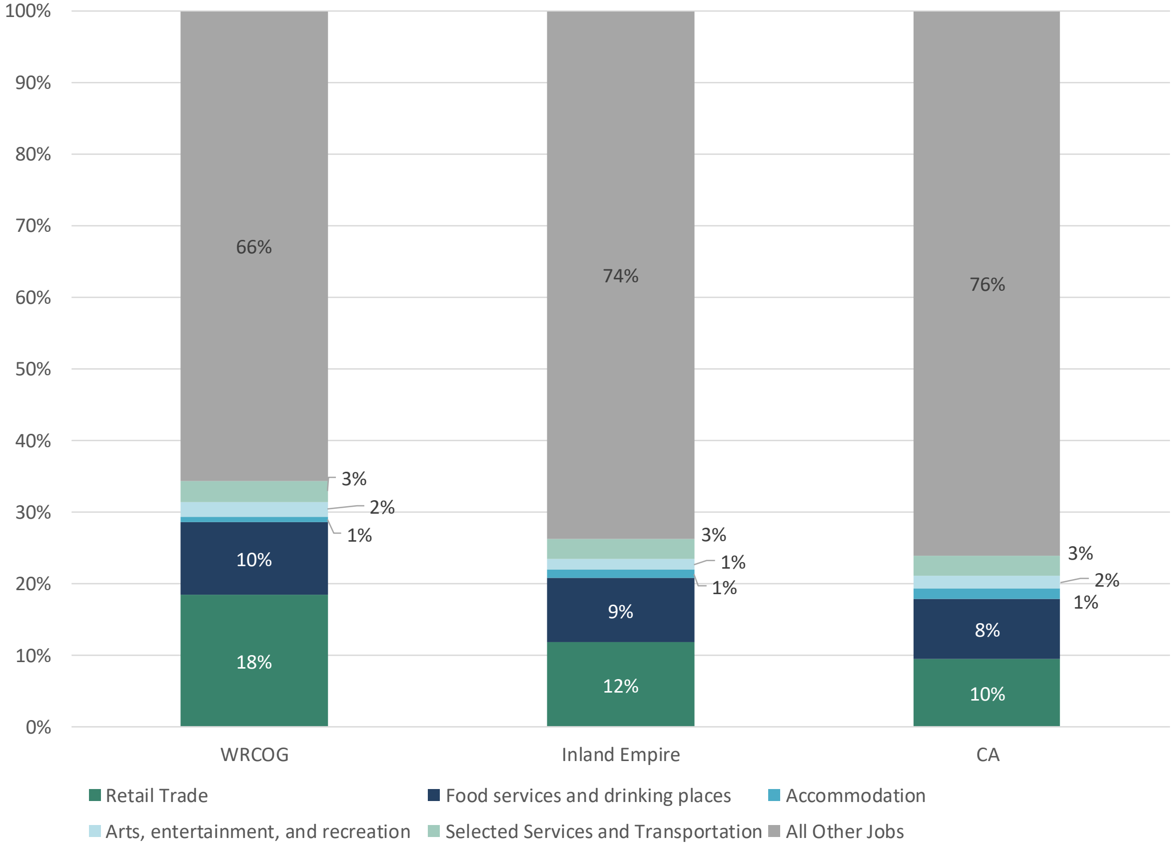
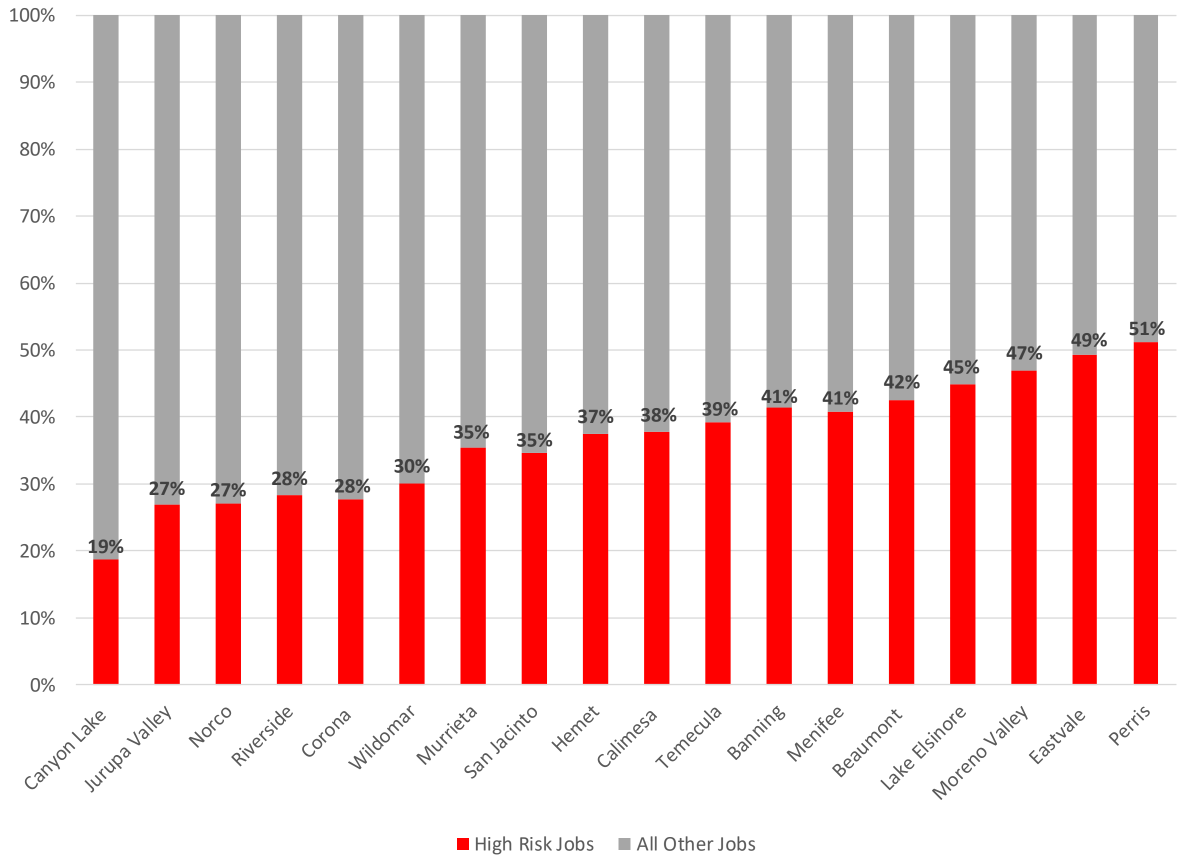
Sources: Bureau of Labor Statistics Current Employment Survey; Pew Charitable Trust; WRCOG

