



Western Riverside Council of Governments Technical Advisory Committee

AGENDA

**Thursday, April 18, 2019
9:30 a.m.**

**Western Riverside Council of Governments
Citrus Tower
3390 University Avenue, Suite 450
Riverside, CA 92501**

In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if special assistance is needed to participate in the Technical Advisory Committee meeting, please contact WRCOG at (951) 405-6703. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting. In compliance with Government Code Section 54957.5, agenda materials distributed within 72 hours prior to the meeting which are public records relating to an open session agenda item will be available for inspection by members of the public prior to the meeting at 3390 University Avenue, Suite 450, Riverside, CA, 92501.

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

- 1. CALL TO ORDER (George Johnson, Chair)**
- 2. SELF INTRODUCTIONS**
- 3. PLEDGE OF ALLEGIANCE**
- 4. PUBLIC COMMENTS**

At this time members of the public can address the Technical Advisory 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 agenda items at the time the item is called for discussion. No action may be taken on items not listed on the agenda unless authorized by law. Whenever possible, lengthy testimony should be presented to the Committee in writing and only pertinent points presented orally.

5. MINUTES

- A. Summary Minutes from the January 17, 2019, Technical Advisory Committee Meeting are Available for Consideration. P. 1

Requested Action: 1. Approve the Summary Minutes from the January 17, 2019, Technical Advisory Committee meeting.

- B. Summary Minutes from the February 21, 2019, Technical Advisory Committee Meeting are Available for Consideration. P. 9

Requested Action: 1. Approve the Summary Minutes from the February 21, 2019, Technical Advisory Committee meeting.

6. 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. Finance Department Activities Update Andrew Ruiz P. 15

Requested Action: 1. Receive and file.

- B. WRCOG Committees and Agency Activities Update Rick Bishop P. 21

Requested Action: 1. Receive and file.

- C. Regional Streetlight Program Activities Update Daniel Soltero P. 37

Requested Action: 1. Recommend that the Executive Committee adopt a "Support" position for Congressional Bill H.R. 530 (Eshoo) and authorize the Executive Director to transmit a letter on behalf of WRCOG indicating WRCOG's support for H.R. 530.

- D. Environmental Department Programs Activities Update Kyle Rodriguez P. 49

Requested Action: 1. Receive and file.

- E. Single Signature Authority Report Andrew Ruiz P. 73

Requested Action: 1. Receive and file.

- F. International City / County Management Association Activities Update AJ Wilson, California Senior Advisor P. 75

Requested Action: 1. Receive and file.

7. REPORTS / DISCUSSION

- | | | | |
|----|---|--|---------------|
| A. | Report from the League of California Cities

<u>Requested Action:</u> 1. Receive and file. | Erin Sasse, League of California Cities | P. 77 |
| B. | Preliminary Draft Fiscal Year 2019/2020 Agency Budget

<u>Requested Action:</u> 1. Discuss and provide input. | Andrew Ruiz, WRCOG | P. 81 |
| C. | Fee Comparison Analysis – Final Report

<u>Requested Action:</u> 1. Receive and file. | Christopher Tzeng, WRCOG | P. 97 |
| D. | RHNA Subregional Delegation

<u>Requested Action:</u> 1. Discuss and provide input. | Christopher Gray, WRCOG | P. 155 |
| E. | Regional Energy Network Development Activities Update

<u>Requested Action:</u> 1. Receive and file. | Anthony Segura, WRCOG | P. 159 |
| F. | Public Service Fellowship Activities Update

<u>Requested Action:</u> 1. Receive and file. | Rachel Singer, WRCOG | P. 169 |

- | | | |
|-----|---|--------------------|
| 8. | REPORT FROM THE EXECUTIVE DIRECTOR | Rick Bishop |
| 9. | ITEMS FOR FUTURE AGENDAS | Members |
| 10. | GENERAL ANNOUNCEMENTS | Members |

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

- | | |
|-----|--|
| 11. | NEXT MEETING: The next Technical Advisory Committee meeting is scheduled for Thursday, May 16, 2019, at 9:30 a.m., at WRCOG's office located at 3390 University Avenue, Suite 450, Riverside. |
| 12. | ADJOURNMENT |

Page Intentionally Left Blank

1. CALL TO ORDER

The meeting of the Technical Advisory Committee was called to order at 9:30 a.m. by Chair George Johnson at WRCOG's office, Citrus Conference Room.

2. ROLL CALL

Members present:

Doug Schulze, City of Banning (9:41 a.m. arrival)
Bonnie Johnson, City of Calimesa (9:41 a.m. arrival)
Ernie Reyna, City of Eastvale
Gary Thompson, City of Jurupa Valley
Armando Villa, City of Menifee
Allen Brock, City of Moreno Valley
Andy Okoro, City of Norco
Moises Lopez, City of Riverside
Travis Randel, City of San Jacinto
Gary Nordquist, City of Wildomar
George Johnson, County of Riverside (Chair)
Mathew Evans, March Joint Powers Authority (9:35 a.m. arrival)
Craig Miller, Western Municipal Water District
Floyd Velasquez, Morongo Band of Mission Indians

Staff present:

Steve DeBaun, Legal Counsel
Rick Bishop, Executive Director
Barbara Spoonhour, Deputy Executive Director-Operations
Andrew Ruiz, Interim Chief Financial Officer
Christopher Gray, Director of Transportation & Planning
Tyler Masters, Program Manager
Daniel Ramirez-Cornejo, Program Manager
Andrea Howard, Program Manager
Christopher Tzeng, Program Manager
Rachel Hom, Staff Analyst
Daniel Soltero, Staff Analyst
Jessica May, Staff Analyst
Suzy Nelson, Administrative Assistant
Sofia Perez, Staff Analyst
Anthony Segura, Staff Analyst
Kyle Rodriguez, Staff Analyst
Mei Wu, Intern
Ivana Medina, Fellow
Rayza Sison, Intern
Diane Sanchez, Intern

Guests present:

Erin Sasse, League of California Cities
Alma Ramirez, WRCOG Fellow, Eastern Municipal Water District
Melanie Sotelo, Riverside County Transportation Department
Michelle Cervantes, Riverside County Transportation Department

Darcy Kuenzi, Riverside County Flood Control and Water Conservation District
Cordell Chavez, City of Corona
Ahab Hussain, City of Beaumont
Kristen Jensen, City of Hemet
Araceli Ruiz, County of Riverside, District 1

3. PLEDGE OF ALLEGIANCE

Chair George Johnson led the members and guests in the Pledge of Allegiance.

4. PUBLIC COMMENTS

There were no public comments.

5. MINUTES

A. Summary Minutes from the October 18, 2018, Technical Advisory Committee Meeting are Available for Consideration.

Action: 1. *Approved Summary Minutes from the October 18, 2018, Technical Advisory Committee meeting.*

(Jurupa Valley / Morongo) 12 yes; 0 no; 0 abstain; Item 5.A was approved. The Cities of Banning, Beaumont, Calimesa, Canyon Lake, Corona, Hemet, Lake Elsinore, Murrieta, Perris, and Temecula and the Eastern Municipal Water District were not present. This item was taken out of order.

6. CONSENT CALENDAR *(Riverside / WMWD) 12 yes; 0 no; 0 abstain; Items 6.A – 6.K were approved. The Cities of Banning, Beaumont, Calimesa, Canyon Lake, Corona, Hemet, Lake Elsinore, Murrieta, Perris, and Temecula and the Eastern Municipal Water District were not present. This item was taken out of order.*

A. Finance Department Activities Update

Action: 1. *Received and filed.*

B. WRCOG Committees and Agency Activities Update

Action: 1. *Received and filed.*

C. Western Community Energy Activities Update

Action: 1. *Received and filed.*

D. Environmental Department Activities Update

Action: 1. *Received and filed.*

E. Regional Streetlight Program Activities Update

Action: 1. *Received and filed.*

F. Western Riverside Energy Partnership Activities Update

Action: 1. *Recommended that the Executive Committee authorize the Executive Director to execute the Third Contract Amendment with Southern California Gas Company to jointly deliver the 2013-2014 Western*

Riverside Energy Efficiency Partnership Program, including the continuation of the Western Riverside Energy Partnership, through year 2019, substantially as to form.

G. TUMF Program Activities Update

Action: 1. *Received and file.*

H. International City / County Management Association Activities Update

Action: 1. *Received and file.*

I. Approval of Technical Advisory Committee 2019 Meeting Schedule

Action: 1. *Approved the Schedule of Technical Advisory Committee meetings for 2019.*

J. PACE Programs Activities Update

Action: 1. *Recommended that the Executive Committee authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include Lord Capital under WRCOG's Commercial PACE umbrella.*

K. Approval of Revised Purchasing and Procurement Policy

Action: 1. *Recommended that the Executive Committee adopt WRCOG Resolution Number 19-01; A Resolution of the Executive Committee of the Western Riverside Council of Governments Adopting a Revised Purchasing and Procurement Policy.*

7. REPORTS / DISCUSSION

A. Report from the League of California Cities

Erin Sasse presented an update on Assembly Bill (AB) 11 (Chiu), Community Redevelopment Law of 2019. AB 11 allows a city or county, or two or more cities acting jointly, to form an Affordable Housing and Infrastructure Agency to fund projects such as infrastructure and affordable housing projects. Thirty percent of tax increment must be deposited into low / moderate income housing fund. Some of the key elements include annual unspecified state commitment at the discretion of the State Controller; schools will be made whole, no impact to Prop 98; and extensive upfront planning and costs required before a city or county can form an agency and receive project funding from the state.

Senate Bill 5 (Beall), a Local-State Sustainable Investment Incentive Program, creates a local-state partnership to reduce poverty and advance other state priorities finance, in part, by property tax increment. Twenty percent of the overall funding for the program shall be set aside for counties with populations of less than 200,000. Some of the pros include up to \$2 billion state investment in affordable housing and infrastructure; 50% of the funds are required to be spent on affordable housing; relies on post redevelopment tools; and allows a wide-range of agency participation. Some of the cons include less flexibility than redevelopment agencies, and fewer resources available for economic development.

Action: 1. *Received and filed.*

B. Santa Ana Municipal Separate Storm Sewer System (MS4) Permit Compliance Program Update

Darcy Kuenzi, Riverside County Flood Control and Water Conservation District, presented a bi-annual update on the MS4 permit compliance and other mandates for addressing stormwater management in the region.

The Santa Ana National Pollutant Discharge Elimination System (NPDES) Permit requires City Managers for Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Norco, Perris, Riverside and San Jacinto, as well as the County Executive Officer to meet at least two times annually to discuss the NPDES MS4 Compliance Program.

These permits, issued pursuant to the federal Clean Water Act, are designed to protect lakes, rivers and streams from pollution (such sediment, oils, grease, fertilizers, animal and human waste, trash and dissolved metals) associated with urban land use. The District has created a Public Education Strategic Plan for Riverside County Permittees to comply with the educational requirements of the Permits and to foster a community wide commitment to clean water. The District is working to renew all three Permits that fall within the WRCOG subregion to the respective Regional Boards this next calendar year.

Committee member Armando Villa asked how long the permits are good for.

Ms. Kuenzi responded that the permits are good for four to five years.

WRCOG staff is working closely with the District on alternative approaches to cost-effectively address stormwater management in Western Riverside County.

Action: 1. *Received and filed.*

C. Public Service Fellowship Activities Update

Andrea Howard presented an overview of the Fellowship Program that launched in 2016. When the Fellowship was launched, it began as a partnership with WRCOG, UCR and CBU. Since then the partnership has expanded to CSUSB. Currently, the Program is operating in its third round and has 15 Fellows placed with member agencies.

In preparation for the upcoming fourth round of the Program, staff has discussed several ideas to support the sustainability of the Program and recruitment strategies for Fellows. The Ad Hoc Committee, comprised of TAC members from Beaumont, Lake Elsinore, Moreno Valley, Temecula, and Eastern Municipal Water District, convened in November and discussed how we could create a more financially sustainable Program as well as modifying eligibility requirements. Historically, the recruitment process was completely focused on students from the partner universities and, while staff has always considered academic standing, there has never been a minimum GPA requirement. The Ad Hoc Committee recommended establishing a 3.0 GPA requirement threshold to all applicants.

The Ad Hoc Committee also supported expanding recruitment to additional universities within and outside of the region, with the focus on attracting students in technical disciplines in which members have expressed a need for, such as planning and engineering. As an extension of this policy, members also supported allowing all candidates with a connection to the subregion, including those who do not necessarily live or attend school here, but may be from the area, to apply.

The current practice is to place Fellows in the member agencies only, though members of the private sector and non-member public agencies have expressed interest. The Ad Hoc Committee recommended continuing the current practice for now, but was open to considering expanding to non-member and public sector agencies in the future, provided all Program costs would be paid by the Fellow host agency.

Currently, WRCOG funds the entire Program, which, if a Fellow is placed in each member agency, costs \$375k per cohort. Historically, funding for the Program has come from PACE carryover revenues, which are declining. To extend Program funding, the Ad Hoc Committee recommended alternating placements at each jurisdiction every-other-year. Members also showed interest in directing any unused BEYOND funds to the Program when that distribution occurs. Another option discussed was a local match from the jurisdiction receiving a Fellow, but the members were reluctant to institute.

Finally, staff proposed and the Committee supported, admitting Fellows on a full or part-time basis, so that those candidates currently in school, could complete their hours over a longer period, while recent graduates would be afforded a full-time position, making the Fellowship more financially sustainable for the individual Fellow. Under this scenario, Fellows hired on a part-time status would serve 20-30 hours per week over nine months, while Fellows hired on a full-time basis would serve 40 hours per week over six months.

Many Committee members congratulated WRCOG on this great Program.

Action: 1. *Recommended that the Executive Committee direct staff to implement the following changes to the Fellowship Program: 1) recruit Fellows from additional universities, both within and outside of the subregion; 2) expand candidate eligibility to students and recent graduates who live, work, attend school in, or are from the region and meet other minimum qualifications, 3) establish a minimum 3.0 GPA threshold for all applicants; 4) alternate Fellow placements over two years so members receive a Fellow every-other year, and 5) admit Fellows to serve in either a part-time or full-time capacity within CalPERS requirements.*

(Banning / Menifee) 14 yes; 0 no; 0 abstain; Item 7.C was approved. The Cities of Beaumont Canyon Lake, Corona, Hemet, Lake Elsinore, Murrieta, Perris, and Temecula, and Eastern Municipal Water District were not present.

D. Update on the Development of a Sustainability Indicators Report

Christopher Gray provided an update regarding the 2012 Economic Development and Sustainability Indicators Report (Report). When this Report was completed staff intended to serve the following four broad objectives: to provide a starting point for dialogue about sustainability and its importance in the region; provide a vision for a sustainable Western Riverside County and establish goals to inform and guide regional collaboration; define and prioritize short-term actions that WRCOG can pursue; and define initial indicators, benchmarks, and targets by which WRCOG can measure the effectiveness of efforts to create a more sustainable subregion.

The Framework identified six key areas related to the Region, including economic development, education, transportation, health, water and energy, and environment. An initial list that was established in 2012, had identified over 50 sustainability indicators, but staff had found that regular tracking and updating of this list was very difficult for many reasons. To keep the Framework relevant, WRCOG contracted with AECOM to assist with refining and updating the indicators list based on experience. After review, the indicators were paired down from approximately 40 indicators to 14.

Some of the key considerations used to refine the list of indicators from 50 to the recommended 14 included, does the indicator reflect broadly on key issues affecting the region such as water and energy use, transportation, employment, and education; is the indicator one that is commonly tracked across comparable regions; is there historical data for the indicator that would document trends; and, is data readily available for the indicator at a regional or Countywide level;

A few of the key indicators recommended for further evaluation were job growth, household income, educational attainment, healthcare facilities, violent crime, and water usage, to name a few.

Some “good” results that came out of the Study included an increase in good vs. moderate air quality days over a 3-year average. There was a reduction in violent crimes per 100k residents vs. the state average. The daily water usage per resident decreased between 2013 vs. 2017. Some of the “okay” results included that only 48% of high school graduates in Riverside County are meeting the UC/CSU requirements vs. the state average of 50%. Even though we have had a growth in jobs, the median income has decreased. This is because the jobs being brought in are low-skilled, low-paying jobs. Transportation, warehousing and manufacturing make up 27% of the growth, but do not pay much. There was a 30% growth in the food service and retail but, just like transportation, warehousing and manufacturing, the pay is not as well as it would be if we had more of jobs with higher skill levels.

Chair George Johnson asked how are we able to take these issues that arise to the next level.

Mr. Gray responded that once this information is summarized, staff plans on distributing the information via WRCOG’s website and other distribution channels. Staff also anticipates that this information will be presented at upcoming events and conferences to document how the region is performing in regard to these key items.

Committee member Armando Villa suggested the formation of a subcommittee to help work together towards issues that arise.

Committee members were in agreeance and the Cities of Banning, Eastvale, Jurupa Valley, Menifee, and Riverside, and the County of Riverside volunteered to be a part of this subcommittee.

Committee member Travis Randel suggested bringing in the Riverside County Office of Education to be a part of this subcommittee since education is a part of the issues.

Action: 1. *A sub committee was formed comprised of representatives from the Cities of Banning, Eastvale, Jurupa Valley, Menifee, and Riverside, and the County of Riverside to address issues that arise from the Indicators Report.*

(Menifee / Banning) 14 yes; 0 no; 0 abstain; Item 7.D was approved. The Cities of Beaumont Canyon Lake, Corona, Hemet, Lake Elsinore, Murrieta, Perris, and Temecula, and Eastern Municipal Water District were not present.

8. REPORT FROM THE EXECUTIVE DIRECTOR

Rick Bishop shared that with the new election, the Executive Committee now has 10 new members and the RCHCA has 8 new members.

9. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

10. GENERAL ANNOUNCEMENTS

Committee member Moises Lopez shared that the Homeless Point-in-Time is taking place January 29, 2019, from 5:30 a.m. – 9:30 a.m.

11. NEXT MEETING

The next Technical Advisory Committee meeting is scheduled for Thursday, February 21, 2019, at 9:30 a.m., at WRCOG's office located at 3390 University Avenue, Suite 450, Riverside.

12. ADJOURNMENT

The meeting of the Technical Advisory Committee adjourned at 10:36 a.m.

Page Intentionally Left Blank

1. CALL TO ORDER

The meeting of the Technical Advisory Committee was called to order at 9:34 a.m. by Chair George Johnson at WRCOG's office, Citrus Conference Room.

2. ROLL CALL

Members present:

Doug Schulze, City of Banning
Ernie Reyna, City of Eastvale
Gary Thompson, City of Jurupa Valley
Tom DeSantis, City of Moreno Valley
Kim Summers, City of Murrieta
Richard Belmudez, City of Perris
Greg Butler, City of Temecula
Gary Nordquist, City of Wildomar
George Johnson, County of Riverside (Chair)
Mathew Evans, March Joint Powers Authority
Danielle Coats, Eastern Municipal Water District (10:50 a.m. departure)

Staff present:

Steve DeBaun, Legal Counsel
Rick Bishop, Executive Director
Barbara Spoonhour, Deputy Executive Director-Operations
Andrew Ruiz, Interim Chief Financial Officer
Christopher Gray, Director of Transportation & Planning
Tyler Masters, Program Manager
Mike Wasgatt, Program Manager
Daniel Ramirez-Cornejo, Program Manager
Andrea Howard, Program Manager
Cynthia Mejia, Staff Analyst
Rachel Singer, Staff Analyst
Suzy Nelson, Administrative Assistant

Guests present:

Alma Ramirez, WRCOG Fellow, Eastern Municipal Water District
Eddie Torres, Assembly member Cervantes' Office
Sono Shah, UCR Center for Social Innovation
Natalie Komuro, County of Riverside Executive Office
Jason Farin, County of Riverside Executive Office
Jeff Murphy, City of Murrieta
Todd Warden, AQMD
Erin Sasse, League of California Cities
Araceli Ruiz, County of Riverside, District 1

3. PLEDGE OF ALLEGIANCE

Committee member Tom DeSantis led the members and guests in the Pledge of Allegiance.

4. PUBLIC COMMENTS

There were no public comments.

5. MINUTES

- A. **Summary Minutes from the January 17, 2019, Technical Advisory Committee Meeting are Available for Consideration.**

Action: 1. *This item was forwarded to the next meeting due to a lack of quorum.*

6. CONSENT CALENDAR

- A. **Finance Department Activities Update**

Action: 1. *None.*

- B. **WRCOG Committees and Agency Activities Update**

Action: 1. *None.*

- C. **Western Community Energy Activities Update**

Action: 1. *None.*

- D. **Regional Streetlight Program Activities Update**

Action: 1. *None.*

- E. **High-Cube Warehouse Trip Generation Study and Proposed TUMF Calculation Handbook Update**

Action: 1. *None*

- F. **PACE Programs Activities Update: General Activities Update, and Addition of New Providers**

Action: 1. *None.*

- G. **2nd Quarter Draft Budget Amendment for Fiscal Year 2018/2019**

Action: 1. *None*

- H. **Fiscal Year 2017/2018 Comprehensive Annual Financial Report (CAFR)**

Action: 1. *None.*

- I. **Environmental Department Activities Update**

Action: 1. *None.*

7. REPORTS / DISCUSSION

- A. **Report from the League of California Cities**

Erin Sasse reported that the League will be having training February 22, 2019, from 8 a.m. to 12 p.m. at Sunlakes for those interested. The training will focus on an introduction to the

League for newly elected officials.

CalRecycle is pushing through SB 1383 that would implement Organic Waste Recycling. SB 1383 sets state targets to divert from landfills 50% organic waste below 2014 levels by 2020 and 75% by 2025. To successfully achieve these goals, local programs will require both new collection programs and new substantial investment in infrastructure, including compost facilities.

Governor Newsom signed an Emergency Drinking Water and Fire Recovery Package which will allocate money to Riverside County. AB 72 and AB 73 provide immediate funding to support communities that have been devastated by California wildfires and to communities around the state that have unsafe water.

The next League of California Cities Board meeting is scheduled for February 22 – 23, 2019. There will be a lot going on regarding the policy stance on housing going forward.

Committee member Gary Thompson asked if there had been any discussion on SB 330.

Ms. Sasse responded that she had not heard anything but will look into it and report back.

Action: 1. *Received and filed.*

B. Census Update – Report from UCR and Riverside County

Jason Farin, County of Riverside Executive Office, and Sono Shah, UCR Center for Social Innovation (CSI), presented on the 2020 Census update. The County of Riverside and UCR have partnered together to develop a framework to facilitate the 2020 Decennial Census process. During the 1990 Census, California's undercount was estimated to cost the State one additional congressional seat and \$2.2 billion annually in federal funding.

Some of the important changes from previous Census updates was building a more refined address list and automating field operations, the availability of funds, only one form to fill out and more options for self-response. For the first time individuals will have the ability to respond online, by phone, or by mail.