JOBS IN SECTORS AT IMMEDIATE RISK



Sources: Bureau of Labor Statistics Current Employment Survey; Pew Charitable Trust; WRCOG

JOBS IN SECTORS AT IMMEDIATE RISK BY CITY



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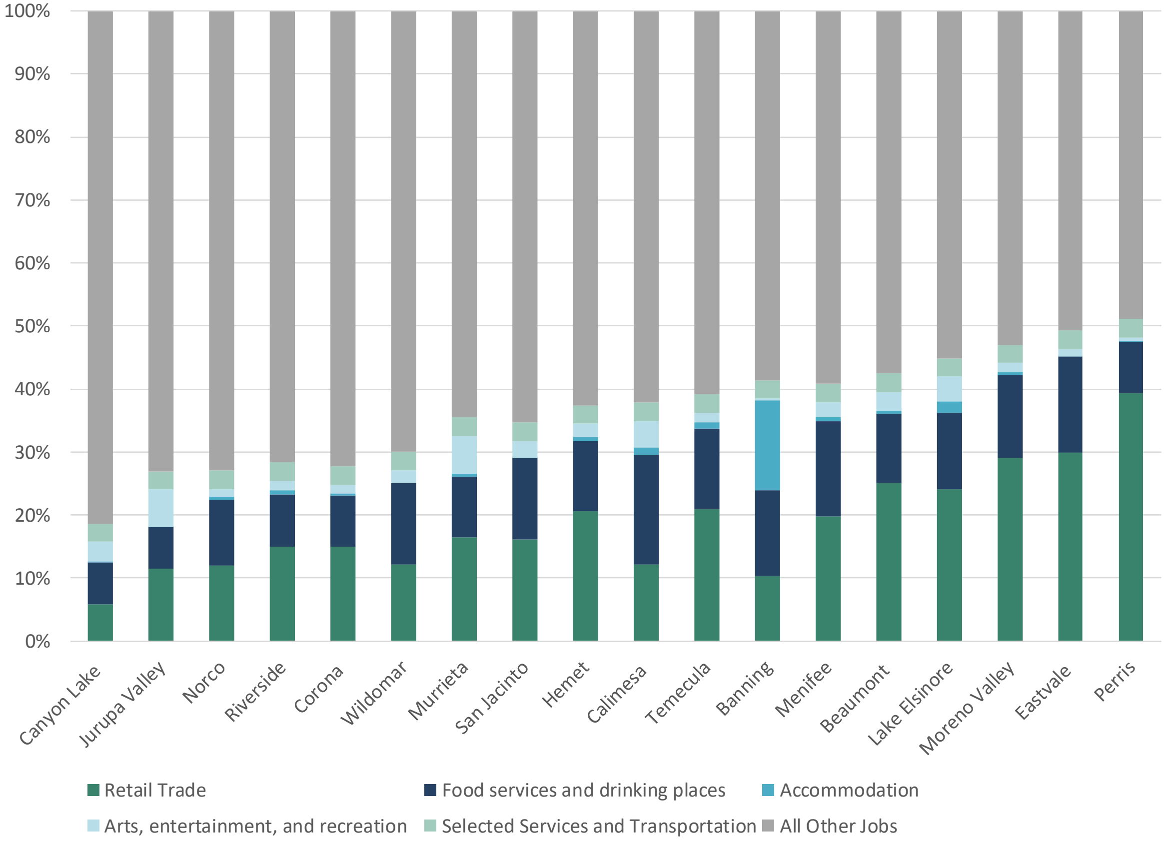
Sources: Bureau of Labor Statistics Current Employment Survey; Pew Charitable Trust; WRCOG

JOBS IN SECTORS AT IMMEDIATE RISK BY CITY



Sources: Bureau of Labor Statistics Current Employment Survey; Pew Charitable Trust; WRCOG

FISCAL VULNERABILITY

THERE WILL BE LOSSES … THERE WILL BE DISRUPTIONS…

Ongoing Government Operations

- General Fund Revenues
- Gas Taxes
- Enterprise Funds
- Additional Expenditures on COVID-19 response
- Pension Fund Performance implications

Infrastructure/ Capital Improvement Financing

- Development Impact Fees
- Land Secured Financing/ Community Facilities Districts (CFDs)
- Municipal Bond Market

FISCAL VULNERABILITY INDICATORS

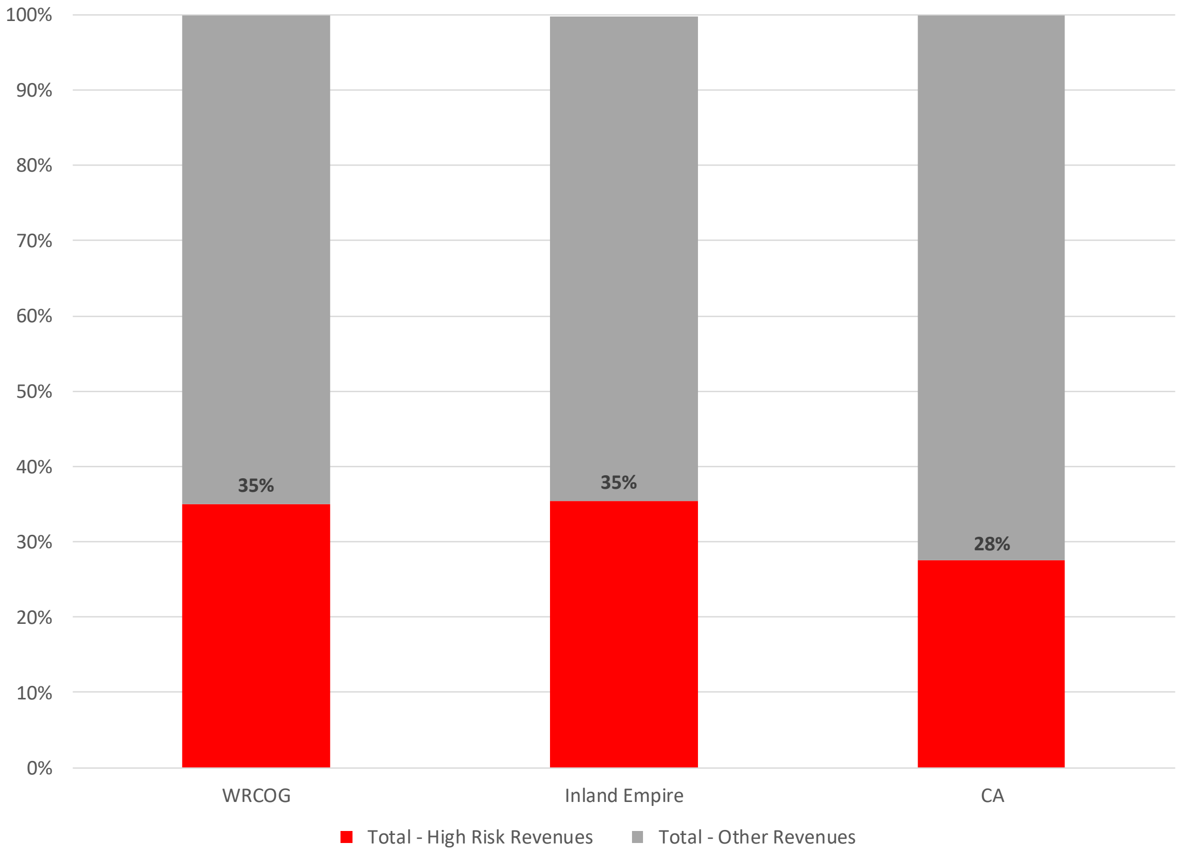
Focus on City General Fund Revenues

- Property Taxes and Property Taxes In-Lieu of Vehicle License Fees
- Sales and Use Taxes
- Transient Occupancy/ Lodging Taxes
- Franchise Fees
- User Utility Taxes
- Business Taxes

Source

- California Department of Tax and Fee Administration (CDTFA)

CITY GENERAL REVENUES AT IMMEDIATE RISK



Sources: State of California Controller's Office; WRCOG

CITY GENERAL REVENUES AT IMMEDIATE RISK

Note: "Other" varies by location and includes Construction taxes, Admissions taxes, In-Lieu Local Sales and Use taxes, Interest, Penalties, Delinquent taxes, and other unspecified taxes reported to the state.

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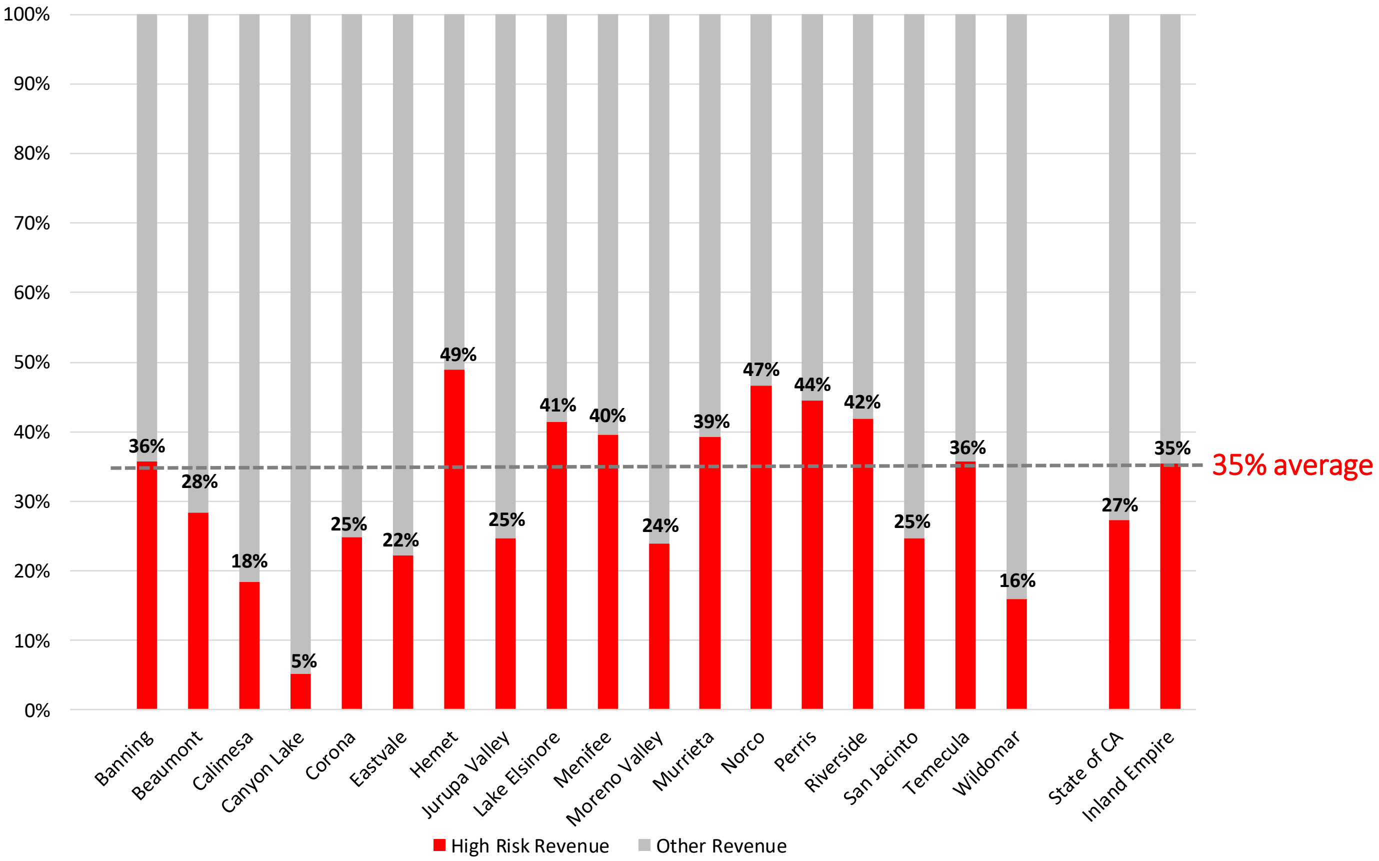
Sources: State of California Controller’s Office; WRCOG