Some of the challenges that will be faced are California's diverse population and the Hard to Count (HTC) and low response communities. The opportunities that will be presented in the upcoming Census update is that this will be the first digital Census in which foundations and local jurisdictions will be engaged, and the Governor's commitment is over \$90M.

Population data from the Census will play a key role in critical issues, such as Congressional redistricting and the allocation of federal grants and other funding.

HTC populations were identified which included renters, the undocumented, young children, Veterans, and the homeless. The collaboration between the County and UCR will help increase the outreach strategies and help to identify useful tools that will administer a successful outreach campaign. The County's Executive Office is seeking subject matter experts who would be able to provide valuable input in the various subcommittees of the Regional Complete Count Committee. WRCOG can assist in the 2020 Census by identifying members who would like to participate as well as provide a forum for the County to distribute information and plan and educate campaign development amongst the jurisdictional members.

Objectives include avoiding duplication of efforts as well as ensuring resources are allocated efficiently and equitably. CSI is working to create legacy effects that strengthen nonprofit sector and cross-sector collaboration. As the Census is already a massive outreach, researchers are also creating standardized data collection that consists of Community Asset Maps to take

advantage of this undertaking and build enriching information about our communities. This will be a data hub for coordination and logistics.

Action: 1. *Received and filed.*

C. Presentation on Riverside County Efforts to Address Homelessness

Natalie Komuro, Deputy Executive Director, County of Riverside, provided an overview of the homelessness efforts in Riverside County. Ms. Komuro shared George Johnson's Vision 2030, that all five County Supervisors support, which will take on and provide an action plan to address homelessness.

Ms. Komuro provide a detailed account of the work of various County departments and discussed all challenges involved in this critical state of homelessness that has developed. The number one problem shared was the encampments. To help align resources the focus needs to be on Economic Development and Housing Production.

Committee member Tom DeSantis asked if there has been any movement toward regional shelters.

Ms. Komuro responded that there has been some funding approved for the southeast area; the City of Riverside was not approved for funding. Most current shelters are decaying at a faster rate than funding is being allocated.

Committee member Gary Nordquist asked if homelessness is a problem what will get worse before it gets better.

Ms. Komuro responded that unfortunately there needs to be more permanent supportive housing. This will help those that require extended support to live independently.

Action: 1. *Received and filed.*

D. Options for Potential WRCOG Assistance for Regional Housing Needs Assessment Update

Christopher Gray reported that the City of Riverside and County of Riverside had formally requested that this matter be brought to the WRCOG Committee structure to review the options of assisting local jurisdictions regarding the local challenges in housing the subregion's growing population and complying with the changing legislation requirements.

WRCOG has identified three options for assisting local agencies in navigating through the 6th Regional Housing Needs Assessment (RHNA) Cycle which include 1) informational capacity; 2) providing assistance in reviewing data provided by the Southern California Association of Governments (SCAG); and 3) subregional delegation.

Some member agency challenges involved are legislation impacting housing production; a threat of connecting RHNA progress to transportation dollars that will impact local economy; a threat of regulating impact fees that will reduce growth's ability to pay for itself; and past RHNA allocations that have presented infeasible targets in some areas.

SCAG is allowing agencies to take on this responsibility as an option. Typically, SCAG makes RHNA allocations which jurisdictions respond to. Delegation can occur at the subregional level or between two geographically contiguous agencies.

Next steps moving forward would be that WRCOG would continue to perform its due diligence

to develop a complete list of pros and cons that will be brought to all the committees and the Executive Committee would have the final say. SCAG is requesting formal notification by June 2019.

Committee member Gary Thompson recommended that SCAG handle the matter so there were no discrepancies between cities.

Rick Bishop indicated that WRCOG is inclined to not taking on this challenge for the reasons of the unknown and would like to see the concentration on RHNA reform, which is the bigger problem.

Action: 1. *Received and filed.*

8. REPORT FROM THE EXECUTIVE DIRECTOR

Rick Bishop shared that the WRCOG's 28th Annual General Assembly & Leadership Conference will be held on Thursday, June 20, 2019, at Pechanga Resort Casino. This year's event will include a full-day Conference beginning with a State of the Region and panel conference in the morning and afternoon, followed by the General Assembly in the evening, featuring Keynote Speaker Josh Earnest, former White House Press Secretary (2014-2017).

Mr. Bishop shared the Streetlight Dashboard that is current with Murrieta's streetlight retrofit.

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 Technical Advisory Committee meeting is scheduled for Thursday, March 21, 2019, at 9:30 a.m., at WRCOG's office located at 3390 University Avenue, Suite 450, Riverside.

12. ADJOURNMENT

The meeting of the Technical Advisory Committee adjourned at 11:06 a.m.

Page Intentionally Left Blank



Western Riverside Council of Governments

Technical Advisory Committee

Staff Report

Subject: Finance Department Activities Update

Contact: Andrew Ruiz, Interim Chief Financial Officer, aruiz@wrcog.us, (951) 405-6741

Date: April 18, 2019

The purpose of this item is to provide an update on the draft budget (more fully discussed under a separate item) and the Agency Financial Report summary through February 2019.

Requested Action:

1. Receive and File.

FY 2019/2020 Agency Budget Development Process

Staff has begun the process of creating the FY 2019/2020 Agency Budget and will begin presentations to the various committees in April. Additional details on WRCOG's budget can be found in the Staff Report under Item 7.B.

Financial Report Summary through February 2019

The Agency Financial Report summary through February 2019, a monthly overview of WRCOG's financial statements in the form of combined Agency revenues and costs, is provided as Attachment 1.

Prior Actions:

April 10, 2019: The Administration & Finance Committee received and filed.

April 1, 2019: The Executive Committee received and filed.

Fiscal Impact:

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

Attachment:

1. Financial Report summary – February 2019.

Page Intentionally Left Blank

Item 6.A

Finance Department Activities Update

Attachment 1

Financial Report summary – February 2019

Page Intentionally Left Blank



**Western Riverside Council of Governments
Monthly Budget to Actuals
For the Month Ending February 28, 2019**

Total Agency			
	Approved Budget 6/30/2019	Thru Actual 2/28/2019	Remaining Budget 6/30/2019
Revenues			
Member Dues	311,410	311,410	-
PACE Residential Revenue	480,573	196,864	283,709
WRELP Phase 2 Revenue	86,750	75,123	11,627
Statewide HERO Revenue	1,650,000	833,097	816,903
Gas Co. Prtnrshp Revenue	86,676	56,941	29,735
PACE Commercial Revenue	29,078	30,844	(1,766)
WRCOG HERO-Recording Revenue	122,500	108,905	13,595
PACE Commercial Recording Revenue	2,500	445	2,055
Statewide Recording Revenue	600,000	520,365	79,635
Regional Streetlights Revenue	300,000	261,500	38,500
Solid Waste	107,313	122,248	(14,935)
Used Oil Grants	228,820	203,820	25,000
NW Clean Cities - Air Quality	132,500	140,500	(8,000)
LTF Revenue	675,000	775,500	(100,500)
RivTAM Revenue	150,000	112,500	37,500
General Assembly Revenue	300,000	1,300	298,700
Commerical/Service	110,645	33,242	77,403
Retail	130,094	77,114	52,980
Industrial	272,663	353,126	(80,463)
Residential/Multi/Single	1,144,551	788,576	355,975
Multi-Family	142,045	139,956	2,089
Interest Revenue - Other	31,496	80,066	(48,570)
HERO - Other Revenue	149,833	150,373	(540)
Commercial/Service - Non-Admin Portion	2,655,491	831,050	1,824,441
Retail - Non-Admin Portion	3,122,265	1,927,850	1,194,415
Industrial - Non-Admin Portion	6,543,923	8,828,150	(2,284,227)
Residential/Multi/Single - Non-Admin Portion	27,469,233	19,714,400	7,754,833
Multi-Family - Non-Admin Portion	3,409,088	3,498,900	(89,812)
FY 17/18 Carryover Funds Transfer in	945,845	945,845	-
Carryover Funds Transfer in	4,268,757	4,268,757	-
Overhead Transfer in	2,084,260	1,215,818	868,442
Total Revenues and Carryover Funds	58,937,742	46,872,970	11,430,565
Expenditures			
Wages and Benefits	Approved 6/30/2019	Actual 2/28/2019	Remaining Budget
Salaries & Wages	2,874,645	1,709,575	1,165,070
Fringe Benefits	903,736	561,360	342,376
Overhead Allocation	2,084,260	1,383,774	700,486
Total Wages, Benefits and Overhead	6,001,857	3,654,709	2,207,932
General Legal Services	626,573	386,692	239,881
PERS Unfunded Liability	198,823	152,327	46,496
Audit Svcs - Professional Fees	27,500	25,480	2,020

Bank Fees	20,665	28,869	(8,204)
Commissioners Per Diem	62,500	38,264	24,236
Office Lease	400,000	269,836	130,164
WRCOG Auto Fuels Expenses	1,250	925	325
WRCOG Auto Maintenance Expense	84	84	-
Parking Validations	27,577	11,276	16,301
Staff Recognition	800	261	539
Coffee and Supplies	3,000	794	2,206
Event Support	136,732	145,610	(8,878)
Program/Office Supplies	24,017	12,869	11,148
Computer Equipment/Supplies	8,000	1,327	6,673
Computer Software	31,111	3,127	27,984
Rent/Lease Equipment	30,000	9,940	20,060
Membership Dues	33,000	21,322	11,678
Subscription/Publications	1,448	1,025	423
Meeting Support Services	9,821	1,875	7,946
Postage	6,108	2,714	3,394
Other Household Exp	975	463	512
COG HERO Share Expenses	15,000	3,444	11,556
Storage	16,000	5,251	10,749
Printing Services	4,777	1,670	3,107
Computer Hardware	14,100	2,664	11,436
Communications - Regular Phone	15,000	12,672	2,328
Communications - Cellular Phones	21,000	6,313	14,687
Communications - Computer Services	57,500	26,559	30,941
Communications - Web Site	8,000	6,932	1,068
Equipment Maintenance - General	10,000	4,450	5,550
Equipment Maintenance - Comp/Software	21,000	17,776	3,224
Insurance - Gen/Busi Liab/Auto	86,890	100,126	(13,236)
PACE Residential Recording	480,500	224,467	256,033
Seminars/Conferences	13,587	2,153	11,434
General Assembly Expenses	300,000	69,584	230,416
Travel - Mileage Reimbursement	23,688	8,610	15,078
Travel - Ground Transportation	4,948	2,119	2,829
Travel - Airfare	11,500	8,626	2,874
Lodging	9,390	6,875	2,515
Meals	7,305	2,975	4,330
Other Incidentals	9,775	6,287	3,488
Training	9,250	419	8,831
Supplies/Materials	33,020	3,546	29,474
Advertisement Radio & TV Ads	41,025	20,420	20,605
Consulting Labor	2,844,095	1,503,252	1,340,843
TUMF Project Reimbursement	38,000,000	24,967,713	13,032,287
BEYOND Program REIMB	2,799,015	444,716	2,354,299
Computer Equipment/Software	3,500	1,880	1,620
Misc Equipment Purchased	3,000	2,735	265
Total General Operations	47,676,204	28,579,314	18,640,088
Total Expenditures and Overhead	53,678,061	32,234,023	20,848,020



Western Riverside Council of Governments

Technical Advisory Committee

Staff Report

Subject: WRCOG Committees and Agency Activities Update

Contact: Rick Bishop, Executive Director, rbishop@wrcog.us, (951) 405-6701

Date: April 18, 2019

The purpose of this item is to provide updates on noteworthy actions and discussions held in recent standing Committee meetings, and to provide general project updates.

Requested Action:

1. Receive and file.

Attached are a summary of actions and activities from recent WRCOG standing Committee meetings that have taken place for meetings which have occurred during the month of March.

Prior Actions:

- April 11, 2019: The Public Works Committee received and filed.
- April 11, 2019: The Planning Directors Committee received and filed.
- April 1, 2019: The Executive Committee received and filed.

Fiscal Impact:

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

Attachments:

1. WRCOG March Committees Activities Matrix (Action items only).
2. Summary recaps from March Committee meetings.

Page Intentionally Left Blank

Item 6.B

WRCOG Committees and Agency
Activities Update

Attachment 1

WRCOG March Committees Activities
Matrix (Action items only)

Page Intentionally Left Blank

<u>WRCOG Committees</u> <u>Activities Matrix</u> <u>(Action Items Only)</u>	<u>Executive Committee</u>	<u>Administration & Finance</u> <u>Committee</u>	<u>Technical Advisory Committee</u>	<u>Planning</u> <u>Directors</u> <u>Committee</u>	<u>Public Works</u> <u>Committee</u>	<u>Finance Directors</u> <u>Committee</u>	<u>Solid Waste</u> <u>Committee</u>
Date of Meeting:	3/4/19	3/13/19	Did not meet	3/14/19	3/14/19	Did not meet	Did not meet
Current Programs / Initiatives:							
Regional Streetlights Program	Received and filed.	n/a		n/a	n/a		
Property Assessed Clean Energy (PACE) Programs	1) Adopted WRCOG Resolution Number 03-19; A Resolution of the Executive Committee of the Western Riverside Council of Governments Confirming Modification of the California HERO Program Report so as to Expand the Program Area within Which Contractual Assessments May be Offered; 2) directed and authorized the Executive Director to enter into contract negotiations and execute any necessary documents to include Lever Energy Capital under WRCOG's statewide PACE umbrella.	1) Recommended that the Executive Committee allow refinancing on Commercial PACE projects; and 2) recommended that the Executive Committee approve a 30-year Term for Commercial PACE Projects that have met certain conditions.		n/a	n/a		
TUMF	1) Approved the 2019 Pass Zone TIP; 2) approved the amended 2018 Southwest Zone TIP; 3) authorized the Executive Director to execute a TUMF Reimbursement Agreement with the Cities of Eastvale and Norco for the Planning and Engineering Phases of the Hamner Avenue Widening Project in an amount not to exceed \$1,313,000; 4) authorized the Executive Director to execute a TUMF Reimbursement Agreement with the County of Riverside for the Planning, Right-of-Way, and Construction Phases of the Sunset Avenue Grade Separation Project in an amount not to exceed \$777,283; and 5) approved the proposed revisions to the TUMF Fee Calculation Handbook to include language for the 3,000 square foot reduction policy and credit for existing uses.	n/a		n/a	Recommended that the Executive Committee approve the 2019 TUMF Network Administrative Amendment.		
Fellowship	n/a	n/a		Received and filed.	n/a		
New Programs / Initiatives:							
EXPERIENCE	n/a	n/a		n/a	n/a		

Page Intentionally Left Blank

Item 6.B

WRCOG Committees and Agency
Activities Update

Attachment 2

Summary recaps from March
Committee meetings

Page Intentionally Left Blank



**Western Riverside Council of Governments
Executive Committee
Meeting Recap
March 4, 2019**

Following is a summary of key items discussed at the last Executive Committee meeting. To review the full agenda and staff reports for all items, please click [here](#). To review the meetings PowerPoint presentation, please click [here](#).

TUMF Program Update

- The Executive Committee approved the following updates to the TUMF Program:
 - The 2019 Pass Zone Transportation Improvement Program (TIP)
 - The amended 2018 Southwest Zone TIP
 - TUMF Reimbursement Agreements with the Cities of Eastvale and Norco for the Hamner Avenue Widening Project, and with the County of Riverside for the Sunset Avenue Grade Separation Project
 - Language in the TUMF Fee Calculation Handbook to incorporate the 3,000 square foot reduction policy and credit for existing uses

2nd Quarter Draft Budget Amendment for Fiscal Year 2018/2019

- The amendment reflects increases and/or decreases to both revenue and expenditures for various departments in the 2nd Quarter for Fiscal Year 2018/2019.
- For the 2nd Quarter, WRCOG experienced a total increase in expenditures of \$19,064, which is predominantly related to the ATP and RIVTAM update, and will be reimbursed to WRCOG.

PACE Program Update

- The Executive Committee approved the addition of Lever Energy Capital, LLC as a commercial PACE provider to operate within the statewide footprint.
- A total of seven commercial PACE projects have been completed to date for a total project value of \$7.1 million, including 3 projects completed in February 2019 alone.
- Residential PACE activity has experienced a significant decline in 2018, likely due in part to increased competition among PACE providers and new legislation/regulations.

Options for Potential WRCOG Assistance for Regional Housing Needs Assessment (RHNA)

- RHNA is a planning process, based on projected population growth, which determines the number of housing units at each affordability level a jurisdiction must plan for.
- SCAG is currently developing the 6th cycle RHNA which will cover October 2021-October 2029.
- WRCOG has identified three levels of support it could offer members to assist with the 6th cycle RHNA. WRCOG could: (1) serve in an informational capacity—augmenting SCAG's role to keep members fully informed throughout the process; (2) provide assistance with SCAG data review; or (3) take on subregional delegation, wherein WRCOG would administer the RHNA for the subregion.
- WRCOG is assessing costs and benefits of subregional delegation. Primary considerations include out-of-pocket costs, the extent to which subregional delegation would yield better results, and potential liability to WRCOG assumed through subregional delegation. A final decision must be made by June 2019.
- SCAG and/or WRCOG staff are available to provide RHNA presentations to members upon request.

WRCOG's 2019/2020 Legislative Platform

- Every two years, WRCOG adopts a set of legislative priorities that guide WRCOG's actions related to monitoring, tracking, and positioning on applicable issues.
- The 2019/2020 Platform includes minor updates to eight General Platform Components: General Advocacy, Economic Development, Education, Energy & Environment, Health, Transportation, Water, and Other Local Government Issues.
- Additionally, the 2019/2020 Platform establishes Housing as a Priority Issue Area and empowers WRCOG, to the extent possible, to engage in more targeted lobbying efforts to address the challenges member jurisdictions experience producing sufficient housing and complying with new State housing legislation which, in the WRCOG subregion, is not anticipated to yield intended results.

General Assembly and Leadership Conference Details

- WRCOG's Annual General Assembly will be held on Thursday, June 20, 2019 at the Pechanga Resort and Casino.
- This year's event be a full-day affair, with a morning "Future of Cities" Symposium focused on how local cities should plan for changes that will be brought on with autonomous vehicles, automation of jobs, and other challenges to suburbia. The evening General Assembly Keynote Speaker will be Josh Earnest, who served as the nation's Press Secretary from 2014 – 2017, and currently serves as Senior Vice President and Chief Communications Officer for United Airlines. Mr. Earnest's experience in communicating with the public at the highest levels in the private and public sectors will be a focus of the evening.

Next Meeting

The next Executive Committee meeting is scheduled for Monday, April 1, 2019, at 2:00 p.m., at the County of Riverside Administrative Center, 1st Floor Board Chambers.



**Western Riverside Council of Governments
Administration & Finance Committee
Meeting Recap
March 13, 2019**

Following is a summary of key items discussed at the last Administration & Finance Committee meeting. To review the full agenda and staff reports, please click [here](#). To review the meeting PowerPoint presentation, please click [here](#).

PACE Program Activities Update

- In an effort to mirror typical development financing terms, the Committee approved the option for a 30-year financing term for commercial PACE projects, increasing the previous maximum financing term for commercial PACE by five years.
- The Committee moved to allow refinancing for commercial PACE (C-PACE) projects so long as there is demonstrated savings to the owner and that the financing term does not outlast the estimated useful life of the product.

PACE Financial Update

- The WRCOG PACE Program has generated approximately \$34 million since launching in 2011, with \$12.5 million used to fund regionally supportive programs and Agency reserves.
- PACE Program revenues began to decline in FY 2017/2018.
- Though residential PACE has experienced significant decline in activity, C-PACE has the potential to grow, as evidenced by the variety of commercial PACE providers interested in operating under WRCOG's umbrella. Since 2018, WRCOG has added five C-PACE providers.
- The Fellowship, Beyond, Grant Writing, and Experience Programs are being impacted by the reduction in revenue generated by PACE.

28th Annual General Assembly & Leadership Address Update

- The 28th Annual General Assembly and Leadership Conference will be held on Thursday, June 20, 2019, at Pechanga Resort Casino, featuring keynote speaker, Josh Earnest, White House Press Secretary under President Barak Obama (2014-2017).
- This year the General Assembly and Leadership Conference will be a full day event, to include the Future of Cities Symposium with panel discussions in the morning, followed by the traditional evening festivities.
- Staff announced that the nomination period is now open for the annual Community Service Award. Nominations for the award are due Friday, March 29, 2019.

Transportation Analysis Implications of Senate Bill (SB) 743

- SB 743, which takes effect July 1, 2020, changes how transportation impacts are measured under the California Environmental Quality Act from the current practice of measuring level of service to utilizing vehicle miles traveled (VMT).
- VMT is the new analysis metric for transportation that measures the miles driven in a car regardless of passengers.
- WRCOG prepared a regional study to help agencies implement SB 743, which includes a recommended methodology, thresholds, and tools that agencies can choose to adopt in their preparation.

Next Meeting

The next Administration & Finance Committee meeting is scheduled for Wednesday, April 10, 2019, at 12:00 p.m. in WRCOG's office, located at 3390 University Avenue, Suite 450, Riverside.



**Western Riverside Council of Governments
Planning Directors Committee
Meeting Recap
March 14, 2019**

Following is a summary of key items discussed at the last Planning Directors Committee meeting. To review the full agenda and staff reports, please click [here](#). To review the meeting PowerPoint presentation, please click [here](#).

Riverside Transit Agency Activities Update

- RTA Director of Planning, Rohan Kuruppu, provided an update to Committee members regarding RTA activities with a focus on TUMF-supported activities. RTA receives approximately 3% of TUMF funds for a variety of transit projects and improvements including; studies, bus stop and shelter improvements, and mobility hubs.
- Transit improvements RTA has recently or will soon facilitate include:
 - 80 shelter improvements completed since FY2017 and an additional 24 to be completed in FY 2019.
 - A mobility hub—a place where all modes of transportation, technology, and transit supportive land use come together—in Temecula with \$1.6 million TUMF funding.
 - Plans for a mobility hub in Hemet will use \$4.3 million in TUMF funding in addition to a UCR mobility hub, which will use \$3.5 million in TUMF funding and be completed in fall 2020.

Regional Energy Network Activates Update

- The Western Riverside Energy Partnership (WREP) is a collaborative including Southern California Edison (SCE), Southern California gas Company (SoCal Gas), WRCOG and 15 participating member cities. WREP works to achieve energy savings and reduce utility bills in municipal, commercial, and residential buildings through education, technical assistance, and incentive programs.
- Recent changes have imposed challenges for continuing WREP, including decreased funding, elimination of programs and elimination of strategic plan funding.
- In response to these challenges WRCOG is exploring possible alternatives, including a Regional Energy Network (REN). Similar to WREP, RENs offer support with energy efficiency and Program Administrators have a voice in program creation and implementation.
- In December 2018, the WRCOG's Executive Committee approved the release of an RFP for REN development in coordination with CVAG and SBCOG.
- To support an optimized REN for the subregion, members are asked to complete a survey that staff will be sending out to committee members by providing input on preferred program sectors for a regional REN, by Thursday, April 4th.