GF REVENUES AT IMMEDIATE RISK BY WRCOG JURISDICTION



Sources: State of California Controller's Office; WRCOG

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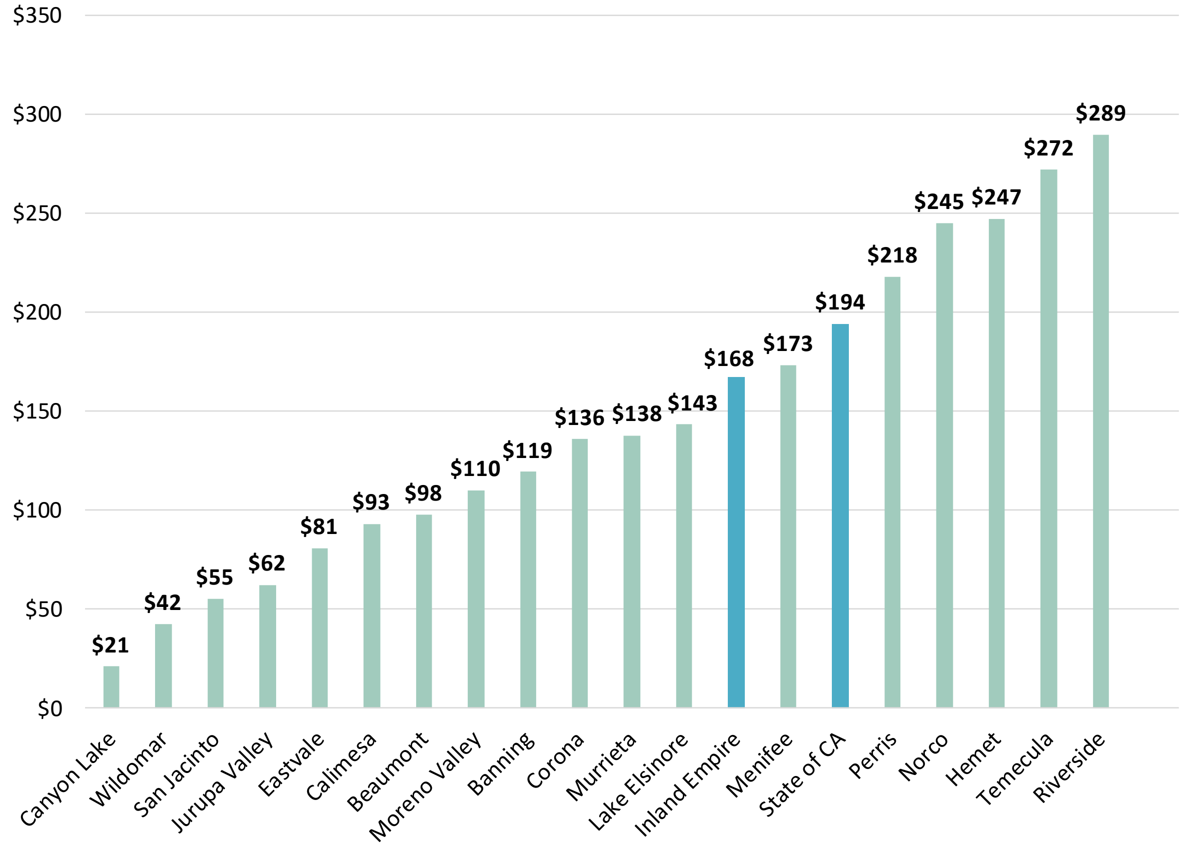
GF REVENUES AT IMMEDIATE RISK PER CAPITA BY WRCOG JURISDICTION



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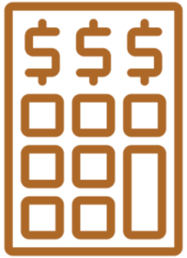
Sources: State of California Controller's Office; WRCOG

SCENARIOS AND FORECASTS

CALIFORNIA CITIES REVISING BUDGET ESTIMATES

Real Time Announcements of Budget Challenges and Forecasts



City of Los Angeles

- Revised 2019/20 budget forecast shows loss of $234 million
- New 2020/21 budget forecasts reduces revenues between $194 and $598 million

City of Sacramento

- Expecting $30 million loss for FY 2019/20 due to COVID-19
- Forecasting additional $60 million loss for FY 2020/21

City of San Diego

- Expecting $109 million loss for FY 2019/20 due to COVID-19
- Forecasting additional $145 million loss for FY 2020/21

RECESSION AND RECOVERY

Downturns vary by depth and duration, and pace of recovery:

- Natural to look to prior Downturns/ Recessions for clues
- **BUT** they are all unique
- Great Recession – Unique in its origins and threat to the whole financial system
- Over 10 Other Recessions since Great Depression all different

COVID-19 is different:

- Sharpest and fastest downturn in a 100 years
- Not the result of economic causes
- Job losses immediate
- Path from here dependent on path of pandemic and medical options and responses

DEBATE ON THE FUTURE

- **AGREED**
  Loss in jobs and economic production has been sharp and immediate and losses in municipal revenues have begun and will continue
- **AGREED**
  There are ongoing painful losses in income to households and revenues to businesses that will further multiply through the economy
- **NOT AGREED**
  The length of the downturn and the pace of recovery

FORECASTING SCENARIOS

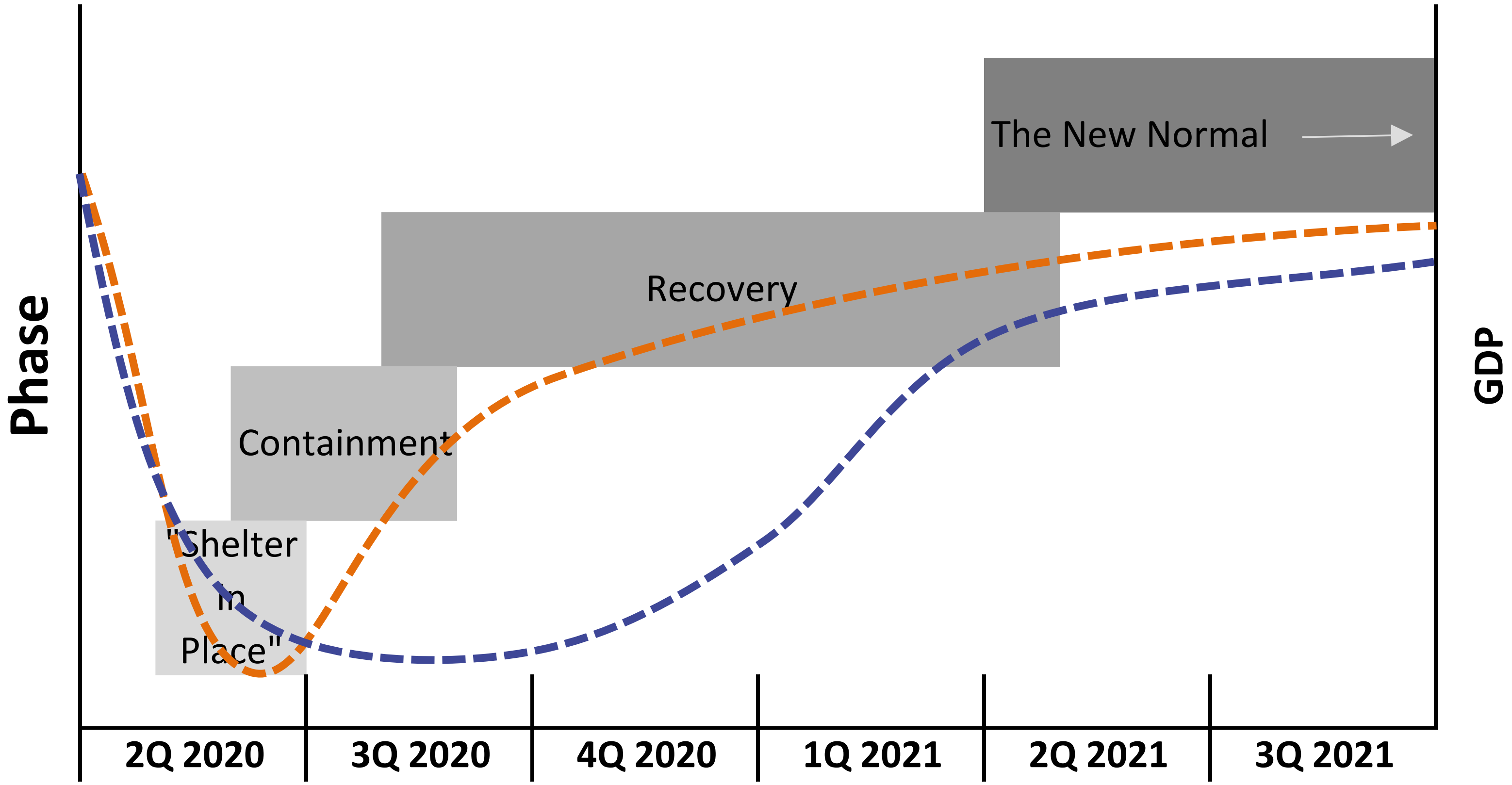
BEST CASE SCENARIO – the “V” Scenario.

- Fast fall, quick recovery
- Assumes U.S. infections are plateauing and return to work can be safely managed
- Recognizes underlying strength of U.S. economy and scale of stimulus
- Envisions more limited structural damage due to fast return

ALTERNATIVE SCENARIO – the “U” or “W” Scenarios

- Fast fall, gradual recovery
- Assumes difficulties combatting virus leads to slower return to “normal”
- Structural problems emerge as downturn becomes recession
- W Scenarios reflect stop-and-start return as attempts made to open economy
- Different perspective on length of the “U” – e.g. the “bathtub”

CRISIS AND RECOVERY TIMELINE



FISCAL IMPLICATIONS OF ECONOMIC SCENARIOS

Optimistic Scenario

- Economy bounces back in Q3 2020
- Economy recovered end of Q4 2020

Alternative Scenario

- No gains in Q3 2020
- Modest recovery thru end of Q2 2021

	2nd Half, FY 2019/2020	1st Half, FY 2020/2021	2nd Half, FY 2020/2021
Retail Sales Tax			
Optimistic	-10%	-7.5%	0%
Alternative	-10%	-17.5%	-10%
TOT			
Optimistic	-25%	-30%	-7.5%
Alternative	-25%	-40%	-25.0%

THINKING ABOUT THE FUTURE –IMPLICATIONS

IMMEDIATE QUESTIONS

HOW LONG WILL THIS LAST? HOW DO WE MAKE IT THROUGH THIS?