Commercial PACE Workshop

- WRCOG's Commercial PACE (C-PACE) Program includes two providers, GreenWorks Lending and CleanFund. With C-PACE, commercial property owners can finance seismic, energy efficient, and water conservation improvements, often for less money than traditional financing.

- WRCOG will be hosting a workshop on March 21, 2019, with presentations from GreenWorks Lending, K2 Clean Energy Capital and CleanFund, to explain the value and logistics of C-PACE and how it can be used to finance seismic improvements with no upfront costs to the building owner. PDC members are encouraged to attend the workshop.

Fee Comparison Analysis

- WRCOG has finalized the update to the 2016 Fee Comparison Analysis, which examined fees required of development projects, the effect of other development costs, and the economic benefits of transportation investment in local jurisdictions within and outside of the WRCOG subregion.
- Average development impact fees in WRCOG member jurisdictions are within the regional average range.
- Average residential development impact fees for WRCOG jurisdictions are lower than the average of selected San Bernardino County cities and higher than the average of selected Coachella Valley cities.
- Total development impact fees represent between 3.8% and 8.9% of total development costs and returns for the samples analyzed. Total development costs and returns include development impact fees, construction, land, engineering and architecture, and the developer's expected returns.
- TUMF represent between 0.7% and 2.2% of total development costs and returns for the development prototypes analyzed.
- Staff will return with data comparing WRCOG member jurisdictions' fees on a city-by-city basis.

Subregional Cannabis Ordinance Survey Results

- Staff provided a summary of results from a recent survey of member jurisdictions regarding local policies on cannabis activity.
- 17 jurisdictions participated; 10 out of 17 do not allow any cannabis activity.
- The 7 jurisdictions which do allow any activity predominantly allow cultivation and manufacturing.

Announcements

- SCAG has distributed a survey packet to local jurisdictions with three surveys about local planning factors related to RHNA methodology. Surveys are due by April 30, 2019.
 - If your jurisdiction has not received survey materials contact Ma'Ayn Johnson, johnson@scag.ca.gov.
- WRCOG is currently exploring the pros and cons of Subregional Delegation, to assume responsibility for preparing the subregional housing needs allocation in place of SCAG for the sixth cycle of RHNA. Staff will be bringing the option forward for consideration by the WRCOG committee structure over the next few months. A final decision must be made by June 28, 2019.

Next Meeting

The next Planning Directors Committee meeting is scheduled for Thursday, April 11, 2019 at WRCOG's office, located at 3390 University Avenue, Suite 450, Riverside.



**Western Riverside Council of Governments
Public Works Committee
Meeting Recap
March 14, 2019**

Following is a summary of key items discussed at the last Public Works Committee meeting. To review the full agenda and staff reports, please click [here](#). To review the meeting PowerPoint presentation, please click [here](#).

Regional Energy Network Development Update

- Staff provided a summary of Local Government Partnerships (LGPs), such as the Western Riverside Energy Partnership (WREP), and announced that WRCOG is in the process of selecting a firm to explore the potential benefits of evolving WREP into a Regional Energy Network (REN) with the San Bernardino Council of Governments and Coachella Valley Association of Governments to better serve the region.
- Staff will circulate a survey to member agencies to identify potential program ideas and will periodically return to the Committee with updates once a consultant has been selected and the project is underway.

Assembly Bill 2766 Report and Available Funding to Local Jurisdictions

- South Coast Air Quality Management District (SCAQMD) staff presented an overview of the most recent AB 2766 annual report data, eligible items for funding with AB 2766 funds, and WRCOG local government activities funded with AB 2766 funds.

2019 TUMF Network Administrative Amendment

- Staff presented an administrative amendment to the TUMF Network which would designate the Cherry Valley Boulevard Interchange, Highland Springs Avenue Interchange, and I-10 Bypass as regional projects.
- The Committee recommended that the Executive Committee approve the 2019 TUMF Network Administrative Amendment.

Understanding the Transportation Analysis Implications of Senate Bill 743

- Staff presented a summary of the study WRCOG undertook to develop localized guidelines, thresholds, and mitigation measures related to SB 743. This study was funded through the Southern California Association of Governments' Sustainability Planning Grant Program.
- Fehr and Peers staff presented an online tool that is in development to serve as a screening tool for potential VMT impacts associated with select land use projects in the WRCOG subregion.
- Staff announced a series of workshops that will be held to share information on implementation of SB 743 and strategies of VMT analysis.

Fee Comparison Analysis

- WRCOG has finalized the update to the 2016 Fee Comparison Analysis, which examined fees required of development projects, the effect of other development costs, and the economic benefits of transportation investment in local jurisdictions within and outside of the WRCOG subregion.

- Average development impact fees in WRCOG member jurisdictions are within the regional average range.
- Average residential development impact fees for WRCOG jurisdictions are lower than the average of selected San Bernardino County cities and higher than the average of selected Coachella Valley cities.
- Total development impact fees represent between 3.8% and 8.9% of total development costs and returns for the development prototypes analyzed. For the purposes of this analysis, total development costs and returns include costs such as development impact fees, construction, land, engineering and architecture, and the developer's expected returns.
- TUMF represent between 0.7% and 2.2% of total development costs and returns for the development prototypes analyzed.
- Staff will return with data comparing WRCOG member jurisdictions' fees on a city-by-city basis.

Next Meeting

The next Public Works Committee meeting is scheduled for Thursday, April 11, 2019, at 2:00 p.m., in WRCOG's office, located at 3390 University Avenue, Suite 450, Riverside.



Western Riverside Council of Governments

Technical Advisory Committee

Staff Report

Subject: Regional Streetlight Program Activities Update

Contact: Daniel Soltero, Staff Analyst, dsoltero@wrcoq.us, (951) 405-6738

Date: April 18, 2019

The purpose of this item is to provide an update on the acquisition of streetlights by the City of Eastvale and Jurupa Community Services District, program timelines, a Federal small cell bill H.R. 530, and the City of Murrieta retrofit progress.

Requested Action:

1. Recommend that the Executive Committee adopt a "Support" position for Congressional Bill H.R. 530 (Eshoo) and authorize the Executive Director to transmit a letter on behalf of WRCOG indicating WRCOG's support for H.R. 530.

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

Background

At the direction of the Executive Committee, WRCOG developed a Regional Streetlight Program allowing jurisdictions (and Community Service Districts) to purchase streetlights within their boundaries that are currently owned and operated by SCE. Once the streetlights are owned by the member jurisdiction, the lamps will be retrofitted to Light Emitting Diode (LED) technology to provide more economical operations (i.e., lower maintenance costs and reduced energy use).

Four More Jurisdictions Acquire Streetlights

The Cities of Eastvale, San Jacinto, Wildomar and Jurupa Community Services Districts join Moreno Valley and Murrieta as cities that have acquired their Streetlights systems from SCE. Altogether, these 6 jurisdictions amount to roughly 25,000 streetlights.

In March 2019, the City of Eastvale and the Jurupa Community Services District (JCSD) became the 3rd and 4th jurisdictions to take local control of their streetlights after a successful acquisition from SCE. On March 12, 2019, the City became the owner of 4,107 streetlights within its jurisdiction. Shortly thereafter, JCSD confirmed ownership of 1,905 streetlights on March 13, 2019.

In April 2019, the Cities of San Jacinto and Wildomar became the 5th and 6th jurisdictions in the Program to acquire streetlights from SCE. The City of San Jacinto received confirmation of ownership for 1,860 streetlights on April 2, 2019. Two days later, on April 4, 2019, the City of Wildomar received confirmation on a successful acquisition of 1,405 streetlights in the city.

As participating jurisdictions in the Program, the Cities and JCSD are utilizing Siemens Industry to retrofit old lamps to LED fixtures and provide routine operations and maintenance to the streetlight systems. Additionally, the selection of GE LED fixtures will significantly lower energy consumption and reduce electric utility costs for street lighting.

Program Timelines

The Streetlight Program has major milestones including closing the financing transaction, coordinating with SCE for the streetlight true-up and acquisition, selecting a replacement LED fixture, and starting the streetlight retrofit. As of the end of March 2019, all jurisdictions have received financing in the form of a loan or have allocated internal funds to participate in the Program. The SCE true-up process consists of SCE taking inventory of the streetlight system and then providing each jurisdiction with its own streetlight report containing important information from the amount of sellable streetlight systems, streetlight location, pole material, etc.; only the Cities of Menifee, Moreno Valley, and Temecula remain in this process. Furthermore, as each jurisdiction is provided a streetlight report from SCE the acquisition and LED fixture selection processes can begin on parallel paths with the end-goal being the start of the Retrofit. The timeline below shows where each jurisdiction is in the Program:

Jurisdiction	SCE True-Up	Streetlight Acquisition	LED Fixture Selection and Placing Order	Retrofit Start
Eastvale	Complete	3/12/19	4/10/19	
Hemet	Complete	In Progress (Est. April)	In Progress	
Jurupa Community Services District	Complete	3/13/19	In Progress	
Lake Elsinore	Complete	In Progress	In Progress	
Menifee	In Progress as of January 2019			
Moreno Valley	In Progress	Phase 1 in December 2018, Remainder in Progress	Selection Complete, Placing orders in phases of acquisition	December 2018
Murrieta	Complete	9/27/18	11/27/18	2/11/19
Perris	Complete	In Progress (Est. May)	N/A	
San Jacinto	Complete	4/2/19	In Progress	
Temecula	In Progress as of December 2018	Phase 1 in Progress (Est. May)	In Progress	
Wildomar	Complete	4/4/19	In Progress	

Federal Small Cell Regulation to Repeal FCC's Ruling (H.R. 530)

In October 2018, the Federal Communications Commission (FCC) issued a Declaratory Ruling to streamline a local government's wireless infrastructure siting review process to facilitate the deployment of next-generation wireless facilities also known as 5G small cells. The ruling, titled "Accelerating Wireless and Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment," officially took effect on January 14, 2019. Specifically, the FCC limited administrative fee levels that local governments can charge to a small cell provider, established 60- and 90-day "shot clocks" for local jurisdictions to approve or deny siting applications, and standardized state and local considerations of aesthetic concerns that affect the deployment of Small Wireless Facilities.

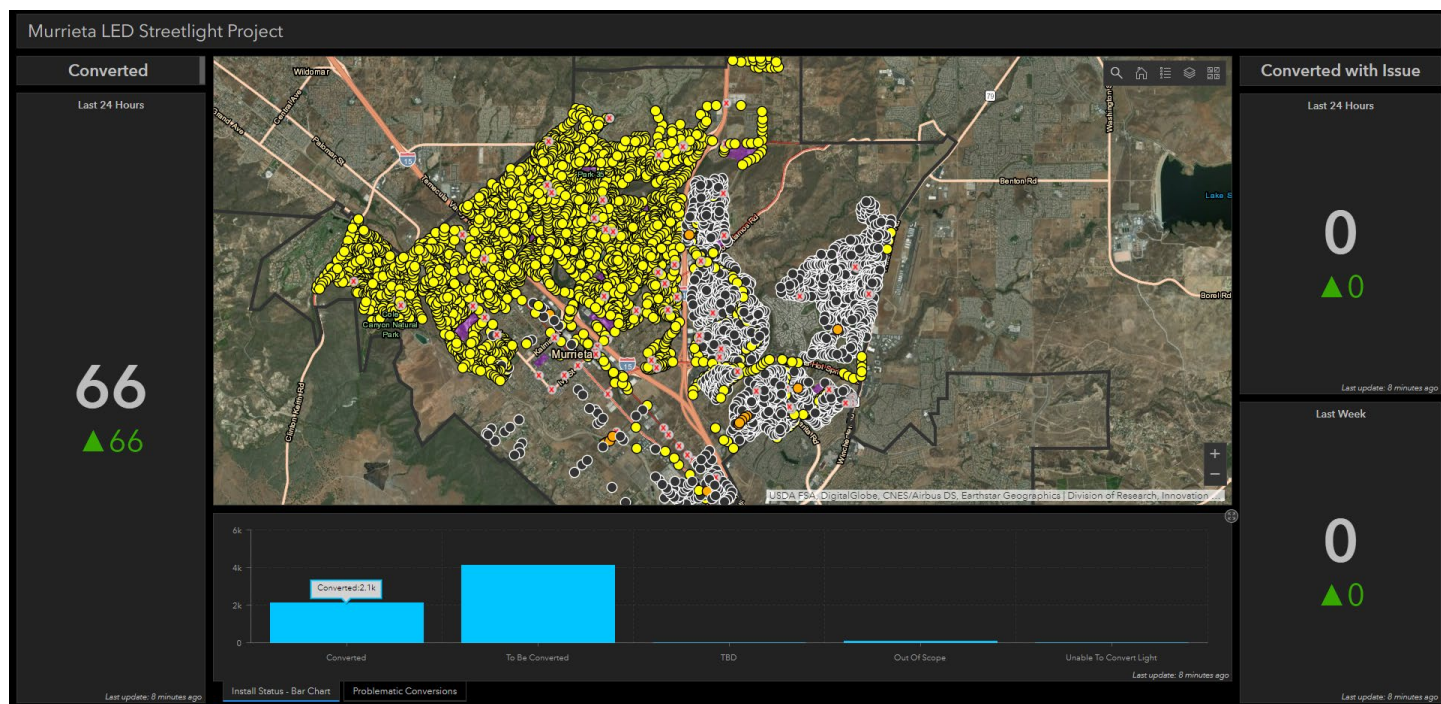
Within the same day of the FCC's ruling taking effect, U.S. Representatives Anna Eshoo (D-CA 18th District) and Jackie Speier (D-CA 14th District) introduced a bill, H.R. 530, to repeal the FCC's ruling. This bill, if passed, will return local control to state and local governments over the siting review process, timeframes for approving or denying applications, and the fee schedule for small cell installations. Currently, the League of California Cities has developed a draft letter of support for H.R. 530 and is urging interested jurisdictions to join

in support of H.R. 530. In March 2019, WRCOG developed a letter of support (attached) for H.R 530 as it aligns with the following sections of WRCOG's 2019/2020 legislative platform:

- General Advocacy: Oppose legislation that seeks to limit local control or reduce funding opportunities to local jurisdictions
- Other Local Government Issues: Support legislative actions that protect the rights of jurisdictions to plan and govern their own communities.

Murrieta Streetlight Retrofit Update

The City of Murrieta started retrofitting its streetlights on February 11, 2019. As of April 10, 2019, the project dashboard pictured below is showing that over 2,100 streetlights have been successfully retrofitted, identified by the black dots. Furthermore, over 300 streetlights have been retrofitted in the last week alone.



Prior Action:

April 1, 2019: The Executive Committee received and filed.

Fiscal Impact:

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

Attachments:

1. Letter of Support for H.R. 530: Accelerating Wireless Broadband Development by Empowering Local Communities Act of 2019.
2. Congressional Bill H.R. 530 Analysis and WRCOG Legislative Platform.

Page Intentionally Left Blank

Item 6.C

Regional Streetlight Program Activities Update

Attachment 1

Letter of Support for H.R. 530:
Accelerating Wireless Broadband
Development by Empowering Local
Communities Act of 2019

Page Intentionally Left Blank



Western Riverside Council of Governments

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

March 12, 2019

The Honorable Dianne Feinstein
United States House of Representatives of U.S Senate
331 Hart Office Building
Washington, D.C. 20510
BY MAIL AND EMAIL

The Honorable Kamala Harris
United States House of Representatives of U.S Senate
112 Hart Office Building
Washington, D.C. 20510
BY MAIL AND EMAIL

**Subject: Support for H.R. 530: Accelerating Wireless Broadband Development by
Empowering Local Communities Act of 2019**

Dear Senator Feinstein and Senator Harris:

On behalf of the Western Riverside Council of Governments (WRCOG), a Joint Powers Authority (JPA) comprised of the County of Riverside, 18 cities within the County including Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, the March JPA, Morongo Band of Mission Indians, Eastern Municipal Water District, and Western Municipal Water District, I am writing to express our support of H.R. 530, the *Accelerating Wireless Broadband Development by Empowering Local Communities Act of 2019*, and urge you to cosponsor this bill. H.R. 530 repeals recent harmful FCC regulations limiting the ability of local governments to regulate the deployment of 5G wireless infrastructure.

Last year, the FCC adopted regulations limiting the authority of cities and states to regulate small cell sites (e.g., attachments to street light and utility poles) needed for the deployment of 5G. The FCC's regulations sharply limit the type and amount of fees cities and states may charge for profit-generating use of public property, set "shot clocks" as low as 60 days for cities and states to conduct all necessary inspections and authorize proposals, and drastically limit non-fee requirements cities and states may institute. The regulations began taking effect on January 14, 2019. The League, along with a broad coalition of California cities, local governments and utility companies across the country have joined in suing the FCC over these regulations.

The FCC allowed industry to write these regulations without sufficient input from local leaders. This has led to regulations that restrict cities from requiring carriers to meet the needs of communities in which they want to operate. The FCC's order unnecessarily complicates existing agreements and negotiations between cities and wireless providers by imposing a one-size-fits-all preemption of existing state and local policies. The FCC's limits on fees for use of publicly owned property by private companies is an extreme overreach by the federal government, forcing cities to subsidize development at the cost of other critical local services.

Senator Feinstein
Senator Harris
March 12, 2019
Page 2

We all want to ensure efficient, safe, and appropriate deployment of new broadband technology. However, this sweeping regulation is not the best approach. WRCOG and its member agencies urge you to support and cosponsor H.R. 530, and to work together with local governments to find the best solution for effective 5G deployment that meets the diverse needs of our nation's many unique communities.

If you have any questions about H.R. 530 or you would like to cosponsor, please contact Asad Ramzanali at asad.ramzanali@mail.house.gov or (202) 226-4581.

Sincerely,



Rick Bishop
Executive Director

cc: The Honorable Raul Ruiz, United States Congress, 36th District
The Honorable Mark Takano, United States Congress, 41st District
The Honorable Ken Calvert, United States Congress, 44th District
The Honorable Duncan Hunter, United States Congress, 50th District
Erin Sasse, League of California Cities – BY EMAIL

Item 6.C

Regional Streetlight Program Activities Update

Attachment 2

Analysis of Congressional Bill H.R. 530 to the WRCOG Legislative Platform

Page Intentionally Left Blank

This paper analyses the Congressional Bill H.R. 530 (Eshoo) "Accelerating Broadband Development by Empowering Local Communities Act of 2019" with the WRCOG Legislative Platform

Last year, the Federal Communications Commission (FCC) adopted regulations limiting the authority of cities and states to regulate small cell sites (e.g., attachments to street light and utility poles) needed for the deployment of 5G. The title of the adopted FCC regulation is "Accelerating Wireless and Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment" and the Declaratory Ruling is titled "Third Report and Order and Declaratory Ruling". The FCC's regulations sharply limit the type and amount of fees cities and states may charge for profit-generating use of public property, set "shot clocks" as low as 60 days for cities and states to conduct all necessary inspections and authorize proposals, and drastically limit non-fee requirements cities and states may institute. The regulations began taking effect on January 14, 2019. The League, along with a broad coalition of California cities, local governments and utility companies across the country have joined in suing the FCC over these regulations.

The FCC allowed industry to write these regulations without sufficient input from local leaders. This has led to regulations that restrict cities from requiring carriers to meet the needs of communities in which they want to operate. The FCC's order unnecessarily complicates existing agreements and negotiations between cities and wireless providers by imposing a one-size-fits-all preemption of existing state and local policies. The FCC's limits on fees for use of publicly owned property by private companies is an extreme overreach by the federal government, forcing cities to subsidize development at the cost of other critical local services.

In January 2019, U.S. Representatives Anna Eshoo (D-CA 18th District) and Jackie Speier (D-CA 14th District) introduced a bill, H.R. 530, to repeal the FCC's adopted regulations on 5G deployment. This bill, if passed, will return local control to state and local governments over the siting review process, timeframes for approving or denying applications, and the fee schedule for small cell installations.

Furthermore, the Congressional Bill H.R. 530 aligns with two sections of WRCOG's Legislative Platform. First, in the "General Advocacy" section it states that WRCOG is to oppose legislation that seeks to limit local control or reduce funding opportunities to local jurisdictions falls perfectly in line with the Congressional Bill. Second, "Other Local Government Issues" states that WRCOG is to support legislative actions that protect the rights of jurisdictions to plan and govern their own communities.

Page Intentionally Left Blank



Western Riverside Council of Governments

Technical Advisory Committee

Staff Report

Subject: Environmental Department Programs Activities Update

Contact: Kyle Rodriguez, Staff Analyst, krodriguez@wrcog.us, (951) 405-6721

Date: April 18, 2019

The purpose of this item is to provide an update of the Solid Waste Cooperative, updates to the Used Oil Program, and the status of the Clean Cities Coalition.

Requested Action:

1. Receive and file.

Background

WRCOG's Environmental Department assists member jurisdictions with addressing state mandates which requires education and outreach programs that reduce greenhouse gas emissions. The Environmental Department houses three programs to meet California's goals: 1) a Solid Waste Cooperative, which assists in strategies of reduction of short-lived climate pollutants; 2) a regional Used Oil Recycling Program, designed to promote the proper recycling and disposal of used oil, oil filters, and Household Hazardous Waste (HHW); and 3) the Clean Cities Coalition, which aims to cut petroleum use in the transportation sector through integration of alternative fuels and technology.

Solid Waste Cooperative

WRCOG's Solid Waste Cooperative is formed of 18 WRCOG member agencies, local waste haulers, the California Department of Resources Recycling and Recovery (CalRecycle), and other guests of interest. The Cooperative was formed to help the subregion discuss issues of importance and learn challenges and successes of recycling programs invoked.

In October 2018, staff held one-on-one meetings with members of the Cooperative and was asked to focus on recently-chaptered legislation SB 1383, Short-Lived Climate Pollutants (SLCP): Organic Waste Methane Emissions Reduction. SB 1383 aims to achieve a 50% reduction in statewide greenhouse gas emissions from organic waste disposal by the year 2020.

On February 20, 2019, WRCOG hosted a workshop on SB 1383. Local representation included audience members from across Riverside County from the Cities of Banning, Calimesa, Corona, Desert Hot Springs, Eastvale, Hemet, Indio, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Palm Springs, Riverside, San Jacinto, and Temecula, the Morongo Band of Mission Indians, the Riverside County Department of Environmental Health, the Riverside County Department of Waste Resources, and many more. The workshop also hosted a live webinar for those interested individuals who could not attend in-person.

CalRecycle presented general information on the legislation and requirements of the jurisdictions. HF&H Consultant's focused on the decisions that jurisdictions will need to make surrounding implementation and

compliance for the law. A panel discussion was held for questions and concerns. Attached is a copy of the PowerPoint presentation from the workshop.