- **Businesses** – When will my customers start spending again? Can I hold on in the meantime? Will my stimulus funding application provide support? When can we return to work? Will I need to re-design my workplace? How much production can be achieved?
- **Households** – When can I return to work? Will my job still be available? Will my income return to normal? Is it safe to return to work? When can my children return to school? When will my stimulus check arrive?
- **Cities** – How do we support our communities? How do we provide essential services? How do we address falling revenues? Will Federal stimulus dollars be directly available? How can we manage the current situation and avoid moving backwards and undoing all the recent progress and plans?

STRUCTURAL QUESTIONS – PART 1

WILL THERE BE LONGER TERM STRUCTURAL IMPACTS FROM THIS PANDEMIC?
IS THERE A “NEW NORMAL”?

MOST EXPECTED

*Pandemic accelerates technology-driven **emerging patterns of work and consumption***:

- Remote work and telecommuting
- E-Commerce: (Amazon prime, “click and collect,” curbside pick-up)
- Remote social interaction and entertainment (On-Demand content, online learning, legal, medical, accounting services, real estate closings, online notaries)

STRUCTURAL QUESTIONS – PART 2

WILL THERE BE LONGER TERM STRCTURAL IMPACTS FROM THIS PANDEMIC?
IS THERE A "NEW NORMAL"?

MORE UNCERTAIN

Pandemic could cause ***major shifts in lifestyles, cities, and economies***:

- **Consumer Preferences** – Preference for remote living; housing, workspaces, city design, modes of transportation
- **Globalization and Trade** – Changes in level of globalization, supply-chain connections, and attitudes to international travel and immigration
- **Role of Government** – Confidence in and changes in our expectations of the role of government in managing crises/ addressing impacts

POTENTIAL IMPLICATIONS FOR WESTERN RIVERSIDE COUNTY

WHAT CAN WE EXPECT FOR WESTERN RIVERSIDE COUNTY POST-PANDEMIC?

Continued and Accelerated Shifts in Economy

- Prepare for further reductions in amount of "brick-and-mortar" retail and jobs
- Expect continued demand for e-commerce-related activity: major logistics centers, "last mile" distribution centers, "gig economy" workers
- Assume continued trends of automation and increasing demand for high-skill, high-wage jobs and low-skill, low wage jobs.

POTENTIAL IMPLICATIONS FOR WESTERN RIVERSIDE COUNTY

WHAT POLICIES SHOULD WE PURSUE POST-PANDEMIC?

Stay the Course

Continued focus on:

- Expanding the job base and reducing jobs-housing imbalance
- Attracting businesses providing higher-paying jobs
- Building the Innovation Economy
- Enhancing adult education attainment
- Investing in infrastructure
- "Quality of life" issues for existing residents and to attract skilled labor force
- Working on Digital Divide

POTENTIAL IMPLICATIONS FOR WESTERN RIVERSIDE COUNTY

SOME THOUGHTS ON THE IMMEDIATE AND BUILDING FISCAL CHALLENGES?

Respond to immediate impacts and realities with eye on the future

- Recognize expected immediate/ short term losses
- Strategic use of available of funds and staffing
- Apply for stimulus funds where possible
- Recognize limited control and limited influence of local government actions on broader economic conditions
- Keep an eye on re-emergence and longer-term goals

QUESTIONS AND DISCUSSION

FUTURE FORWARD SERIES

Presentation Title:

COVID-19: ECONOMIC & FISCAL VULNERABILITIES AND IMPACTS

Focus on the Inland Empire and Western Riverside County

Prepared for:

Western Riverside Council of Governments (WRCOG)

Prepared by:

Teifion Rice-Evans, Managing Principal + Kate Traynor, Senior Associate
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PUBLIC PRIVATE PARTNERSHIPS (P3)

PARKS & OPEN SPACE ECONOMICS

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Western Riverside Council of Governments
Planning Directors Committee

Staff Report

Subject: **TUMF Revenue and Fiscal Year 2018/2019 Annual Review Report**

Contact: **Ivana Medina, Staff Analyst, imedina@wrcog.us, (951) 405-6753**

Date: **May 14, 2020**

The purpose of this item is to *provide an update on TUMF collections, uncollected payments, and findings of the Fiscal Year 2018/2019 Annual Review.*

Requested Action:

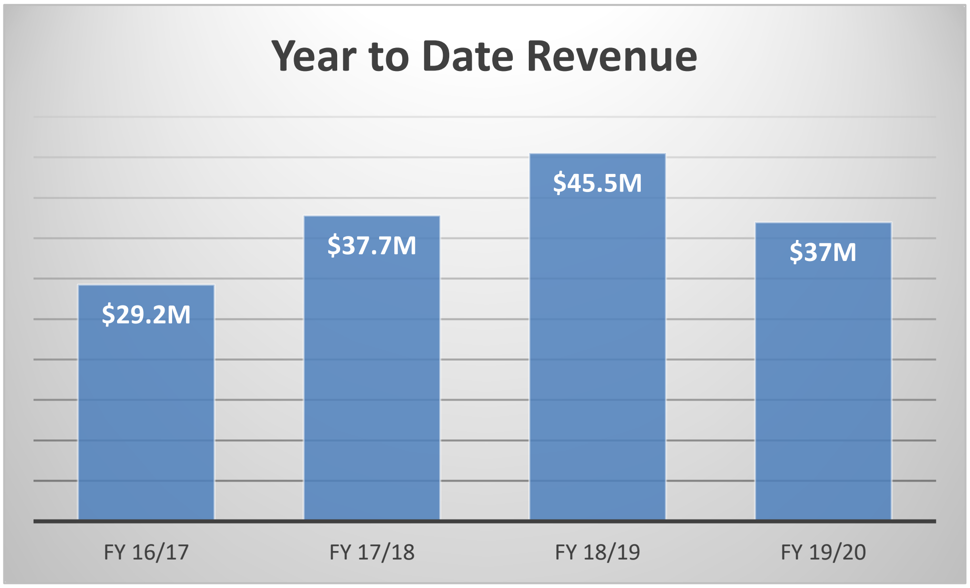
1. Receive and file.

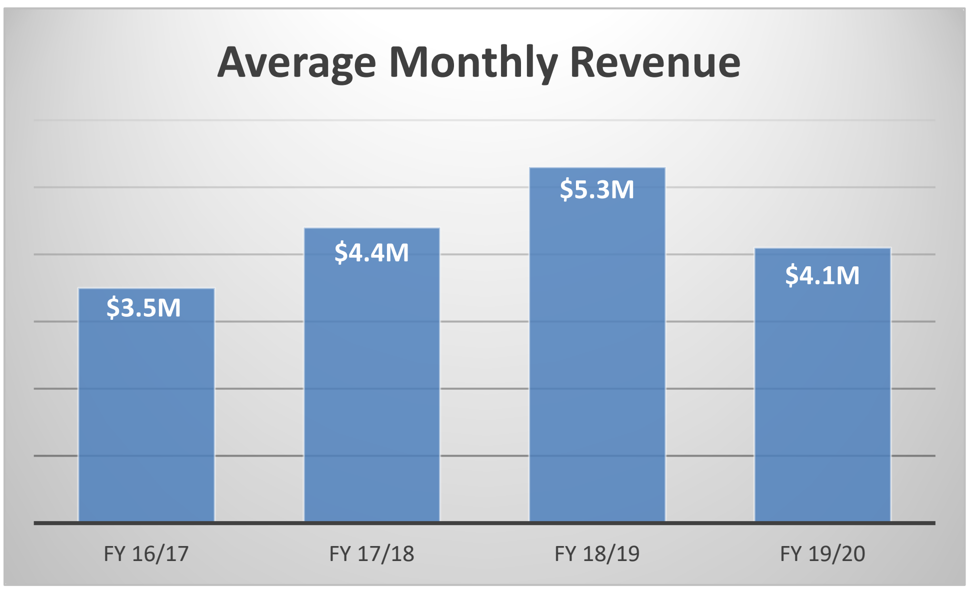
WRCOG's Transportation Uniform Mitigation Fee (TUMF) Program is a regional fee program designed to provide transportation and transit infrastructure that mitigates the impact of new growth in western Riverside County. Each of WRCOG's member jurisdictions and the March JPA participates in the Program 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, the Western Riverside County Regional Conservation Authority (RCA) and the Riverside Transit Agency (RTA).

TUMF Collections

The TUMF Program has continued to see development activity and TUMF fee payments during the March - April time period, as the COVID-19 pandemic emerged. The online calculation and collection portal have aided social distancing by allowing two additional forms of payments for developers; e-check and credit card. These two methods allow developers to make payments directly from their computer instead of in-person visits. Developers can still mail a check to WRCOG offices or make a wire transfer. Additionally, project applications continue to be submitted and reviewed by staff in a timely manner.

Fee collections in Fiscal Year (FY) 2018/2019 totaled $63 million, the highest in collections since the recession. Before COVID-19, FY 2019/2020 revenues were on trend similar to FY 2017/2018 revenues that totaled $53 million. Forecasting TUMF revenue for the remainder of the fiscal year will be difficult due to a host of unforeseen variables brought on by COVID-19. Below are graphs depicting FY 2016/2017 through FY 2019/2020 fee revenues to date along with average monthly revenues per fiscal year.





TUMF Uncollected Payments

Staff has identified an approximate $10 million backlog in submitted projects by jurisdictions that have not paid TUMF fees yet. These projects were first submitted to WRCOG staff when the ordinance transitioning the responsibility to WRCOG for calculation and collecting fee payments went into effect for each individual jurisdiction. As of April 2019, project applications were submitted yet no payments had been made yet. The amount of uncollected but calculated TUMF varies from jurisdiction to jurisdiction, depending on the individual jurisdiction's timeline for when developers are referred to WRCOG. Jurisdictions that submit projects closer to the developer attaining a certificate of occupancy had fewer unpaid projects. Staff will follow-up with each jurisdiction on specific permits to identify the projects that have yet to pay TUMF that were submitted over 90 days ago.

FY 2018/2019 Annual Review

WRCOG has finished conducting the FY 2018/2019 Annual Review. The Annual Review is conducted each year in order to ensure that member jurisdictions' TUMF assessments were correctly calculated and remitted in accordance with the Mitigation Fee Act for FY 2018/2019. WRCOG staff requested and reviewed information related to TUMF credits, exemptions, and financial accounting of TUMF provided by each City. Staff found no significant issues and final confirmation letters have been sent out to each jurisdiction with the findings. As a general reminder, staff would like to highlight common errors found in remittance reports:

- "Commercial" uses should be identified as the specific TUMF land use type: retail, service, or defined land use category from the TUMF Calculation Handbook.
- Remittance reports must show if the 3,000 square foot (SF) reduction was applied for commercial (retail and service) uses projects under the total of 20,000 SF threshold.
- The TUMF Administrative Plan requires member agencies to use the fees in effect at the time of fee collection, even if a developer received an estimate at a prior date. This means that fee estimates should be reviewed and updated as needed when developers are ready to pay fees, to address instances where fees or program administration may have changed between fee estimate and payment.
- WRCOG staff request that sufficient supporting documentation is provided to demonstrate that the member agency is tracking credits on an ongoing basis as credits are awarded.

For the FY 2019/2020 Annual Review, the Review will be far less intensive given that WRCOG has assumed responsibility for the calculation and collection of TUMF. The Review process will remain the same for the four jurisdictions that opted to continue calculating and collecting TUMF and remitting payment to WRCOG.

Prior Action:

None.

Fiscal Impact:

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

Attachment:

None.