Used Oil and Filter Exchange Events

The Used Oil Program is paid for by a grant from CalRecycle which funds jurisdictions to provide outreach and education on the recycling of used motor oil, oil filters, and HHW. Used oil and filter exchange events help educate and facilitate the proper recycling of used motor oil and used oil filters. WRCOG provides this outreach on behalf of the 18 member jurisdictions that participate in the Program. The primary objective is to teach “Do It Yourself” (DIY) individuals who change their oil how to properly dispose of their used oil and oil filters; therefore, an auto parts store is an excellent venue for events. During used oil events, every individual that brings in their used oil filter is provided with a brand new filter, of equal or lesser price, at no cost. In addition to promoting used oil and oil filter recycling, staff provides information about future County-wide HHW Collection Programs, which allows residents to drop-off other automotive and hazardous household products for free. WRCOG staff utilizes an electronic survey on an iPad to interact with residents at these events and collect information to help better inform community members of future opportunities to recycle used oil. In 2019, the first two events advertised on social media reached 97,000 users through Facebook promotion alone.

The following is a list of “completed” Used Oil Outreach and Filter Exchange Events:

Date	Event	Location	Oil Filters
3/23/2019	Oil & Filter Event	Lake Elsinore	32
4/6/2019	Oil & Filter Event	Riverside	114
4/13/2019	Community Event	Lake Elsinore	N/A

The following is a list of “upcoming” Used Oil Outreach and Oil Filter Exchange Events:

Date	Event	Location	Time
4/27/2019	Community Event	Menifee	7:00 a.m. – 1:00 p.m.
4/27/2019	Oil & Filter Event	Temecula	9:00 a.m. – 12:00 p.m.
5/11/2019	Oil & Filter Event	San Jacinto	9:00 a.m. – 12:00 p.m.
5/18/2019	Oil & Filter Event	Corona	9:00 a.m. – 12:00 p.m.
6/1/2019	Oil & Filter Event	Riverside	9:00 a.m. – 1:00 p.m.
6/22/2019	Oil & Filter Event	Calimesa	9:00 a.m. – 12:00 p.m.

Clean Cities Coalition

The WRCOG Clean Cities Coalition seeks to integrate technology with alternative fuels and infrastructure. Clean Cities Coalitions work with the U.S. Department of Energy (DOE) to improve efficiency, increase domestic energy security, and improve operating costs for consumers and business. Transportation is a large part of our energy economy; 70% of total U.S. petroleum usage is for transportation. The Clean Cities National Network tracks and reports fuel pricing, openings and closings of fuel stations, and vehicle and station equipment costs to the DOE to provide a picture of Alternative Fuel Vehicles (AFV) technology adoption, petroleum fuel use reductions, and air quality improvement to the subregion. Through Coalitions, the DOE funds additional activities designed to help advance the AFV market in the subregion.

WRCOG will undertake the following four activities:

1. Fuel and technology feedback listening sessions
 - a. *The Coalition will organize and facilitate fuel and technology-specific listening sessions with fleets and other stakeholders to identify technology gaps and critical research needs to improve vehicle / infrastructure performance and usability in the subregion.*
2. AFV infrastructure development and corridor planning
 - a. *The Coalition will organize and facilitate alternative fuel infrastructure planning activities, alternative fuel corridor development (including support of the FAST Act Section 1413, Alternative Fuel Corridor Designation initiative activities), research and preparation of alternative fueling readiness plans, and planning for future fueling infrastructure development where current corridor gaps exist in the subregion.*
 - b. *The Coalition will continue development and build out of its GIS planning tool and will work to nominate State Route 91 corridor as a FAST-ACT corridor for electric vehicle charging.*
3. Fuel / technology outreach and demonstration events
 - a. *The Coalition will organize and facilitate fuel and technology specific end-user workshops and outreach event(s) including (but not limited to) hands-on ride & drives, demonstrations, educational showcases of alternative fuel and advanced technology vehicles, and refueling / charging systems. The Coalition will be assisting with the planning of an AltCar Expo being held within the Inland Empire area on October 16 2019 at the Riverside Convention Center.*
4. Targeted coaching and technical assistance
 - a. *The Coalition will continue to provide direct technical assistance and coaching to its member's fleets, end-users, and other appropriate stakeholders. Examples include assisting with project planning, aggregate purchasing initiatives, reviewing equipment specifications, coordinating performance testing of new fueling stations, orientation training for end-users receiving new AFVs or fueling equipment, problem-solving, etc.*

Prior Action:

March 4, 2019: The Executive Committee received and filed.

Fiscal Impact:

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

Attachment:

1. SB 1383 Workshop PowerPoint.

Page Intentionally Left Blank

Item 6.D

Environmental Department
Programs Activities Update

Attachment 1

SB 1383 Workshop PowerPoint

Page Intentionally Left Blank

SB 1383

Reducing Short-Lived Climate Pollutants in California

Western Riverside Council of
Governments Solid Waste
Committee Meeting
February 20, 2019

Marshall Graham
Senior Environmental Scientist, Supervisor
marshall.graham@calrecycle.ca.gov
(916) 223-3358

An Overview of SB 1383's Organic Waste Reduction Requirements



CALIFORNIA'S CLIMATE STRATEGY



VISION
Reducing Greenhouse Gas Emissions
to 40% Below 1990 Levels by 2030

GOALS



50%
renewable
electricity



50%
reduction
in petroleum
use in vehicles



Double energy
efficiency savings
at existing buildings



Carbon
sequestration
in the land base



Reduced
short-lived
climate pollutants



Safeguard
California

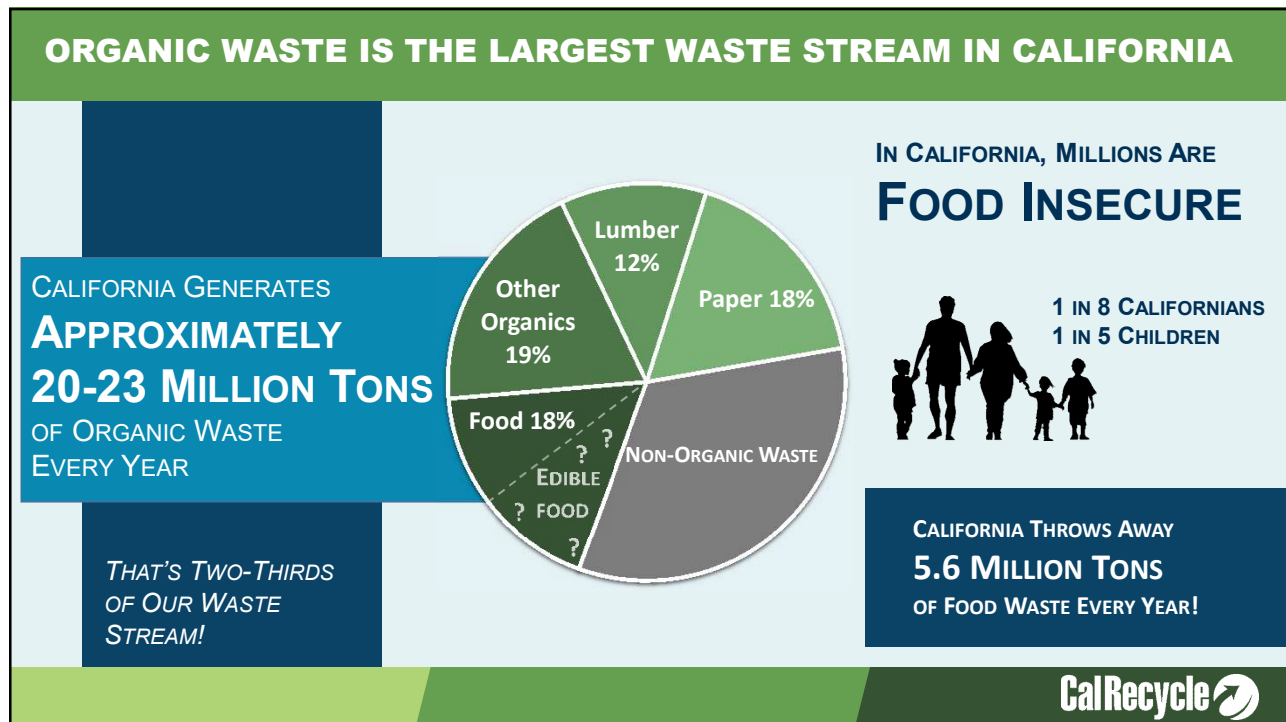
ORGANIC WASTE REDUCTIONS



CalRecycle

- Reduce Organic Waste Disposal
- Recover Edible Food from Waste Stream
- Reduce Methane Emissions

CalRecycle



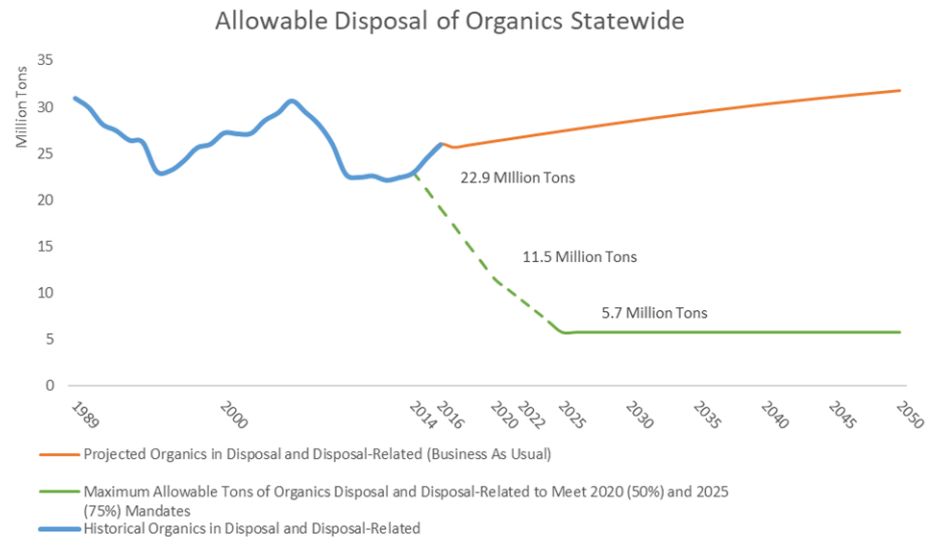
SB 1383 REQUIREMENTS	
2020	50 PERCENT REDUCTION IN LANDFILLED ORGANIC WASTE (11.5 Million Tons Allowed Organic Waste Disposal)
2022	REGULATIONS TAKE EFFECT
2025	75 PERCENT REDUCTION IN LANDFILLED ORGANIC WASTE (5.7 Million Tons Allowed Organic Waste Disposal)
2025	20 PERCENT INCREASE IN RECOVERY OF CURRENTLY DISPOSED EDIBLE FOOD

CalRecycle

ORGANIC WASTE REDUCTION TARGETS

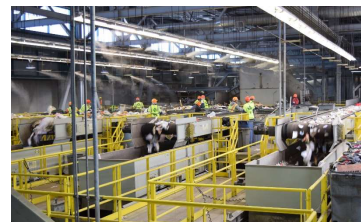
By 2020
10 Million TPY

2025 →
20+ Million TPY



CalRecycle

ORGANIC WASTE RECYCLING INFRASTRUCTURE



SB 1383 Requires 50-100
New or Expanded
Organic Waste Recycling Facilities

CalRecycle

STRATEGIES AND REGULATED ENTITIES

Many strategies will be necessary to redirect manure and organic waste toward more productive uses that reduce emissions and stimulate our economy...



CalRecycle

JURISDICTION RESPONSIBILITIES

Provide Organics Collection Services to All Residents and Businesses



Conduct Education and Outreach to Community



Secure Access to Recycling Capacity



Establish Edible Food Recovery Program



Procure Recyclable and Recovered Organic Products



Monitor Compliance and Conduct Enforcement



CalRecycle

SB 1383 IN ACTION**JURISDICTION
REQUIREMENTS**

**Provide Organics
Collection Services to all
Residents and Businesses**

ORGANIC WASTE COLLECTION SERVICES**Three-Container “source separated” Collection Service**

- Organics prohibited from gray container
- All organic waste segregated for collection and recycling

**Two-Container Collection Service**

- One container for collection of segregated organic waste
- One container for collection of mixed waste (subject to 75% organic content recovery standard)

**One-Container Collection Service**

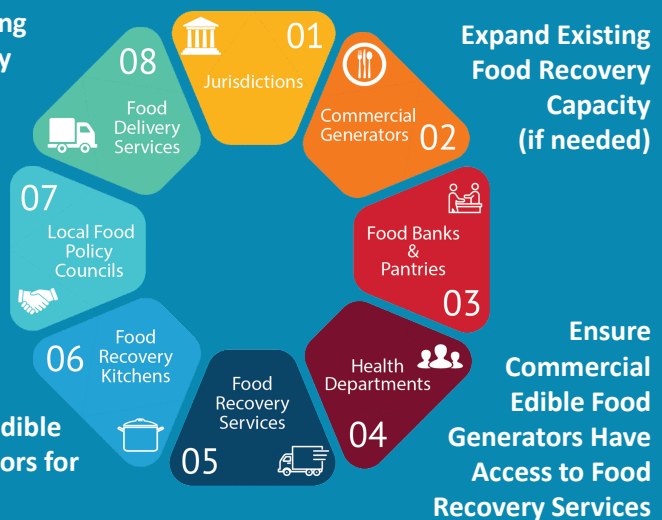
- One container for collection of mixed waste (subject to 75% organic content recovery standard)
- Minimum contamination monitoring and reduction requirements
- Collection waivers authorized for certain documented circumstances

CalRecycle
SB 1383 IN ACTION**JURISDICTION
REQUIREMENTS**

**Establish Edible Food
Recovery Program**

EDIBLE FOOD RECOVERY PROGRAM

**Identify Existing
Food Recovery
Capacity**



**Monitor
Commercial Edible
Food Generators for
Compliance**

**Expand Existing
Food Recovery
Capacity
(if needed)**

**Ensure
Commercial
Edible Food
Generators Have
Access to Food
Recovery Services**

CalRecycle

SB 1383 IN ACTION**JURISDICTION
REQUIREMENTS**

Conduct Education and Outreach to Community

EDUCATION REQUIREMENTS

Annually educate all organic waste generators, commercial edible food generators, and self-haulers about relevant requirements



Appropriate educational material must be provided to linguistically isolated households

CalRecycle

SB 1383 IN ACTION**JURISDICTION
REQUIREMENTS**

Procure Recycled and Recovered Organic Products

PROCUREMENT REQUIREMENTS**COMPOST & RNG**

Each jurisdiction must procure minimum amounts of compost or renewable natural gas

MINIMUM CONTENT

Paper products must be 30% recycled content

QUANTITY

Procurement levels are based on population

**RECYCLABILITY**

All procured paper products must be recyclable

CalRecycle

SB 1383 IN ACTION

JURISDICTION REQUIREMENTS



Monitor Compliance and Conduct Enforcement

INSPECTION AND ENFORCEMENT REQUIREMENTS

Ordinance	Compliance Monitoring	Document Actions
		
Adopt an Ordinance or Similar Mechanism that Is Consistent with the Regulations, and Includes Enforcement	Annual Compliance Reviews, Route Reviews and/or Inspections Complaint Based Inspections	Document and record: complaints, violations, and enforcement actions

Remedying Violations

2022 | Inform Regulated Entities of Noncompliance **2024** | Conduct Enforcement, and Issue Penalties for Continued Noncompliance



SB 1383 IN ACTION

JURISDICTION REQUIREMENTS

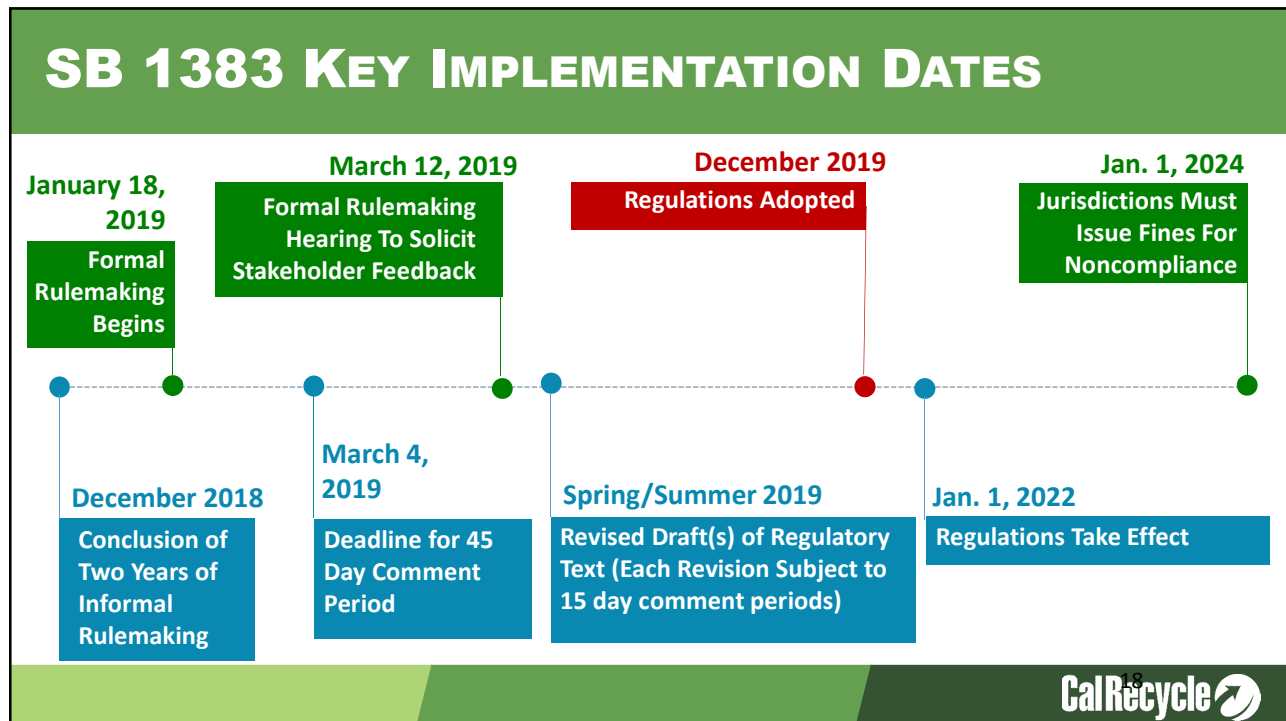
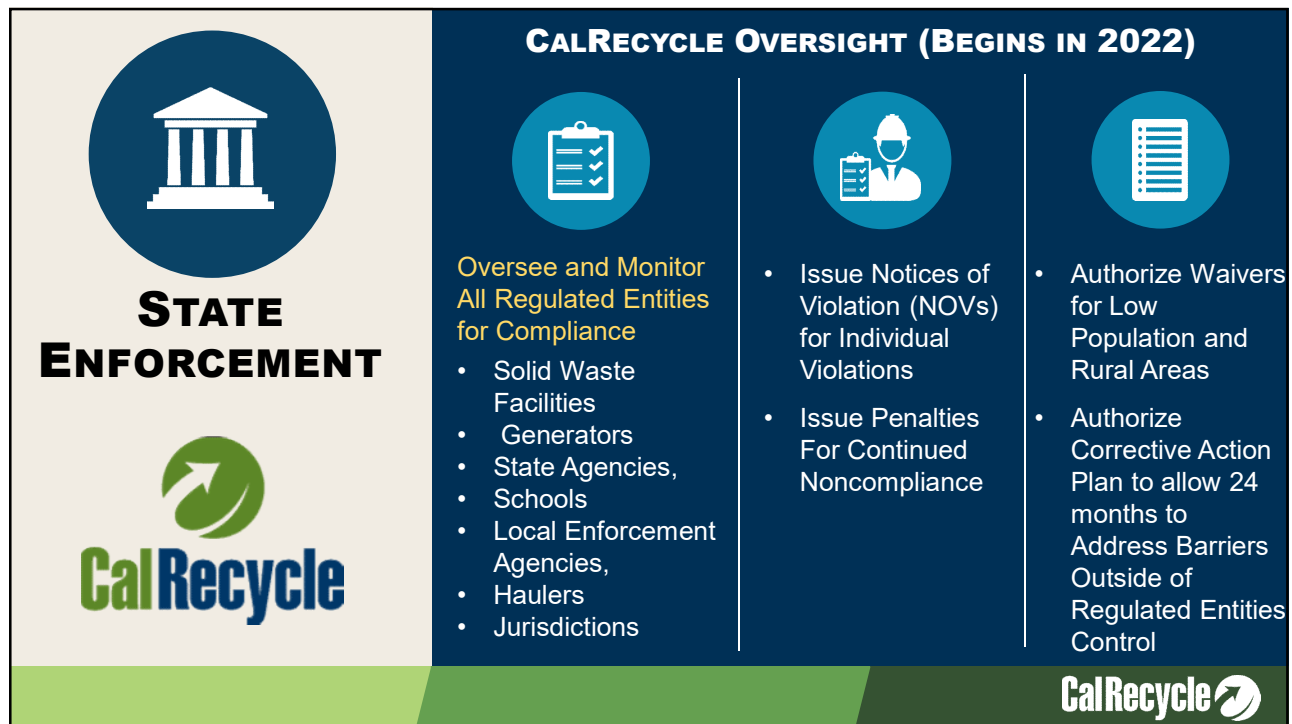


Maintain Records and Report to CalRecycle

Recordkeeping Requirements:

 Organic Collection Services	 Hauler Program	 Contamination Minimization	 Waivers	 Education & Outreach
 Edible Food Recovery Program	 Recycled Organic Waste Procurement	 Recycled Paper Procurement	 Commercial Edible Food Generators	 Jurisdiction Inspection & Enforcement







HOW TO COMMENT ON THE PROPOSED REGULATION



45 DAY FORMAL COMMENT PERIOD
1/18/19 - 3/4/19
Comments Must Be Submitted by:
5:00 PM March 4th 2019

FORMAL HEARING
March 12th 2019
Cal EPA Building, Coastal Hearing Room
1001 I Street, 2nd Floor
Sacramento, CA 95814



SLCP.Organics@calrecycle.ca.gov
FAX: (916) 319-7146



Gwen Huff
P.O. Box 4025
Sacramento, CA 95812

Comments submitted in the formal comment period, or made at the formal hearing will receive a response in the final rulemaking package





STAY
ENGAGED



<http://www.calrecycle.ca.gov/Listservs/Subscribe.aspx?ListID=152>



<http://www.calrecycle.ca.gov/Climate/SLCP>



Marshall Graham
Senior Environmental Scientist, Supervisor
Marshall.graham@calrecycle.ca.gov
916-341-6270

20 

The Impacts of SB 1383 Draft Regulations

Presentation For the Western Riverside Council of Governments

SB 1383 Highlights



Jurisdiction Compliance



Funding Options



Rate Structures

Next Steps

Philip Mainolfi
Pmainolfi@hfh-consultants.com
 (949) 251-0231



February 20, 2018

SB 1383 Timeline



2018 – Early 2019

CalRecycle initiated formal rulemaking in 2018

Regulations to be adopted in early 2019



January 1, 2020

State to achieve 50% reduction of organics disposal (2014 baseline)



January 1, 2022

Jurisdictions must have organics recycling programs in place

Enforceable regulations take effect

Jurisdictions must implement an ordinance or ordinances



January 1, 2024

Jurisdictions must take progressive enforcement actions against non-compliant regulated entities:

- Generators
- Haulers
- Processors



January 1, 2025

State to achieve 75% reduction in organics disposal (2014 baseline)

State to recover a minimum of 20% of disposed edible food for human consumption

Jurisdiction Compliance Requirements



2

Jurisdiction Compliance Requirements



3

Organics Collection Program “Options”



Unsegregated Single-Container



2-Container Collection System



3-Container Collection System



Additional Separation Options

4

Organics Collection Program Implementation

Description	2019		2020		2021	
Design and Implement Organics Collection Program						
	Planning		Implementation		On-Going	

Beginning February 2019

- Notify Council of legislation and pending changes
- Evaluate current franchise agreement(s) and ordinance(s)
- Determine necessary modifications and path to completion

Beginning January 2020

- Update agreement(s) through procurement, amendment or negotiation
- Draft ordinance(s)
- Notify residents/businesses of SB 1383 and upcoming changes

Beginning July 2021

- Roll-out and fine tune program

5

Inspections & Enforcement

After January 2022

- Compliance reviews of commercial solid waste accounts (2+ cubic yards)
By 1/31/2022 and annually thereafter
- Quarterly route reviews
- Inspection of edible food generators and food recovery organizations
- Investigation of complaints

After January 1, 2024

- Notice of Violation (NOVs) and fines issued to non-compliant generators by the jurisdiction



6

Design and Implement Inspection/Enforcement Program

Description	2019		2020		2021	
Design and Implement Inspection/Enforcement Program						
	Planning		Implementation		On-Going	

Beginning January 1, 2019

- While designing your collection program consider who will be responsible for the various inspection/enforcement requirements

Beginning January 1, 2020

- Plan resources and develop procedures/training

Beginning July 1, 2021

- Hire (potential) and train staff
- Inspections of generators (due February 1, 2022)

7

Jurisdiction Procurement Requirements

Beginning January 1, 2022

1. Jurisdiction must procure a quantity of organic waste products (either compost or renewable natural gas) based on population
2. At least 75% of annual purchases of paper products and printing/writing paper must be recycled content paper



8

Procurement of Recovered Organic Waste Products

Description	2019	2020	2021
Procurement of Recovered Organic Waste Products			
	Planning	Implementation	On-Going

Beginning January 1, 2019

- While designing your collection program consider who will be responsible for procuring and supplying recovered organic waste products and what products will be procured
- Plan resources and develop procedures/training

Beginning July 1, 2020

- Develop procurement policy and targets

Beginning July 1, 2021

- Begin procuring recovered organic waste products

9

Required Ordinances and Policies

By January 1, 2022

- Recycling/organics ordinance for all generators
- Self-haul/back-haul reporting ordinance
- Edible food recovery ordinance
- CALGreen building standards ordinance
- Enforcement ordinance
- Hauler regulation ordinance
- Procurement policies for organic waste products
- Potential amendment of existing ordinances, policies, or procedures to remove restrictions prohibited by SB 1383 for some organics-related locally-adopted standards and policies



10

Funding Options

Increase rates, charge for organics

Restructure trash, recycling, & organics rates

Implement new SB 1383 fee

Adjust franchise fees

Adjust or implement C&D admin fee/deposits



11

Organics Rate Structures Overview

Discounted Organics Rates

Bundled Rates

Equalized Organics Rates

Independent Organics Rates

12

Rate Structures Analysis - SoCal

Public Agency	County	Food Waste Tons Diverted as % of Total Commercial Tonnage	Organics Rate Structure
1	Los Angeles	4.76%	Bundled
2	Orange	2.11%	Discounted
3	Orange	1.32%	Discounted
4	Orange	0.70%	Discounted
5	Orange	0.59%	Bundled
6	Orange	0.52%	Independent
7	Orange	0.39%	Independent
8	Orange	0.30%	Equalized
9	Orange	0.27%	Independent
10	Los Angeles	0.20%	Independent
11	Orange	0.13%	Discounted
12	Los Angeles	0.02%	Equalized
13	Los Angeles	0.01%	Bundled

13

Rate Structures Analysis – SoCal Participation

Public Agency	Size	County	Total Customers with Food Waste Programs as % of Total Commercial Sector	Organics Rate Structure
1	Medium	Orange	39%	Discounted
2	Small	Orange	28%	Discounted
3	Small	Orange	9%	Discounted
4	Small	Orange	7%	Bundled
5	Medium	Los Angeles	6%	Discounted
6	Medium	Orange	5%	Discounted
7	Large	Orange	4%	Open Market
8	Large	Orange	3%	Equalized
9	Medium	Orange	3%	Independent
10	Medium	Los Angeles	2%	Equalized
11	Small	Orange	1%	Discounted
12	Large	Orange	1%	Independent
13	Large	Los Angeles	1%	Independent
14	Large	Los Angeles	Less than 1%	Equalized
15	Small	Los Angeles	Less than 1%	Bundled
16	Small	Los Angeles	Less than 1%	Independent

14

Rate Structures Analysis - NorCal

Public Agency	County	Food Waste Tons Diverted as % of Total Commercial Tonnage	Organics Rate Structure
1	Monterey	21%	Discounted
2	Alameda	20%	Discounted
3	Monterey	12%	Discounted
4	Monterey	11%	Discounted
5	Monterey	11%	Discounted
6	Contra Costa	11%	Bundled
7	Monterey	5%	Discounted
8	Monterey	3%	Discounted
9	Monterey	2%	Discounted

15

Rate Structures Analysis – NorCal Participation

Public Agency	County	Total Customers with Food Waste Programs as % of Total Commercial Sector	Organics Rate Structure
1	Alameda	43%	Discount
2	Contra Costa	20%	Bundled
3	Santa Cruz	18%	Discount
4	Monterey	14%	Discount
5	Monterey	8%	Discount
6	Monterey	8%	Discount
7	Alameda	6%	Discount
8	Monterey	4%	Discount
9	Monterey	4%	Discount
10	Monterey	3%	Discount
11	Monterey	3%	Discount

16

Next Steps

- 🌿 Define needs and start planning
- 🌿 Identify and secure, or develop organics capacity
- 🌿 Plan/negotiate/procure services
- 🌿 Analyze funding and set rates
- 🌿 Modify ordinances



17



Western Riverside Council of Governments

Technical Advisory Committee

Staff Report

Subject: Single Signature Authority Report

Contact: Andrew Ruiz, Interim Chief Financial Officer, aruiz@wrcog.us, (951) 405-6741

Date: April 18, 2019

The purpose of this item is to notify the Committee of contracts recently signed under the Single Signature Authority of the Executive Director.

Requested Action:

1. Receive and file.

The Executive Director has Single Signature Authority for contracts up to \$100,000. For the months of October 2018 through March 2019, three contracts were signed by the Executive Director.

1. In November 2018, a contract in the amount of \$17,500 was signed with Evari GIS Consulting, Inc. The purpose of this agreement is to develop and implement GIS software related to the Streetlight Program.
2. In January 2019, a contract in the amount of \$75,000 was signed with Best Best and Krieger. The purpose of this agreement is to work with BBK's legislative advocacy services division to help draft a proposed bill and actively work with State lawmakers to find an author and develop support to for legislation that could allow utilization of PACE financing in new construction.
3. In February 2019, a contract in the amount of \$17,545 was signed with Chico Community Publishing. The purpose of this agreement is to develop content and information for a publication on the benefits of electric vehicles (EVs). Chico Community Publishing will develop articles on the experience of EV ownership from actual EV owners, facts on the benefits of EVs, and funding available. The content will be developed into an article that can be printed, but the content can also be utilized on other WRCOG collateral.

Prior Action:

April 10, 2019: The Administration & Finance Committee received and filed.

Fiscal Impact:

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

Attachment

None.

Page Intentionally Left Blank



Western Riverside Council of Governments

Technical Advisory Committee

Staff Report

Subject: International City / County Management Association Activities Update

Contact: AJ Wilson, California Senior Advisor, ajwcm@aol.com, (760) 723-8623

Date: April 18, 2019

The purpose of this item is to provide the Committee with an update of International City / County Management Association (ICMA) activities.

Requested Action:

1. Receive and file.

ICMA

ICMA Coaching Program Webinars: The ICMA Coaching Program webinars kicked off over one year ago. Regular training webinars are available; past webinars are archived. There is no charge for the webinars; however, to participate live there is the need to pre-register. Information on registration can be accessed by going to the ICMA website at <https://icma.org/icma-university-webinars-e-learning>.

Annual Conference: This year's annual conference will be held in Nashville, Tennessee, October 20 – 23, 2019. Registration and access to hotel reservations will begin in June.

Membership in ICMA: Membership packages were sent to those who either have been a member before and allowed it to lapse or who have indicated some interest in membership. Please review the materials and call Mr. Wilson with any questions.

Senior Advisor Support

As your Senior Advisor, Mr. Wilson is available for personal discussions, resource identification, and general briefings for your employees who may be ICMA members or MMASC members. Please contact Mr. Wilson at (714) 323-9116 or ajwcm@aol.com.

Prior Action:

January 17, 2019: The Technical Advisory Committee received and filed.

Fiscal Impact:

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

Attachment:

None.

Page Intentionally Left Blank



Western Riverside Council of Governments

Technical Advisory Committee

Staff Report

Subject: Report from the League of California Cities

Contact: Erin Sasse, Regional Public Affairs Manager, League of California Cities, esasse@cacities.org, (951) 321-0771

Date: April 18, 2019

The purpose of this item is to provide an update of activities undertaken by the League of California Cities.

Requested Action:

1. Receive and file.

This item is reserved for a presentation from the League of California Cities Regional Public Affairs Manager for Riverside County.

AB 1332 (Bonta) - Sanctuary State Contracting and Investment Act. (Amended: 3/20/19) **Oppose**

Calendar: 4/3/19, 9 a.m. - State Capitol, Room 444, ASSEMBLY PUBLIC EMPLOYMENT AND RETIREMENT, RODRIGUEZ, Chair

Summary: Existing law, subject to certain exceptions, prohibits state and local law enforcement agencies, including school police and security departments, from using money or personnel to investigate, interrogate, detain, detect, or arrest persons for immigration enforcement purposes, as specified, and, subject certain to exceptions, proscribes other activities or conduct in connection with immigration enforcement by law enforcement agencies. Existing law requires, by October 1, 2018, the Attorney General, in consultation with the appropriate stakeholders, to publish model policies limiting assistance with immigration enforcement to the fullest extent possible for use by public schools, public libraries, health facilities operated by the state or a political subdivision of the state, and courthouses, among others. Existing law requires, among others, all public schools, health facilities operated by the state or a political subdivision of the state, and courthouses to implement the model policy, or an equivalent policy. Existing law also requires law enforcement agencies to report to the Department of Justice annually regarding transfers of persons to immigration authorities and requires the Attorney General to publish guidance, audit criteria, and training recommendations regarding state and local law enforcement databases, for purposes of limiting the availability of information for immigration enforcement, as specified. This bill would enact the Sanctuary State Contracting and Investment Act, which would, among other things, prohibit a state or local agency from entering into a new, amended, or extended contract or agreement with any person or entity that provides a federal immigration agency with any data broker, extreme vetting, or detention facilities services, as defined, unless state or local agency has made a finding that no reasonable alternative exists, as specified. The bill would also prohibit a state or local agency from making any investment in stocks, bonds, securities, or other obligations issued by any provider of data broker, extreme vetting, or detention facilities services to a federal immigration agency, as specified. This bill would authorize the Department of Justice to initiate, and require the department to receive and investigate, all complaints regarding violations of these provisions, and would require the department to issue findings regarding any alleged violation and notify any affected state or local agency. By increasing the duties of local

officials, this bill would impose a state-mandated local program. Additionally, this bill would make a violation of these provisions subject to civil and criminal penalties, thereby imposing a state-mandated local program.

AB 849 (Bonta) - Elections: local redistricting. (Amended: 3/14/19)

Oppose

Summary: Existing law establishes criteria and procedures pursuant to which local jurisdictions, including cities, counties, special districts, school districts, community college districts, and county boards of education, adjust or adopt district, division, or trustee area boundaries, as applicable, for the purpose of electing members of the local jurisdiction's governing body. This bill would revise and recast these provisions. The bill would require the governing body of each local jurisdiction described above to adopt new district, division, or trustee area boundaries after each federal decennial census, except as specified. The bill would specify redistricting criteria and deadlines pursuant to which the governing body shall adopt new boundaries. The bill would specify hearing procedures that would allow the public to provide input on the placement of boundaries and on proposed boundary maps. The bill would require the governing body to take specified steps to encourage the residents of the local jurisdiction to participate in the redistricting process. By increasing the duties of these local jurisdictions, the bill would impose a state-mandated local program.

Governor Newsom's State Budget Draft Housing Trailer Bill

- Increased RHNA short-term allocations.
- \$150 million to COGs for development of "action plans."
- \$150 million to cities that show "commitment" to following "action plan."
- COG has oversight powers over cities.
- \$500 million for incentives to locals – planning, zoning, entitlements.
- Long-term revamping of RHNA process.
- Link SB 1 funds to housing, planning, zoning, production.

ACA 1 (Aguilar-Curry) Affordable Housing – Voter Approval

- Would reduce the voter approval requirement to 55% for affordable housing and public infrastructure bonds.

SB 13 (Wieckowski) ADU

- Very similar to SB 813 from last year.
- Would cap/limit impacts fees, school fees, other mitigation fees.

AB 1483 (Grayson) Zoning Standards and Fees: Reporting

- Require all cities to compile a list of zoning and planning standards, fees imposed under the Mitigation Fee Act, special taxes, and assessments applicable to housing development.
- Must post on the city's website.
- Send list to HCD and MPO.

AB 1484 (Grayson) Fees: Reporting

- Prohibits a local agency from imposing a fee unless the type and amount of the exaction is identified on the agency's website.

AB 891 (Burke) Public Property: Safe Parking

- Requires jurisdictions with a population over 330,000 to establish a safe parking program for individuals and families living in their car.
- Program must be developed by 2022.

Prior Action:

March 4, 2019: The Executive Committee received and filed.

Fiscal Impact:

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

Attachment:

None.

Page Intentionally Left Blank



Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: Preliminary Draft Fiscal Year 2019/2020 Agency Budget

Contact: Andrew Ruiz, Interim Chief Financial Officer, aruiz@wrcog.us, (951) 405-6741

Date: April 18, 2019

The purpose of this item is to present the Agency's preliminary draft Budget for Fiscal Year 2019/2020 and seek input from Committee members.

Requested Action:

1. Discuss and provide input.
-

WRCOG's annual Budget is adopted every June by the General Assembly. Before adoption, the Budget is vetted through WRCOG's Committees for comment and direction. The Budget is assembled by the Agency Departments: Administration, Energy, Environment, and Transportation & Planning. The General Fund is comprised of the Administration, Energy, and Environment Departments, while TUMF is part of the Special Revenue Fund. Each Department contains its own programs and has its own source of funds. Once the Budget has been vetted through the Committees, it is presented to the General Assembly as an "Agency-wide" Budget for adoption.

Budget Review and Adoption Schedule

The preliminary draft Budget for Fiscal Year (FY) 2019/2020 will be presented according to the following schedule:

- April 10, 2019: Administration & Finance Committee (first review)
- April 18, 2019: Technical Advisory Committee (first review)
- April 25, 2019: Finance Directors Committee (first review)
- May 6, 2019: Executive Committee (first review)
- May 8, 2019: Administration & Finance Committee (second review and recommendation)
- May 16, 2019: Technical Advisory Committee (second review and recommendation)
- June 3, 2019: Executive Committee (second review and recommendation)
- June 20, 2019: General Assembly (action)

FY 2019/2020 Preliminary Draft Budget

The preliminary draft FY 2019/2020 Budget (Attachment 1) is presented by Departments (Administration, Energy, Environment, and Transportation & Planning) with each department displaying its own programs.

The "Administration Total" tab includes the default Administration Program. The majority of the revenues for the Administration Program is generated from member dues. Budgeted expenditures include salaries and benefits of Administration employees, including the Executive Director and the staff in the Government Relations, Administrative Services, and Fiscal divisions. The Administration Program also includes WRCOG's

lease and audit, bank, legal, IT, and consulting fees. Expenditures have historically exceeded revenues in this Program so the Agency charges overhead to the remaining Departments to balance the budget. The overhead is determined during the creation of the Budget and is simply the amount necessary to have revenues equal expenditures. Departments will show the amount of overhead they are paying in the General Operations line item. The amount provided by the various Departments will then be transferred out to the Administration Program to balance its budget.

The Energy Department includes the following Programs: PACE Residential; PACE Commercial; Western Riverside Energy Partnership (WREP); SoCal Gas Partnership; and the Regional Streetlight Program.

The HERO PACE residential Program has continued to decline in revenues and volumes in FY 2018/2019. WRCOG anticipates a continued decrease in the HERO residential Program and has budgeted for a 50% decrease in revenues in FY 2019/2020. In prior years, WRCOG has experienced excess revenues from the PACE Programs, specifically the CA HERO Program, which have been used to build Agency reserves and fund other Agency and member activities (such as BEYOND, Fellowship, Grant Writing, EXPERIENCE, Streetlights, CCA development, etc.). At the end of FY 2018/2019, WRCOG anticipates minimal carryover revenues, which will be used to fund the development of a Regional Energy Network (REN) and to build PACE reserves. For FY 2019/2020, WRCOG's PACE Programs will have a balanced budget with no excess revenues. With the addition of commercial PACE providers to the Program during the last year or so, staff anticipates growth in the PACE commercial market in FY 2019/2020, which could potentially bring more revenues to the Agency.

The WREP partnerships will continue to focus on supporting municipal facilities with energy efficiency retrofits and providing sustainable best practices to the community. The WREP budget was approved in early 2019, and both Southern California Edison and SoCal Gas will continue to support the Partnership on its energy initiatives for the calendar year.

The Regional Streetlight Program continues to move forward and will be self-sustaining in FY 2019/2020 through the Operations & Maintenance fee built into the purchasing of the streetlights.

The Community Choice Aggregation Program also continues to move forward and anticipates being self-sustaining and generating revenues in the coming years, which will pay back WRCOG's General Fund for the upfront costs expended toward this Program development

The Environment Department includes the Solid Waste, Clean Cities, and Used Oil Programs, which receive federal and state funding to provide services to WRCOG's member agencies.

The Transportation & Planning Department includes the following Programs: Transportation Uniform Mitigation Fee (TUMF); the Grant Writing Program, which is funded by the Agency's Carryover Funds; Transportation Planning (LTF), CAP Grant, and Adaptation Grant. Planning will continue to administer the Fellowship and Experience Programs with previously allocated carryover funds from excess PACE revenues. The majority of revenues received in the Transportation Department come from the TUMF Program, which WRCOG anticipates receiving approximately \$50M in revenues from development impact fees in FY 2019/2020.

The Agency's FY 2019/2020 total Budget will present a higher total amount of revenues and expenditures than in previous years as staff will continue to include total TUMF revenue and total project expenditures in the Budget. In past years, the only portion included for TUMF was the administration fee WRCOG received from the Program. The revenue and expenditures will continue to include 100% of the TUMF Program's total revenue and expenditures. Because of this additional amount for TUMF, total Agency revenue for FY 2019/2020, plus transfers from other departments for overhead, is projected to be \$57,728,828 against total Agency expenditures of \$55,208,828.

Prior Action:

April 10, 2019: The Administration & Finance Committee received and filed.

Fiscal Impact:

All known and expected revenues and expenditures impacting the Agency have been budgeted for Fiscal Year 2019/2020 but will be continually updated throughout the budget process.

Attachment:

1. Preliminary Draft Summary Agency Budget for Fiscal Year 2019/2020.

Page Intentionally Left Blank

Item 7.B

Preliminary Draft Fiscal Year
2019/2020 Agency Budget

Attachment 1

Preliminary Draft Summary Agency
Budget for Fiscal Year 2019/2020

Page Intentionally Left Blank



**Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2020**

Total Agency Budget

Revenues	Actual 2/28/2019	Budget 6/30/2019	Proposed 6/30/2020
Member Dues	\$ 311,410	\$ 311,410	\$ 311,410
General Assembly Revenue	11,600	300,000	300,000
Interest Revenue - Other	80,066	31,496	25,000
WRCOG HERO Revenue	196,865	480,573	212,500
Other HERO Revenue	150,373	149,833	680,000
Statewide HERO Revenue	833,097	1,650,000	807,500
Gas Company Revenue	56,941	86,676	108,400
SoCal Edison Revenue	75,123	86,750	108,438
PACE Commercial Revenue	30,844	34,078	165,000
PACE Residential Recording Rev	107,508	122,500	111,800
Statewide HERO Recording fee Rev	520,365	600,000	616,700
PACE Commercial Recording Rev	445	7,500	17,500
Regional Streetlights Revenue	261,500	300,000	187,511
NW Clean Cities - Member Dues	122,000	120,000	128,000
NW Clean Cities - Federal	18,500	12,500	82,500
Solid Waste	122,248	107,313	107,313
Statewide Used Oil Grant Revenue	203,820	228,820	377,654
CAP Grant Revenue	8,973	-	125,000
Adaptation Grant Revenue	-	-	125,000
LTF Revenue	775,500	675,000	775,000
RIVTAM Revenue	100,000	150,000	140,000
TUMF Admin Commerical	33,242	110,645	47,284
TUMF Admin Retail	77,114	130,094	109,687
TUMF Admin Industrial	353,126	272,663	502,285
TUMF Admin Single Family	788,576	1,144,551	1,121,669
TUMF Admin Multi-Family	139,957	142,045	199,074
Commerical/Service	797,812	2,718,853	1,134,806
Retail	1,850,746	3,142,672	2,632,497
Industrial	8,475,022	6,314,301	12,054,852
Single Family	18,925,836	27,492,115	26,920,065
Multi-Family	3,358,962	3,352,059	4,777,779
Carryover Fund Transfer In	1,456,738	1,456,738	720,000
Total Revenues & Carryover	\$ 40,244,310	\$ 52,231,187	\$ 55,732,226
Overhead Transfer In	\$ 1,483,740	\$ 2,278,335	\$ 1,996,602
Total Revenues & Overhead	\$ 41,728,050	\$ 54,509,522	\$ 57,728,828
Expenses	Actual 2/28/2019	Budget 6/30/2019	Proposed 6/30/2020
Salaries & Wages - Fulltime	\$ 1,138,281	\$ 2,643,180	\$ 2,111,347
Fringe Benefits	500,079	817,283	689,131
CalPERS OPEB Paydown	152,727	200,000	200,000
Overhead Allocation	1,391,598	2,092,412	1,893,320
General Legal Services	269,404	465,035	387,000
OPEB Funding	98,823	98,823	98,823
Audit Svcs - Professional Fees	25,480	27,500	30,500

Bank Fees	27,159	19,000	38,512
Commissioners Per Diem	38,265	62,500	62,500
Parking Cost	8,925	18,578	16,400
Office Lease	269,836	400,000	465,000
WRCOG Auto Fuels Expenses	924	1,250	1,500
WRCOG Auto Maintenance Expense	84	84	500
Parking Validations	2,249	10,000	10,000
Staff Recognition	261	800	800
Coffee and Supplies	261	3,000	2,500
Event Support	132,010	130,861	187,283
Program/Office Supplies	9,886	23,988	22,263
Computer Equipment/Supplies	1,327	8,000	4,500
Computer Software	3,127	31,124	26,500
Rent/Lease Equipment	9,185	30,000	30,000
Membership Dues	19,472	31,500	32,500
Subscription/Publications	1,025	1,025	2,000
Meeting Support Services	1,744	9,498	10,198
Postage	2,694	6,043	5,600
Other Expenses	463	883	1,250
Storage	5,251	15,348	10,000
COG HERO Share Expenses	3,444	15,000	10,000
Printing Services	1,670	4,320	7,500
Computer Hardware	2,664	14,100	9,500
Misc. Office Equipment	-	1,000	1,000
Communications - Regular Phone	12,672	15,000	16,000
Communications - Cellular Phones	6,260	20,291	17,500
Communications - Computer Services	24,933	57,500	57,500
Communications - Web Site	6,932	8,000	8,000
Equipment Maintenance - General	4,451	10,000	10,000
Equipment Maintenance - Comp/Software	17,776	21,024	21,250
Insurance - Errors & Omissions	9,000	9,000	11,500
Insurance - Gen/Busi Liab/Auto	82,594	77,890	92,500
WRCOG Auto Insurance	1,954	-	2,000
Recording Fee	200,932	480,500	254,339
Seminars/Conferences	1,724	12,628	11,835
General Assembly Expenses	69,034	300,000	300,000
Travel - Mileage Reimbursement	7,210	21,367	18,750
Travel - Ground Transportation	1,280	3,448	5,160
Travel - Airfare	6,833	9,324	12,250
Lodging	4,309	6,640	7,500
Meals	2,678	6,434	8,809
Other Incidentals	5,811	10,411	6,600
Training	419	9,250	9,250
Supplies/Materials	3,546	8,033	22,350
OPEB Repayment	-	71,053	110,526
Staff Education Reimbursement	-	12,500	7,500
Advertising Media - Newspaper Ad	-	2,000	10,000
Advertisement Radio & TV Ads	20,420	39,293	72,000
Consulting Labor	1,330,006	2,343,341	2,264,782
Computer Equipment/Software	1,879	6,500	3,000
TUMF Project Reimbursement	22,006,311	38,000,000	45,000,000
Transfer Out to Reserves	-	-	480,000
Total Expenses	\$ 27,950,039	\$ 48,763,562	\$ 55,208,828
Surplus (Deficit)		\$	2,520,000



Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2020

Total Administration Budget

Revenues	Actual 2/28/2019	Budget 6/30/2019	Proposed 6/30/2020
Member Dues	\$ 311,410	\$ 311,410	\$ 311,410
General Assembly Revenue	11,600	300,000	300,000
Interest Revenue - Other	80,066	31,496	25,000
Total Revenues	\$ 390,276	\$ 695,630	\$ 636,410
Overhead Transfer In	\$ 1,483,740	\$ 2,225,611	\$ 1,996,602
Total Overhead & Revenues	\$ 1,874,016	\$ 2,921,241	\$ 2,633,012
Expenses	Actual 2/28/2019	Budget 6/30/2019	Proposed 6/30/2020
Salaries & Wages - Fulltime	\$ 298,705	\$ 631,095	\$ 464,260
Fringe Benefits	172,941	277,903	202,102
Fringes - Retirements	152,727	200,000	200,000
General Legal Services	53,219	75,000	75,000
OPEB Expense	98,823	98,823	98,823
Audit Svcs - Professional Fees	25,480	27,500	30,500
Bank Fees	230	2,000	2,000
Commissioners Per Diem	36,315	60,000	60,000
Parking Cost	5,433	10,000	10,000
Office Lease	269,836	400,000	465,000
WRCOG Auto Fuels Expenses	924	1,250	1,500
WRCOG Auto Maintenance Expense	84	84	500
Parking Validations	2,249	10,000	10,000
Staff Recognition	261	800	800
Coffee and Supplies	261	3,000	2,500
Event Support	33,982	57,960	50,000
Program/Office Supplies	8,014	15,500	15,000
Computer Equipment/Supplies	140	1,000	1,000
Computer Software	1,304	20,000	20,000
Rent/Lease Equipment	9,185	30,000	30,000
Membership Dues	18,872	30,000	30,000
Subscription/Publications	568	568	1,000
Postage	975	2,500	2,500
Printing Services	-	150	500
Computer Hardware	1,704	11,000	8,000
Communications - Regular Phone	12,672	15,000	16,000
Communications - Cellular Phones	2,177	10,500	8,500
Communications - Computer Services	22,697	55,000	55,000
Communications - Web Site	6,932	8,000	8,000
Equipment Maintenance - General	4,451	10,000	10,000
Equipment Maintenance - Comp/Software	17,752	20,000	20,000
Insurance - Errors & Omissions	9,000	9,000	11,500
Insurance - Gen/Busi Liab/Auto	77,040	77,040	82,000
WRCOG Auto Insurance	1,954	-	2,000
Seminars/Conferences	135	4,000	3,000
General Assembly Expenses	69,034	300,000	300,000

Travel - Mileage Reimbursement	487	2,500	2,000
Travel - Ground Transportation	367	1,000	1,500
Travel - Airfare	565	2,000	2,000
Lodging	573	1,000	1,000
Meals	723	3,000	2,500
Other Incidentals	1,149	1,000	1,000
Training	270	5,000	5,000
OPEB Repayment	110,526	71,053	110,526
Staff Education Reimbursement	-	12,500	7,500
Consulting Labor	98,376	151,320	200,000
Computer Equipment/Software	1,879	3,000	3,000
Total Expenses	\$ 1,648,041	\$ 2,748,394	\$ 2,633,012



Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2020

Total Energy Budget

Revenues	Actual 2/28/2019	Budget 6/30/2019	Proposed 6/30/2020
WRCOG HERO Revenue	\$ 196,865	\$ 480,573	\$ 212,500
Other HERO Revenue	150,373	149,833	680,000
Statewide HERO Revenue	833,097	1,650,000	807,500
Gas Company Revenue	56,941	86,676	108,400
SoCal Edison Revenue	75,123	86,750	108,438
PACE Commercial Revenue	30,844	34,078	165,000
PACE Residential Recording Rev	107,508	122,500	111,800
Statewide HERO Recording fee Rev	520,365	600,000	616,700
PACE Commercial Recording Rev	445	7,500	17,500
Regional Streetlights Revenue	261,500	300,000	187,511
Total Revenues	\$ 2,243,061	\$ 3,517,910	\$ 3,015,349

Expenses	Actual 2/28/2019	Budget 6/30/2019	Proposed 6/30/2020
Salaries & Wages	\$ 284,390	\$ 628,693	\$ 546,637
Fringe Benefits	155,042	264,945	206,109
Overhead Allocation	545,612	820,000	890,000
GENERAL LEGAL SERVICES	161,638	332,500	238,000
Bank Fee	18,255	17,000	20,000
Commissioners Per Diem	1,950	2,500	2,500
Parking Validations	515	4,100	2,650
Statewide - Event Support	16,020	9,000	24,500
General Supplies	1,229	5,450	2,950
Computer Supplies	1,169	6,000	2,500
Computer Software	699	10,000	5,000
NWCC- Membership Dues	600	1,000	1,000
Subscriptions/Publications	32	32	250
Meeting Support Services	797	5,000	3,348
Postage	1,659	3,515	2,700
Other Expenses	-	500	500
COG HERO Share Expenses	3,444	15,000	10,000
Computer/Hardware	960	3,100	1,500
Misc. Office Equipment	-	1,000	1,000
Cellular Phone	2,270	5,500	4,500
Communications Computer Servic	2,236	2,500	2,500
Equipmebt Maintenance-Computer	-	1,000	1,000
Insurance - Gen/Busi Liab/Auto	2,777	-	3,500
Recording Fee	200,932	480,500	254,339
Seminar/Conferences	1,027	5,500	4,685
Travel - Mileage Reimbursement	3,520	7,750	6,750
Travel - Ground Transportatoin	628	1,500	1,650
Travel - Airfare	5,945	6,000	8,500
Lodging	3,096	3,000	3,500
Meals	627	1,300	2,609
Statewide Other Incidentals	3,277	8,000	4,000
Training	149	3,750	3,750

Supplies/Materials	-	2,628	4,750
Consulting Expense	221,305	749,935	428,171
Transfer to Reserves	-	-	320,000
Total Expenses	\$ 1,661,746	\$ 3,411,698	\$ 3,015,349

Surplus (Deficit) **\$ -**

**Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2020**

Total Environmental Budget

Revenues	Actual 2/28/2019	Budget 6/30/2019	Proposed 6/30/2020
NW Clean Cities - Member Dues	\$ 122,000	\$ 120,000	\$ 128,000
NW Clean Cities - Federal	18,500	12,500	82,500
Solid Waste	122,248	107,313	107,313
Statewide Used Oil Grant Revenue	203,820	228,820	377,654
Total Revenues	\$ 466,568	\$ 468,633	\$ 695,467

Expenses	Actual 2/28/2019	Budget 6/30/2019	Proposed 6/30/2020
Salaries & Wages - Fulltime-OPP8	\$ 65,303	\$ 172,243	\$197,629
Fringe Benefits	35,695	53,694	60,061
Overhead Allocation	38,573	57,860	113,320
General Legal Services	368	500	2,000
Parking Validations	291	475	1,250
Event Support-OPP8	81,559	62,901	112,283
Program/Office Supplies	22	1,450	2,813
Membership Dues	-	500	1,500
SWMD - SUBSCRIP/PUBLICATION	32	32	250
Meeting Support Services	427	3,255	6,600
Other Expenses	221	133	500
Storage-OPP8	5,251	15,000	10,000
Printing Services	-	2,500	5,000
SW WMRD-Cellular Phones	304	1,000	1,000
Insurance - Gen/Busi Liab/Auto	185	850	2,000
Seminars/Conferences	128	1,128	2,000
Travel - Mileage Reimbursement	947	3,688	4,500
Travel - Ground Transportation	95	345	1,100
Travel-AirFare	324	324	750
Meals	329	529	2,100
SWMD - Other Incidentals	641	736	1,100
Training	-	500	500
Supplies/Materials	3,541	5,030	16,600
Advertising Media - Newspaper Ad	-	2,000	10,000
Advertisement Radio & TV Ads	20,420	39,293	72,000
Consulting Labor	37,642	42,668	68,611
Total Expenses	\$ 293,987	\$ 468,635	\$ 695,467

Surplus (Deficit)	\$	-
-------------------	----	---



**Western Riverside Council of Governments
Annual Budget
For the Year Ending June 30, 2020**

Total Transportation & Planning Budget

Revenues

	Actual 2/28/2019	Budget 6/30/2019	Proposed 6/30/2020
CAP Grant Revenue	\$ 8,973	\$ -	\$ 125,000
Adaptation Grant Revenue	-	-	125,000
LTF Revenue	775,500	675,000	775,000
RIVTAM Revenue	100,000	150,000	140,000
TUMF Admin Commerical	33,242	110,645	47,284
TUMF Admin Retail	77,114	130,094	109,687
TUMF Admin Industrial	353,126	272,663	502,285
TUMF Admin Single Family	788,576	1,144,551	1,121,669
TUMF Admin Multi-Family	139,957	142,045	199,074
Commerical/Service	797,812	2,718,853	1,134,806
Retail	1,850,746	3,142,672	2,632,497
Industrial	8,475,022	6,314,301	12,054,852
Single Family	18,925,836	27,492,115	26,920,065
Multi-Family	3,358,962	3,352,059	4,777,779
Carryover Fund Transfer In	1,456,738	1,456,738	720,000
Total Revenues & Carryover	\$ 37,220,023	\$ 47,601,738	\$ 51,385,000

Expenses

	Actual 2/28/2019	Budget 6/30/2019	Proposed 6/30/2020
Salaries & Wages Fulltime	\$ 446,396	\$ 1,211,149	\$ 902,821
Fringe Benefits	136,401	220,741	220,858
Overhead Allocation	807,413	1,214,552	890,000
General Legal Services	54,178	57,035	72,000
Bank Fees	8,674	-	16,512
Parking Validations	2,687	4,003	2,500
Event Support	450	1,000	500
General Supplies	621	1,588	1,500
Computer Supplies	17	1,000	1,000
Computer Software	1,124	1,124	1,500
Subscriptions/Publications	392	392	500
Meeting Support Services	519	1,243	250
POSTAGE	60	28	400
Other Household Expenses	242	250	250
Printing Services	1,670	1,670	2,000
Cellular Phone	1,509	3,291	3,500
Computer Maintenance	24	24	250
Insurance - Gen/Busi Liab/Auto	2,592	-	5,000
Seminar/Conferences	435	2,000	2,150
Travel - Mileage Reimbursement	2,256	7,429	5,500
Travel - Ground Transportation	190	603	910
Travel-AirFare	-	1,000	1,000
Lodging	640	2,640	3,000
Meals	1,000	1,605	1,600
Other Incidentals	743	675	500
Supplies/Materials	5	375	1,000
Consulting Labor	972,683	1,399,418	1,568,000

TUMF Project Reimbursement	22,006,311	38,000,000	45,000,000
Transfer Out to Reserves			160,000
Total Expenses	\$ 24,456,792	\$ 42,134,834	\$ 48,865,001
	Surplus (Deficit)	\$	-

Page Intentionally Left Blank



Western Riverside Council of Governments

Technical Advisory Committee

Staff Report

Subject: Fee Comparison Analysis – Final Report

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

Date: April 18, 2019

The purpose of this item is to provide a final report of the updated Fee Comparison Analysis. In 2016, WRCOG conducted an analysis of the fees required of development projects, the effect of other development costs, and the economic benefits of transportation investment. WRCOG commenced an update to the analysis utilizing 2018 fee schedules.

Requested Action:

1. Receive and file.

In 2016, WRCOG conducted a study to analyze fees / exactions required and collected by jurisdictions / agencies in and immediately adjacent to the WRCOG subregion. The study was received by the WRCOG Committees and subsequent presentations were completed to various City Councils in the subregion. Based on the feedback provided and the requests made for data and presentations, WRCOG indicated the study would be updated on a consistent basis to enable jurisdictions to understand the impact of fees on development and the regional economy. WRCOG and its project team have been updating the analysis since September 2018 and it is now finalized.

Background

Generally, the analysis methodologies, assumptions, and jurisdictions analyzed are consistent with the original study. The fee comparison update process primarily involved contacting jurisdictions and special districts to understand if and how its development impact fees had changed since 2016. In some cases, jurisdictions indicated the need for adjustments to the 2016 assumptions / methodologies, particularly concerning the calculation of water and sewer fees. As a result, the changes between 2016 and 2018 represent a combination of changes driven by fee schedule changes (actual changes in fee levels), as well as those driven by suggested refinements in other underlying assumptions.

Findings of Development Impact Fee Breakdown

TUMF represents a modest proportion of total residential development impact fees in Western Riverside County and a more variable proportion of nonresidential development impact fees.

- As shown on page 3 of the Updated Analysis of Development Impact Fees in Western Riverside County – Draft Final Report (Attachment 1), average TUMF on residential development represents about 20% of total development impact fees for both single-family and multi-family development, while water and sewer connection fees represent about 34% of total fees.
- As shown on page 4 of the Report, average TUMF as a proportion of total fees show more variation for nonresidential land uses, ranging from 31.7% for retail development, 26% for industrial development, and

15.6% for Class A/B office development.

- As shown on page 5 of the Report, average development impact fees within WRCOG member jurisdictions are within the Inland Empire range.
 - Average residential development impact fees for WRCOG jurisdictions are lower than the average of selected San Bernardino County cities and higher than the average of selected Coachella Valley cities.
 - When compared with the average of selected San Bernardino County cities (Fontana, Yucaipa, San Bernardino, Ontario, Chino, and Rialto), the WRCOG average is modestly lower for both single-family and multi-family development. The average for selected Coachella Valley cities (Indio, Palm Desert, and Palm Springs) is substantially lower for single-family and multi-family development.
- As shown on page 7 of the Report, average retail development impact fees are substantially higher than the relatively similar average fee levels for San Bernardino County and Coachella Valley. Average office development impact fees are slightly below the average of the San Bernardino County cities evaluated, but substantially higher than the average for the Coachella Valley cities evaluated.
- The table on page 8 of the Report shows that average development impact fees among WRCOG member jurisdictions represent between 3.8% (industrial development) and 8.9% (multi-family residential) of total development costs and returns, with TUMF as a lower fraction of these proportions.
- TUMF represents between 0.7% and 2.2% of total development costs and returns for the development prototype projects analyzed. While changes in the TUMF can add or subtract from total development costs, it would take a substantial change to increase / decrease overall development costs / returns by more than 1%.
 - Average total development impact fees as a proportion of estimated overall development costs have fallen for all land uses since 2016. Similarly, the TUMF proportion of total development costs has decreased for land uses with the largest change in retail, where the TUMF has fallen from 3.5% to 2.2% of overall development costs since 2016.

Findings of Development Impact Fee Analysis

Below are highlights based on Figures 2 – 5 in the Report.

- Figure 2 shows that WRCOG TUMF residential fees, on average, represent about 20% of total development impact fees for both single-family and multi-family development.
- On average, WRCOG nonresidential TUMF show more variation in level and in proportion of overall development impact fees (between 10% and 56%) than for the residential fee categories.
- As shown on Figure 3, water and sewer fees together represent the greatest proportion of residential development impact fees followed by similar proportions from other city fees, TUMF, and school fees.
- As shown on Figure 4, nonresidential development impact fees show more variation in terms of the distribution between fee categories.
- Figure 5 shows that unincorporated jurisdictions have slightly lower total fees as compared to the average for all WRCOG study jurisdictions.

Findings of Fee Comparison with Non-WRCOG Jurisdictions

Below are highlights based on Figures 6 – 10 in the Report.

- Figures 6 – 10 compare average development impact fee costs and proportions in the WRCOG subregion to those in neighboring jurisdictions.
- Average development impact fees for WRCOG jurisdictions are modestly lower than the average of selected San Bernardino County cities, except for retail development impact fees.

- The average development impact fees for selected Coachella Valley cities is below that of the WRCOG average for all land uses.

Development Costs – Key Factors in New Development

Developers (whether looking to do speculative development or to provide build-to-suit developments for larger users) will review several conditions before determining whether to move forward with site acquisition / optioning and pre-development activities. Factors will include 1) the availability of appropriate sites, 2) the availability of / proximity to / quality of infrastructure / facilities (e.g., proximity to transportation corridors, schools, and other amenities), 3) local market strength (achievable sales prices / lease rates) in the context of competitive supply, 4) expected development costs (including land acquisition costs, construction materials and labor costs, the availability and costs of financing, and development impact fees, among others), and, 5) where sites are unentitled, the entitlement risk.

An illustrative static pro forma structure was developed to provide overall insights on general economic relationships (Figures 11 and 12 in the Report). It is important to note that these pro formas do not draw conclusions concerning the feasibility of individual projects. The pro forma incorporated different categories of development costs (see below). It also considered potential land values / acquisition costs based on a residual land value approach that considered potential development values, subtracted direct and indirect development costs and developer return requirements, and indicated a potential residual land value. The development values were refined based on available market data ranges and the need to generate a land value of an appropriate level to support land acquisition and new development. Available information on land transactions was also reviewed.

Development Costs Analysis Results

As shown in Figures 11 and 12 in the Report, direct construction costs represent the largest proportion of total development costs / returns, typically followed by other land costs, other soft costs (collectively), developer returns, and development impact fees.

- Total development impact fees represent between 3.8% and 8.9% of total development costs / returns for the prototype feasible projects.
- TUMF represent between 0.7% and 2.2% of total development costs / returns for the prototype feasible projects.

Prior Actions:

- April 1, 2019: The Executive Committee received and filed.
- March 14, 2019: The Public Works Committee received and filed.
- March 14, 2019: The Planning Directors Committee received and filed.

Fiscal Impact:

Transportation Department activities are included in the Agency's adopted Fiscal Year 2018/2019 Budget under the Transportation Department.

Attachment:

1. Updated Analysis of Development Impact Fees in Western Riverside County – Draft Final Report.

Page Intentionally Left Blank

Item 7.C

Fee Comparison Analysis – Final
Report

Attachment 1

Updated Analysis of Development
Impact Fees in Western Riverside
County – Draft Final Report

Page Intentionally Left Blank

The Economics of Land Use



Draft Final Report

Updated Analysis of Development Impact Fees in Western Riverside County

Prepared for:

Western Riverside Council of Governments (WRCOG)

Prepared by:

Economic & Planning Systems, Inc. (EPS)

March 1, 2019

EPS #181032

*Economic & Planning Systems, Inc.
One Kaiser Plaza, Suite 1410
Oakland, CA 94612
510 841 9190 tel
510 740 2080 fax*

*Oakland
Sacramento
Denver
Los Angeles*

www.epsys.com

Table of Contents

1.	INTRODUCTION AND FINDINGS.....	1
	Summary of Findings.....	2
	Organization of Report.....	8
2.	DEVELOPMENT IMPACT FEE REVIEW AND COMPARISONS	9
	Study Definitions	9
	Methodology	10
	Findings from WRCOG Member Jurisdiction Fee Review	17
	Findings from Fee Comparison with Non-WRCOG Jurisdictions	23
3.	DEVELOPMENT IMPACT FEES AND DEVELOPMENT COSTS	29
	Economics of Development.....	29
	Methodology	30
	Results	32
4.	CONCLUSIONS	35

Appendices

APPENDIX A	Development Prototypes
APPENDIX B	Fee Comparison Summaries and Estimations for WRCOG Jurisdictions

List of Figures

Figure 1	Jurisdictions included in Fee Study	11
Figure 2	TUMF as a Proportion of Total Fees.....	18
Figure 3	Average Development Impact Fee Costs by Category in WRCOG Jurisdictions.....	20
Figure 4	Average Development Impact Fee Costs in WRCOG Jurisdictions	21
Figure 5	Unincorporated Jurisdictions/March JPA and Total Jurisdictions Comparison	22
Figure 6	Average Single-Family Development Impact Fee Costs and Proportions in Neighboring Jurisdictions.....	24
Figure 7	Average Multifamily Development Impact Fee Costs and Proportions in Neighboring Jurisdictions.....	25
Figure 8	Average Retail Development Impact Fee Costs and Proportions in Neighboring Jurisdictions.....	26
Figure 9	Average Industrial Development Impact Fee Costs and Proportions in Neighboring Jurisdictions.....	27
Figure 10	Average Office Development Impact Fee Costs and Proportions in Neighboring Jurisdictions.....	28
Figure 11	Proportionate Development Costs/Return for Development Prototypes.....	33
Figure 12	Average Development Costs/Return for Development Prototypes.....	33

1. INTRODUCTION AND FINDINGS

The Western Riverside Council of Governments (WRCOG) commissioned this Report to provide increased regional understanding of development impact fees on new development in Western Riverside County. More specifically, the purpose of this Report is to: (1) indicate the types and relative scale of the development impact fees placed on different land uses and (2) indicate the scale of fees relative to overall development costs. The Report is also intended to provide helpful background information on the impact of the Transportation Uniform Mitigation Fee (TUMF) by placing TUMF in the context of the broader development impact fee structure, overall development costs, and other regional dynamics.