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Item 5.E

Western Riverside Council of Governments
Planning Directors Committee

Staff Report

Subject: **Subregional Climate Action Plan Activities Update**

Contact: **Christopher Tzeng, Program Manager, ctzeng@wrcog.us, (951) 405-6711**

Date: **May 14, 2020**

***The purpose of this item is** to provide an update on the Western Riverside County Subregional Climate Action Plan (CAP) and gather feedback from jurisdictions on the desired outcome of this Plan and how the Subregional CAP will be structured.*

Requested Action:

1. Discuss and provide input.

Outcome and Structure of CAP

The Subregional Climate Action Plan is an update to the 2010 data including inventories, targets, and greenhouse gas (GHG) emissions reduction measures, as along with new legislation, there have been several technological and community shifts in Western Riverside County. The Subregional CAP is intended to provide a roadmap for the subregion to achieve deep GHG emissions reductions through the year 2050 and will establish policies and priorities enabling participating cities to implement strategies that successfully fulfill the requirements of California Executive Order (EO) S-3-05, Assembly Bill (AB) 32, Senate Bill (SB) 375, SB 32, SB 97, SB 535 and SB 379.

Since the project commenced in 2019, the project team has undertaken the task of gathering data to update the GHG inventories and forecasts. These updates are the first step to establishing long-term GHG emissions reduction targets for the years 2030 and 2050 to help ensure that the Subregional CAP is consistent with SB 32 and the Target 2030 Scoping Plan Update. However, at this juncture of the Study, the reduction targets and subregional Climate Action Plan update can be developed in a number of ways. There is a need to determine what the desired outcome is so that a structure can be developed. It is the goal of WRCOG to produce a Subregional CAP that is resourceful to the jurisdictions, so WRCOG would like to obtain feedback on the desired outcome.

The desired outcome can be described as one of three approaches listed below. For all options, the project would quantify the GHG emissions reductions to be achieved by state and regional measures (e.g., the state's clean vehicle fuel efficiency standards), and how those reductions apply to each jurisdiction within the WRCOG subregion. The difference lies in how we establish GHG emissions reduction targets, account for reductions from local measures (e.g., residential energy retrofits or improving bicycle and pedestrian infrastructure), and construct the Subregional CAP to be most useful to participating jurisdictions.

1. **Qualified CAP for the entire subregion:** This requires setting a 2030 target for the entire subregion and getting enough commitments from all member jurisdictions regarding implementation of local measures to attain the subregional target. The ability of the Subregional CAP to be used for CEQA tiering would depend on these commitments as well as the subregion's success as a whole in tracking toward the target.

- Benefits: A Subregional CAP that includes all WRCOG member jurisdictions; potential to have a "qualified" Subregional CAP, which all jurisdictions could then use as the basis for CEQA tiering, presuming they have a local CAP implementation and monitoring program in place and meet their performance metrics for local reduction measures.
- Downsides: A qualified Subregional CAP would require participation and ambitious commitments from most of the jurisdictions in the subregion to achieve the 2030 target. It would also require extensive tracking and monitoring across the subregion to maintain the CAP's qualified status. Based on discussions so far at previous meetings of this Committee, this does not seem realistic.

2. **Subregional CAP plus framework for developing local qualified CAPs:** With this approach, each WRCOG jurisdiction would be provided with a Subregional CAP that quantifies the reductions achieved locally from state and regional measures, and guidance on how to set a local target that is consistent with the requirements of a "qualified" Subregional CAP. Local jurisdictions would also be provided with a tool to help set a local target, quantify reductions from local measures, and demonstrate the commitments needed to reach that target.
    - Benefits: It would provide the framework for developing a local CAP, including a tool for setting targets and selecting and quantifying local measures (e.g., number of residential energy retrofits, miles of new bicycle lanes by 2030, etc.) needed to achieve its targets. Local jurisdictions would retain the flexibility to set its own targets (qualified or otherwise), choose its own commitments to local measures, and develop a CAP that meets its local planning needs.
    - Downsides: Without a regional target approach and collective commitments from all participating jurisdictions, it may be difficult for smaller jurisdictions, particularly those with fewer resources and fewer opportunities to reduce emissions locally, to develop a qualified CAP. Local jurisdictions would be on its own to develop a CAP and monitor reductions.

3. **Qualified Subregional CAP for participating jurisdictions:** This is a modified regional approach that is similar to the way the 2014 Subregional CAP was structured. Only participating jurisdictions would be included in the Subregional CAP's inventory, forecasts, and reduction measure estimates, and only those jurisdictions would benefit from the "qualified" aspect of the Subregional CAP. WRCOG would help identify the commitments (e.g., miles of new bike lanes) needed by each participating jurisdiction to achieve its "fair share" of reductions from local measures, in order for the Subregional CAP to attain its 2030 target.
    - Benefits: As with option 1, this could result in a qualified CAP for the subregion, for participating WRCOG jurisdictions; presumably it would be easier to get the commitments needed if the CAP is limited to jurisdictions who are motivated to participate, and the ability to tier CEQA analysis from the Subregional CAP would depend on fewer jurisdictions meeting its performance metrics for local reduction measures.
    - Downsides: The Subregional CAP loses its true subregional nature if a minority of WRCOG member jurisdictions participate. Even with fewer participating jurisdictions, this approach would still require ambitious commitments and implementation of local measures to allow member jurisdictions to use the Subregional CAP for CEQA tiering.

This effort is at the point where input from member jurisdictions is needed to determine how to move forward.

Prior Action:

March 12, 2020: The Planning Directors Committee received and filed.

Fiscal Impact:

The total contract amount with ESA of $362,423 has two funding sources. Caltrans grant funding will offset $267,474 for the contract with ESA and WRCOG will match funds and support other CAP-related activities in the amount of $94,949, which will be funded through WRCOG's Local Transportation Funds (LTF) over this and the next two fiscal years (FY 2019/2020, 2020/2021, and 2021/2022).

Attachment:

None.

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