This Report represents the first update to the Original Study completed in December 2016.¹ This study provided similar information on development impact fees and development costs based on 2016 fee schedules and development cost estimates. This Report (the 2019 Updated Study) provides updated information based on 2018 fee schedules and estimates of development costs. A companion memorandum provides a summary of the changes in fee levels between 2016 and 2018.²

This Report recognizes that there are substantive and ongoing debates about the appropriate levels of development impact fees in regions throughout California and elsewhere in the United States. On the one hand, development impact fees provide revenue to support the construction of critical infrastructure and capital facilities (or in-kind capital facility development) that can generate development value, economic development, and quality of life benefits. On the other hand, development impact fees act as an additional development cost that can influence development feasibility and potentially the pace of new development. **In reality, each fee-adopting jurisdiction needs to weigh the costs and benefits of potential new/increased fee levels in the context of their goals, capital improvement needs, and economic and development dynamics.**

This Report considers development impact fees defined as one-time fees collected for the purposes of funding infrastructure and capital facilities.³ Because of the broad variation in land use and development projects in Western Riverside County, prototype development projects for single-family, multifamily, retail, Class A/B office and large industrial developments were all developed to support comparisons of fees in different jurisdictions.

A summary of key findings is provided below, followed by a description of the organization of this Report.

¹ See Report entitled “Analysis of Development Impact Fees in Western Riverside County”, December 2016.

² See Technical Memorandum entitled “Overview of Changes in WRCOG Jurisdiction Fees: 2016 to 2018”, March 2019.

³ As used in this report and discussed further below, the phrase “development impact fee” includes all fees adopted pursuant to the Mitigation Fee Act and other monetary exactions due at the time of development.

Summary of Findings

FINDING #1: New development in Western Riverside County pays a wide range of one-time infrastructure/capital facilities associated fees with a number of different public agencies.

New development in Western Riverside County is required to pay development impact fees to help fund:

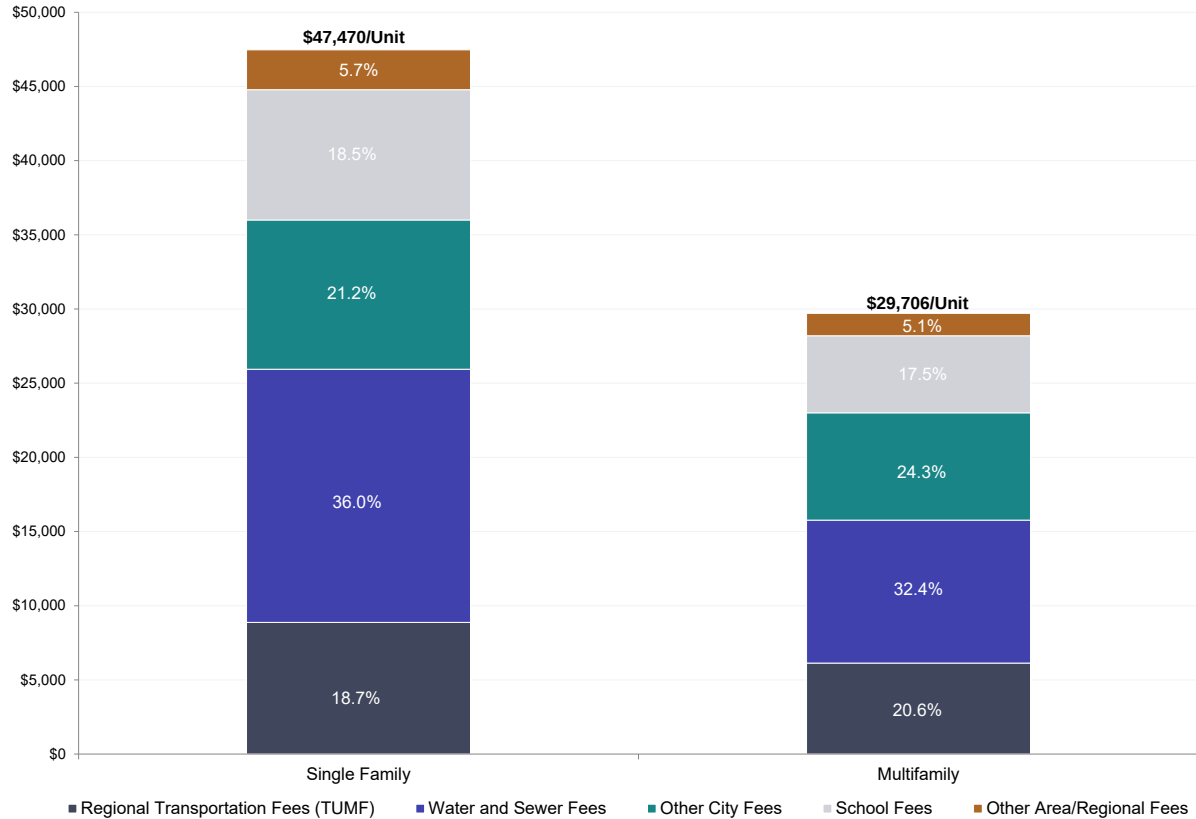
- Water and Sewer Facilities
- School Facilities
- Regional Transportation Infrastructure
- Additional Local Infrastructure/Capital Facilities (local transportation, parks and recreation, public facility, community/civic facilities, and storm drain infrastructure).
- Subregional/Area Fees (habitat mitigation fees, Road and Bridge Benefit Assessment Districts, and other area-specific infrastructure/capital facilities fees).

These fees are set/administered by a combination of water districts, school districts, individual cities, the County, the Western Riverside Council of Governments, the Western Riverside County Resource Conservation Authority, and other special districts.

FINDING #2: TUMF represents a modest proportion of total residential development impact fees in Western Riverside County and a more variable proportion of nonresidential development impact fees.

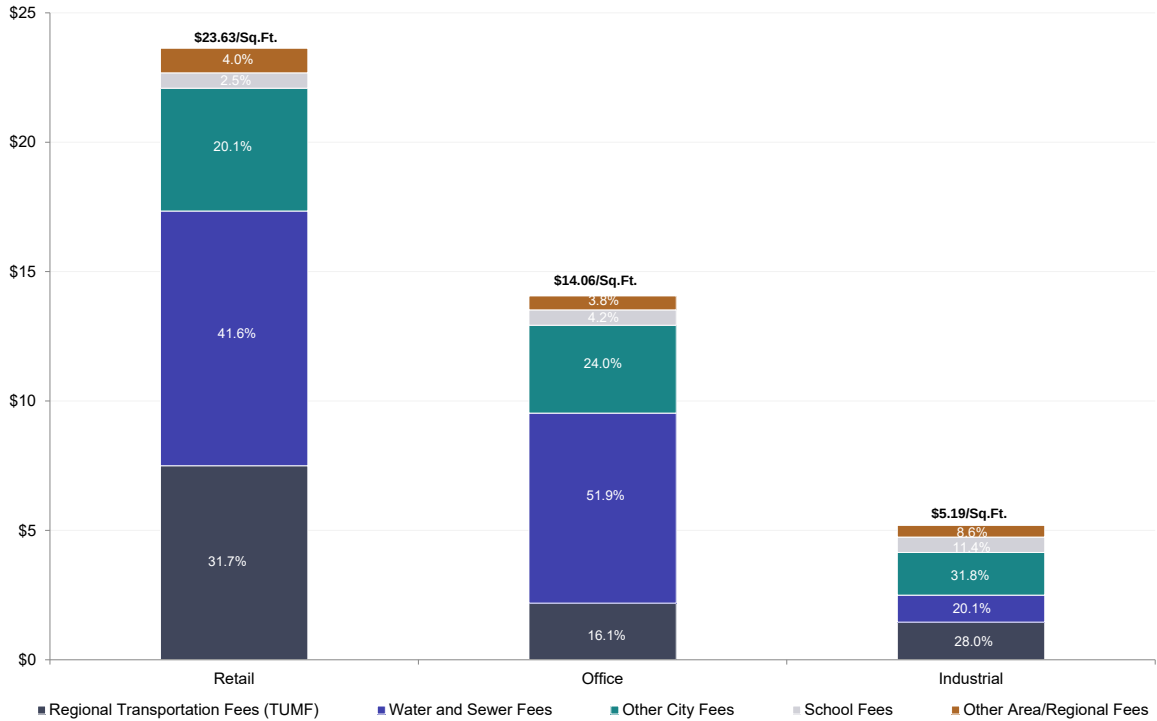
- **On average, TUMF on residential development represents about 20 percent of total development impact fees for both single-family and multifamily development.**
Water and sewer fees together represent the greatest proportion of residential development impact fees (36.0 percent/32.4 percent), followed by similar proportions from other City fees (21.2 percent/24.3 percent), TUMF (18.7 percent/20.6 percent), and school fees (18.5 percent/17.5 percent). A smaller proportion is associated with other subregional/area fees (5.7 percent/5.1 percent).

Average WRCOG Residential Development Impact Fees by Fee Category



- Average TUMF fees as a proportion of total fees show more variation for nonresidential land uses, ranging from 31.7 percent for retail development to 15.6 percent for Class A/B office development.** Retail development impact fees are dominated by water and sewer fees (41.6 percent) with an additional one-third (31.7 percent) associated with the TUMF. The substantial reduction in the TUMF fee on retail development reduced the TUMF proportion from 43.5 percent to the current 31.6 percent. Office development impact fees are also dominated by water and sewer fees (52.2 percent), with TUMF (15.6 percent) representing a lower proportion of total fees relative to all other land uses. Large industrial developments that do not have intensive water needs have a large proportion of water and sewer fees (20.1 percent). While lower in absolute terms, industrial development impact fees are dominated on a proportionate basis by other City fees (31.8 percent) and TUMF (28.0 percent).

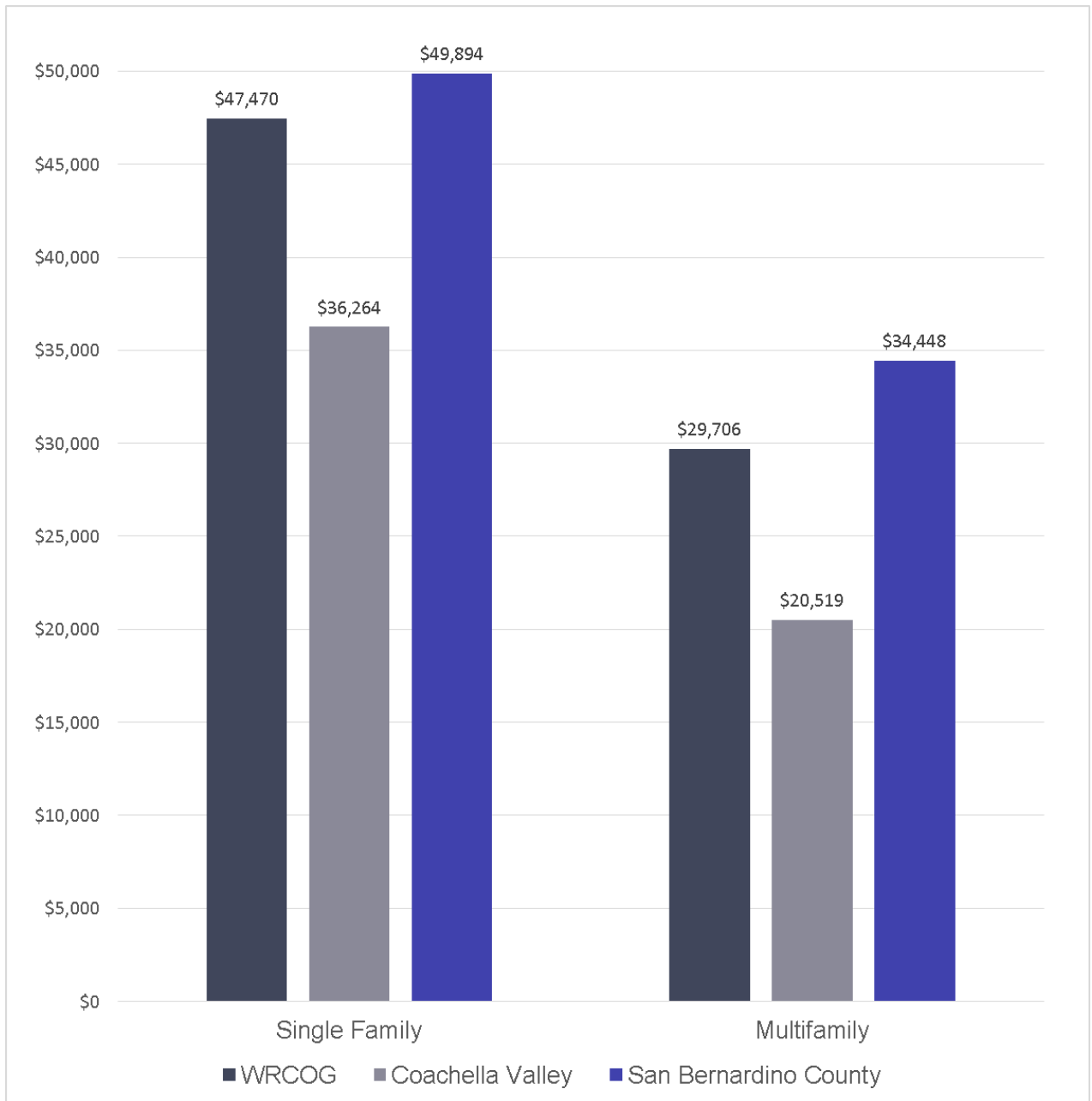
Average WRCOG Nonresidential Development Impact Fees



FINDING #3: Average development impact fees in WRCOG member jurisdictions are within the Inland Empire range.

- Average residential development impact fees for WRCOG jurisdictions are lower than the average of selected San Bernardino County cities and higher than the average of selected Coachella Valley cities.** When compared with the average of selected San Bernardino County cities (Fontana, Yucaipa, San Bernardino, Ontario, Chino, and Rialto), the WRCOG average is modestly lower for both single-family and multifamily development. The average for selected Coachella Valley cities (Indio, Palm Desert, and Palm Springs) is substantially lower for single-family and multifamily development.

Average Residential Development Impact Fees in Neighboring Jurisdictions

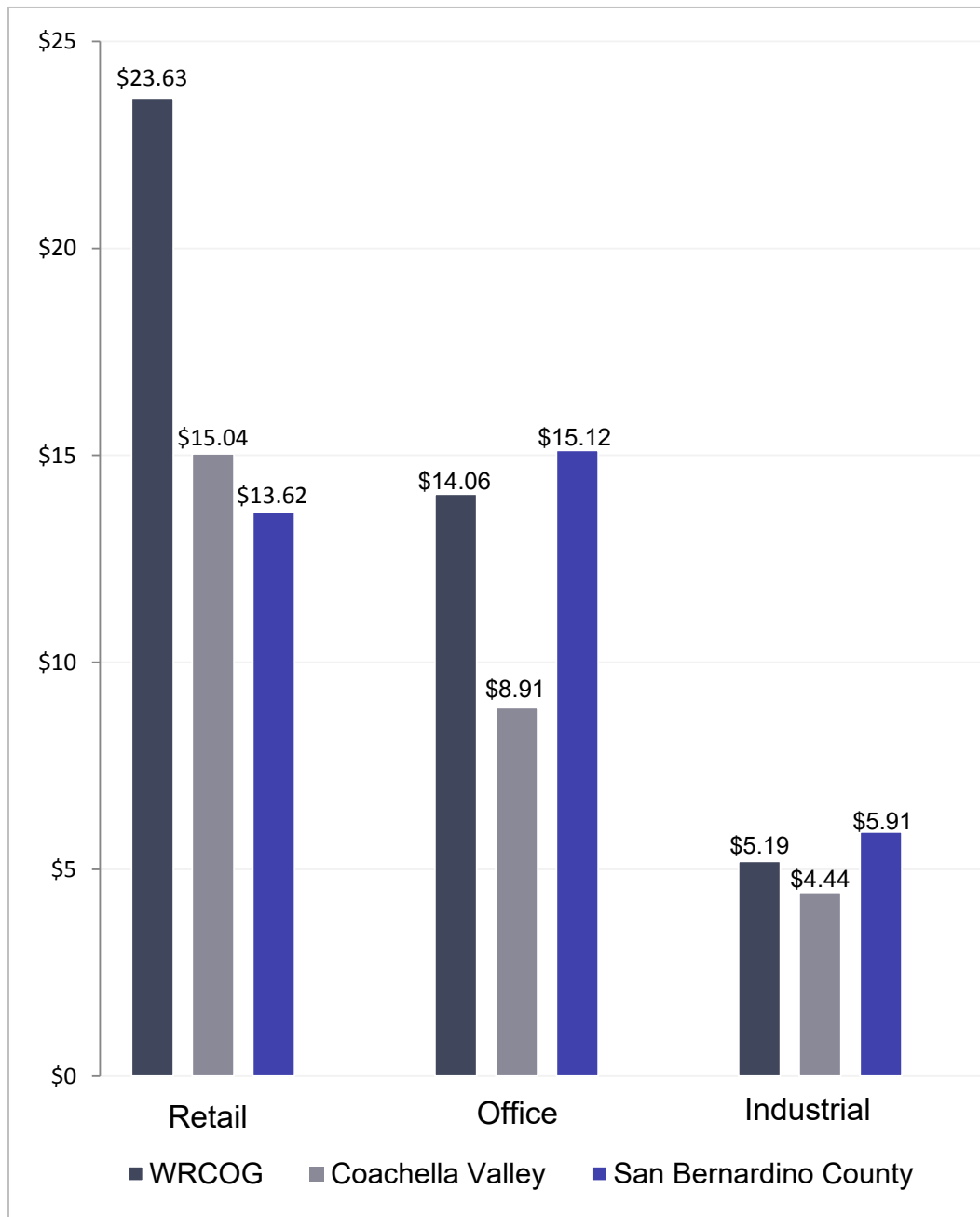


- **Average retail development impact fees are substantially higher than the relatively similar average fee levels for San Bernardino County and Coachella Valley.** At \$23.63 per square foot of retail space, the WRCOG average total fee is substantially higher than the equivalent fees in the other areas of study that ranged from \$13.62 to \$15.47 per

square foot. This remains true despite the reduction in the TUMF fee on retail development.⁴ For office development, the WRCOG average is slightly below the average of the San Bernardino County cities evaluated, but substantially higher than the average for the Coachella Valley cities evaluated. The WRCOG average for industrial development is somewhat lower than the San Bernardino County average of \$5.91 per square foot and somewhat higher than the average for Coachella Valley cities of \$4.44 per square foot.

⁴ Refinements in the calculation methodology of water/ sewer fees based on input from some jurisdictions resulted in an increase in estimated water/ sewer fees that partially balanced out the reduction associated with the TUMF retail fee.

Average Nonresidential Development Impact Fees in Neighboring Jurisdictions



FINDING #4: Average development impact fees among WRCOG member jurisdictions represent between 3.8 percent and 8.9 percent of total development costs/returns, with TUMF as a lower fraction of these proportions.

- **Total development impact fees represent between 3.8 percent and 8.9 percent of total development costs/returns for the prototype feasible projects.** Total development impact fees represent 8.5 percent and 8.9 percent of total development costs/returns respectively for the prototype single-family and multifamily developments evaluated. As is common, nonresidential development impact fees are lower as a percent of

total development cost/return at 3.8 percent for industrial development and 4.3 percent for office development. For retail development, the fee level percentage is 6.9 percent, is between the proportions for residential uses and other nonresidential uses.

- **TUMF represents between 0.7 percent and 2.2 percent of total development costs/returns for the prototype feasible projects. While changes in the TUMF can add or subtract from total development costs, it would take a substantial change to increase/decrease overall development costs/returns by more than 1 percent.**
TUMF represents between 16.1 percent and 31.7 percent of total development impact fees with the highest ratios for retail and industrial development and lowest for office development. As a proportion of overall development costs, TUMF represents 1.6 percent and 1.8 percent for single-family and multifamily respectively. For nonresidential uses, TUMF represents 0.7 percent of total development costs for office development, 1.1 percent for industrial development, and 2.2 percent for retail development. Average total development impact fees as a proportion of estimated overall development costs have fallen for all land uses since 2016. Similarly, the TUMF proportion of total development costs has decreased for land uses with the largest change in retail, where the TUMF has fallen from 3.5 percent to 2.2 percent of overall development costs since 2016.

Development Impact Fees as % of Total Developments Costs/Returns

Development Impact Fees	Single Family	Multifamily	Industrial	Retail	Office
TUMF	1.6%	1.8%	1.1%	2.2%	0.7%
Other Development Impact Fees	<u>6.9%</u>	<u>7.0%</u>	<u>2.7%</u>	<u>4.7%</u>	<u>3.6%</u>
Total Development Fees	8.5%	8.9%	3.8%	6.9%	4.3%

Organization of Report

After this initial chapter, this Report is divided into three other chapters and several appendices. **Chapter 2** describes the definitions, methodology, and results of the fee review and comparison for WRCOG and non-WRCOG jurisdictions. **Chapter 3** describes the overall development cost estimates for land uses/development prototypes evaluated and considers total development impact fees and the TUMF relative to all development costs. Finally, **Chapter 4** provides a brief conclusion on the purposes and goals of this and other development impact fee comparison studies.

The appendices provide a substantial amount of additional supporting detail and information, including:

- **APPENDIX A** provides detailed information on the Development Prototypes.
- **APPENDIX B** provides fee comparison summaries and detailed fee estimation information for each WRCOG jurisdiction/area and each land use category.

2. *DEVELOPMENT IMPACT FEE REVIEW AND COMPARISONS*

This chapter describes the detailed development impact fee research conducted for WRCOG jurisdictions as well as for selected neighboring jurisdictions in Coachella Valley and San Bernardino County. The purpose of this research is to explore the typical composition of development impact fees in WRCOG member jurisdictions, to understand the scale of TUMF relative to other development impact fees, and to consider the development impact fees among WRCOG member jurisdictions relative to neighboring jurisdictions.

While every effort was made to provide an accurate comparison through the use of defined development prototypes and the latest jurisdictional fee schedules, the frequent adjustments to fee programs and the complex, project-specific calculations required for some fees mean that the numbers presented are planning-level approximations. All the development impact fee estimates shown are based on available fee schedules at the time the research was conducted (July 2018) and as applied to the particular land uses/development prototypes developed. The actual fees due from any particular project will depend on the specifications of the individual project and the fee schedule at the pertinent time.

The first section below provides some key definitions. The subsequent section provides a detailed description of the fee research methodology. The final section provides findings concerning development impacts fees in WRCOG member jurisdictions and the other jurisdictions studied. In general, the definitions and approach in this Update Study are consistent with those in the Original Study to maintain consistency. In some situations, as noted below, refinements were necessary; for example, some water districts provided new information on the water meter assumptions to be used in fee calculations.

Study Definitions

Development impact fees have become an increasingly used mechanism among California jurisdictions to require new development to fund the demands it places on local and regional infrastructure and capital facilities. This Report defines development impact fees as one-time fees collected for the purposes of funding infrastructure and capital facilities.⁵ This includes fees for the funding of a broad range of capital improvements, including water, sewer, storm drain, transportation, parks and recreation, public safety, and numerous other types of civic/community facilities. The majority of these fees are adopted under or consistent with the Mitigation Fee Act, though the analysis also includes other one-time capital facilities fees, such as parkland in-lieu fees under the Quimby Act and one-time charges through Community Facilities Districts or Benefit Assessment Districts among others.

There are a number of smaller permitting, planning, and processing fees that are charged on new development, but that do not fund capital facilities/infrastructure. Due to the large number of more modest charges typically associated with such fees and their relative modesty compared

⁵ As used in this report and discussed further below, the phrase “development impact fee” includes all fees adopted pursuant to the Mitigation Fee Act and other monetary exactions due at the time of development. The term “fee,” as used in this report, means “development impact fee.”

to development impact fees (most studies find them to be in the 5 to 15 percent range of development impact fees, between 1 and 2 percent of total development costs), these smaller fees were not tracked as part of this study.

Methodology

In order to provide a fee comparison that was as close as possible to an “apples-to-apples” comparison, WRCOG staff and the Consulting Team identified the following parameters to guide the study:

- Jurisdictions to be studied.
- Land uses to be evaluated and associated development prototypes.
- Selection of service providers where there are multiple service providers in same jurisdiction.
- Organization of development impact fee data.

This section describes these study parameters as well as the process of review with the jurisdictions/relevant service providers.

Selection of Jurisdictions

Jurisdictions selected for this analysis include all eighteen (18) WRCOG member cities. WRCOG staff and the Consulting Team also identified three additional member areas to study, including the March JPA and two unincorporated areas in the County. The selected unincorporated areas included Temescal Valley and Winchester, two areas where substantial growth is occurring and/or planned. The only difference from the Original 2016 Study was the inclusion of the City of Beaumont as a WRCOG member city.

For the comparison of WRCOG jurisdictions to neighboring/peer areas, the jurisdictions selected included: (1) selected Coachella Valley communities in eastern Riverside County, and (2) selected San Bernardino County communities. These jurisdictions were selected by WRCOG staff and the Consulting Team and refined based on feedback from the WRCOG Planning Directors’ Committee and WRCOG Public Works Committee in 2016. The San Bernardino County communities selected were those likely to compete for development with neighboring WRCOG jurisdictions. All these jurisdictions remain the same as in the 2016 Study.

Figure 1 shows the cities/communities evaluated, including the twenty-one (21) WRCOG cities/communities and the nine (9) non-WRCOG comparison communities.

Figure 1 Jurisdictions included in Fee Study

WRCOG Jurisdictions		Coachella Valley	San Bernardino County
Banning	Murrieta	Indio	Fontana
Canyon Lake	Norco	Palm Desert	Yucaipa
Beaumont	Perris	Palm Springs	San Bernardino
Calimesa	Riverside		Ontario
Corona	San Jacinto		Chino
Eastvale	Temecula		Rialto
Hemet	Wildomar		
Jurupa Valley	Temescal Valley		
Lake Elsinore	Winchester		
Menifee	March JPA		
Moreno Valley			

Land Uses and Development Prototypes

Land Uses

The TUMF is levied on a variety of residential and Nonresidential land uses with variations for certain product types built into the fee program. TUMF includes fees on the following land uses:

- **Single-Family Residential Development** – Per unit basis.
- **Multifamily Residential Development** – Per unit basis.
- **Retail Development** – Per gross building square foot basis.
- **Industrial Development** – Per gross building square foot basis. The industrial fee includes a base fee on square footage up to 200,000 square feet and then, where the building meets the definition of a “high cube” building, an effective discount of 73 percent in the base fee for all additional development above 200,000 square feet.⁶ “High Cube” is defined as warehouses/distribution centers with a minimum gross floor area of 200,000 square feet, a minimum ceiling height of 24 feet and a minimum dock-high door loading ratio of 1 door per 10,000 square feet.
- **Service (including Office) Development** – Per gross building square foot basis. There is a per-building square foot fee for Service Development. Office development is a sub-category within Service Development. Class A and B office development is charged a discounted TUMF fee relative to other land uses in the service category.

For the purposes of this study, five (5) land use types were selected, including the single-family residential, multifamily residential, and retail development categories in addition to a large “high-cube” industrial building, and a Class A/B office building. The large industrial building land use

⁶ The square footage above 200,000 square feet is multiplied by 0.27 and then the base fee is applied resulting in an effective increment fee of about \$0.47 per square foot.

was selected based on industrial development trends in Western Riverside County, while the Class A/B office building was selected due to its reduced fee level.

Development Prototype Selection

Within each of the five (5) general land use types selected, it is necessary to select specific development prototypes. Because development impact fees vary based on a number of development characteristics, the definition of development prototype improves the extent to which the fee comparison will be “apples-to-apples”.

In order to identify appropriate development prototypes for the five land uses, in 2016, the Consulting Team reviewed data on the general characteristics of new single-family, multifamily, office, retail, and industrial development among Western Riverside County communities in recent years.

Information on multifamily, retail, office, and industrial developments developed between 2010 and 2016 were reviewed as was information on single-family developments between 2014 and 2016. A smaller time period was used for single-family developments as there were substantially more single-family developments. The characteristics of the median development for each of the land use types was identified and used as the selected development prototype. For single-family development, the median home and lot size characteristics were identified, while for multifamily residential, office, retail, and industrial buildings the average building sizes were identified.

Based on this analysis, the following development prototypes were developed for each of the selected land uses and reviewed, in 2016, with the WRCOG Planning Directors’ Committee, Public Works Committee, and Technical Advisory Committee (images represent examples of projects that matched the development prototypes). The same prototypes are used in this Study Update.

Single-Family Residential Development

50-unit residential subdivision; 2,700 square foot homes and 7,200 square foot lots



Example Prototype Single-Family Home, City of Riverside

Multifamily Residential Development

200-unit market-rate, 260,000 gross square foot apartment building



Example Prototype Multi-Family Development, City of Temecula

Retail Development

10,000-gross square foot retail building



Example Prototype Retail Development, City of Hemet

Office Development

20,000-gross square foot, Class A or Class B office building



Industrial Development

265,000 gross square foot “high cube” industrial building⁷



In addition to development scale, there are a number of other development characteristics that can affect development impact fees. For example, many water facilities fees are tied to the number and size of meters associated with a new development. Other fees are tied to the gross site area or other characteristics that will vary for each development. The Consulting Team developed a set of additional development prototypes assumptions to use in the fee estimates (see **Appendix A**). These assumptions were based on a review of the equivalent assumptions

⁷ “High Cube” is defined as warehouses/distribution Centers with a minimum gross floor area of 200,000 square feet, a minimum ceiling height of 24 feet and a minimum dock-high door loading ratio of 1 door per 10,000 square feet.

used in other regional fee studies (e.g., in the San Joaquin Valley and the Sacramento Valley) and were refined based on feedback, when provided, from Western Riverside County service providers. In some cases, the formula for fee calculation required even more assumptions. In these cases, service providers typically conducted their own fee estimates and provided the results to WRCOG Staff/the Consulting Team. The assumptions used in this Update Study were maintained the same as in the Original Study except where individual jurisdictions recommended changes. Changes primarily occurred where Water Districts/ Cities provided updated information on their typical water meter assumptions.

Service Provider/Subarea Selection

In some cities, there were multiple service providers providing the same type of facilities in different parts of the city. For example, some cities were served by two or more distinct School Districts, while many cities were served by two or more Water Districts. For the purposes of the fee comparison one set of service providers was assumed based on the following approach:

- Suggestions from the City.
- Commonality of service provider between multiple cities; for example, Eastern Municipal Water District serves many cities.
- Scale/nature of service areas was also considered; for example, in some cases the majority of a City was served by one service provider and/or the majority of the growth areas were served by a particular service provider.
- In some cases, there was one service provider – e.g., the City – with different fees by City subarea (e.g., storm drain). In these cases, an effort was made to select the area expected to see the most growth based on discussions with City and WRCOG staff.
- In other cases, area-specific one-time fees/assessments/special taxes were in place to cover the costs of capital facilities in a new growth area. Where substantial in scale, these areas and the associated area fees were used in the fee comparison.

Organization of Fee Information/Categories

The primary focus of the fee research is to develop estimates of existing development impact fees charged on new development in the selected jurisdictions. While there is some conformance in fee categories (e.g., School District fees), there is also variation in the naming and facilities included in water and sewer facilities fees and substantial variation in the capital facilities fees that different cities charge. The fee review sought to obtain all the development impact fees charged from all the jurisdictions studied and then compiled them into normalized set of categories to allow for comparisons. The key fee categories are as follows:

- **Regional Transportation Fees.** This category includes the respective TUMFs in Western Riverside County and Coachella Valley. It also included regional transportation impact fees in other subregions/jurisdictions where they were clearly called out. The lines between regional transportation fees and local transportation fees are harder to discern in San Bernardino County where cities are required to contribute towards regional transportation funding, but do not necessarily separate out those fees from the other, local transportation fees.

- **Water/Sewer Connection and Capacity Fees.** All jurisdictions charged some form of water and sewer development impact fee and these were combined together into one aggregate water/sewer category. In several cases, the County, city, or water district provided their own calculations due to the complexity of the fee calculation. In some cases, Water District/ City staff adjusted the prior underlying water meter assumptions to better match their current practice. In these cases, the water fees changed in part due to the updated methodology.
- **City/County Capital Facilities Fees.** Beyond any water/sewer fees that in some cases might be charged by individual jurisdictions (cities/County), these jurisdictions frequently adopt a large number of additional citywide fees. Such fees often include local transportation fees, parks and recreation facilities fees, Quimby Act requirements in-lieu parkland fees, storm drain fees, public safety facilities fees, other civic/community facilities fees, and, on occasion, affordable housing fees. This category captures all of these local development impact fees.
- **School Development Impact Fees.** School facilities fees are governed by State law and therefor show more similarity between jurisdictions than most fees. Under State law, School Districts can charge specified Level 1 development impact fees. If School Districts go through the process of identifying and estimating required capital improvement costs, higher Level 2 fees can be charged to fund up to 50 percent of the School District's capital improvement costs. At present, about nine of the fifteen School Districts studied (that serve WRCOG member jurisdictions) appear to charge Level 2 fees.
- **Other Area/Regional Fees.** A final category was developed to capture other fees not included in the above categories, typically other sub-regional fees as well as area-specific fees. For example, this category includes the Western Riverside County MSHCP mitigation fee, relevant Road and Bridge Benefit Districts (RBBD) fees, as well as other one-time CFD charges/impact fees for infrastructure/capital facilities applied in particular growth areas.

Data Compilation and Review Process

For WRCOG member jurisdictions, the following data collection and review process was followed:

- Identify set of service providers and development impact fees charged in jurisdiction.
- Obtain development impact fee schedules from City, County, and other service provider online sources.
- Review available mitigation fee nexus studies, Ordinances, and Resolutions.
- Where sufficient data was not available, contact City, County, or other service provider to obtain appropriate fee schedules.
- Develop initial estimates of development impact fees for each jurisdiction for each development prototype.
- Share PowerPoint document noting development prototypes specifications and initial fee estimates with each jurisdiction and selected other service providers (e.g., Eastern Municipal Water District).

- Receive feedback, corrections, and refinements (and in some cases actual fee calculations).
- Refine fee estimates based on feedback.
- Share revised fee estimates with jurisdictions.

For other non-WRCOG jurisdictions, fee information was obtained either on-line or by contacting cities directly. Fee information was then compiled in a similar structure to the WRCOG jurisdictions.

Findings from WRCOG Member Jurisdiction Fee Review

General findings from fee research concerning WRCOG member jurisdictions are summarized below and in **Figures 2 to 4**. **Appendix B** provides more detailed comparison charts for the WRCOG jurisdictions studied.

On average, WRCOG TUMF residential fees represent about 20 percent of total development impact fees for both single-family and multifamily development. Single-family TUMF and multifamily TUMF both represent about 20 percent of the respective average total development impact fees of about \$47,470 per unit and \$29,706 per unit. Due to the variation in overall development impact fees – from \$33,993 per unit to \$60,763 per unit for single-family development and from \$19,267 per unit to \$47,196 per unit for multifamily development – and the fixed nature of the TUMF across jurisdictions, TUMF as a percent of total development impact fees ranges from 14.6 percent to 26.1 percent for single-family development and 13.0 percent to 31.8 percent for multifamily development (see **Figures 2 to 4**).

Figure 2 TUMF as a Proportion of Total Fees

Item	Average	Range	
		Low	High
Single Family			
Total Fees per Unit	\$47,470	\$33,993	\$60,763
TUMF as a % of Total Fees	18.7%	26.1%	14.6%
Multifamily			
Total Fees per Unit	\$29,706	\$19,267	\$47,196
TUMF as a % of Total Fees	20.6%	31.8%	13.0%
Retail			
Total Fees per Sq.Ft.	\$23.63	\$13.48	\$41.21
TUMF as a % of Total Fees	31.7%	55.6%	18.2%
Industrial			
Total Fees per Sq.Ft.	\$5.19	\$2.76	\$9.64
TUMF as a % of Total Fees	28.0%	52.6%	15.1%
Office			
Total Fees per Sq.Ft.	\$14.06	\$6.62	\$22.28
TUMF as a % of Total Fees	15.6%	33.1%	9.8%

* Average and ranges as shown encompass 21 jurisdictions, including 18 cities and the unincorporated areas of Temescal Valley, Winchester, and March JPA.

On average, WRCOG Nonresidential TUMF show more variation in level and in proportion of overall development impact fees (between 10 percent and 56 percent) than for the residential fee categories. Average retail development impact fees are about \$24 per square foot and TUMF represents 32 percent of the average total fees on new retail development. Due to the variation in the total development impact fees on retail development among jurisdictions from \$13.48 to \$41.21 per square foot, the TUMF as a percent of the total fees ranges from 18.2 percent to 55.6 percent. Average industrial development impact fees are substantially lower at \$5.19 per square foot with a range from \$2.76 per square foot to \$9.64 per square foot. TUMF represents about 28 percent of the average total industrial fees, with a range from 15.1 percent to 52.6 percent. Total development impact fees on office development fall in between the retail and industrial fees at an average of \$14.06 per square foot and a range from \$6.62 to \$22.28 per square foot. The TUMF fee represents a relatively low 15.6 percent of average overall fees on office development with a range from 9.8 percent to 33.1 percent (see **Figure 2** to **Figure 4**).

Water and sewer fees together represent the greatest proportion of residential development impact fees followed by similar proportions from other City fees, TUMF, and school fees. Single-family and multifamily development both show that about 34 percent of their development impact fees are associated with water and sewer fees, about 21 percent

with other City capital facilities fees, about 20 percent with regional transportation fees, about 18 percent with school facilities fees, and the remaining 5 percent associated with other regional fees or area-specific fees (see **Figure 3** and **Figure 4**).

Nonresidential development impact fees show more variation in terms of the distribution between fee categories. Retail development impact fees are dominated by water and sewer fees (41.6 percent) with an additional one-third associated with the regional transportation fee. While the overall fees are lower, industrial development impact fees are more dominated on a proportionate basis by other City fees (31.8 percent) and TUMF (28.0 percent), for non-intensive water using industrial buildings. Office development impact fees show a different pattern with substantial water and sewer fees at 52.2 percent followed by other city fees at 24.1 percent then regional transportation fees at 15.6 percent (see **Figure 3** and **Figure 4**).

Unincorporated jurisdictions have slightly lower total fees as compared to the average for all WRCOG study jurisdictions. For residential uses, total fees for the unincorporated study areas were approximately 80 percent of the WRCOG average total fee amount for residential uses. For nonresidential uses, total fees for unincorporated study areas were between 60 and 75 percent of the WRCOG average for nonresidential uses. Most of this difference can be attributed to the lack of substantial local fees for all land use types. See **Figure 5** for further detail.

Figure 3 Average Development Impact Fee Costs by Category in WRCOG Jurisdictions

Fee	Single Family (per Unit)	Multifamily (per Unit)	Industrial (per Sq.Ft.)	Retail (per Sq.Ft.)	Office (per Sq.Ft.)
Regional Transportation Fees (TUMF)	\$8,873	\$6,134	\$1.45	\$7.50	\$2.19
Water and Sewer Fees	\$17,070	\$9,636	\$1.04	\$9.84	\$7.34
Other City Fees	\$10,055	\$7,231	\$1.65	\$4.75	\$3.39
School Fees	\$8,785	\$5,191	\$0.59	\$0.59	\$0.59
Other Area/Regional Fees	<u>\$2,686</u>	<u>\$1,512</u>	<u>\$0.45</u>	<u>\$0.95</u>	<u>\$0.54</u>
Total Fees	\$47,470	\$29,706	\$5.19	\$23.63	\$14.06

Figure 4 Average Development Impact Fee Costs in WRCOG Jurisdictions

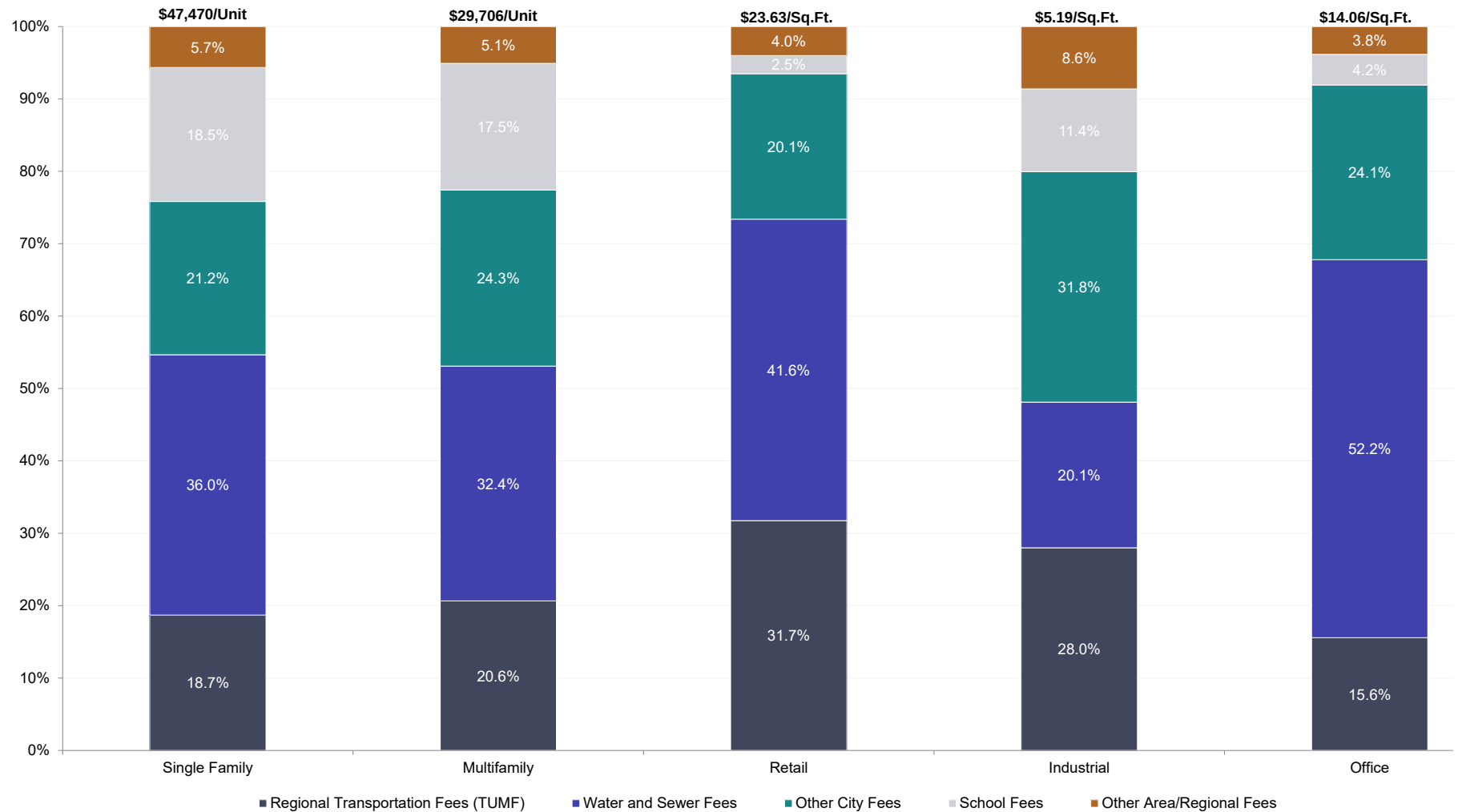


Figure 5 Unincorporated Jurisdictions/March JPA and Total Jurisdictions Comparison

Item	Single Family	Multifamily	Retail	Industrial	Office
Unincorporated Jurisdictions and March JPA	\$37,326	\$23,653	\$17.61	\$3.16	\$10.54
Total Jurisdictions	\$47,470	\$29,706	\$23.63	\$5.19	\$14.06
Unincorporated Jurisdictions and March JPA / Total Jurisdictions	79%	80%	75%	61%	75%

Findings from Fee Comparison with Non-WRCOG Jurisdictions

Figures 6 through 10 compare the average overall WRCOG development impact fees (and their proportionate distributions between the five major fee categories) with other cities/group of cities for all five land uses/development prototypes studied. The comparative cities/subregions include selected jurisdictions in the Coachella Valley and San Bernardino County.

Average development impact fees for WRCOG jurisdictions are modestly lower than the average of selected San Bernardino County cities, with the exception of retail development impact fees. When compared with the average of selected San Bernardino County cities (Fontana, Yucaipa, San Bernardino, Ontario, Chino, and Rialto), the WRCOG average is modestly lower for residential land uses, roughly equivalent for industrial and office land uses, with retail development the exception, where it is substantially higher. New development in San Bernardino County cities is required to make payments towards regional transportation infrastructure, though the distinction between the regional and local transportation fees is often unclear. Overall, the combination of regional transportation fees, other City fees, and area/other regional fees is higher in San Bernardino County than in Riverside County for single-Family and multifamily development.

The average development impact fees for selected Coachella Valley cities is below that of the WRCOG average for all land uses. The average for selected Coachella Valley cities (Indio, Palm Desert, and Palm Springs) is substantially lower for single-family, multifamily, office, and retail development, and modestly lower industrial development. For residential development, there are substantial differences in regional transportation fees, water and sewer fees, and other City fees. Regional transportation fees are set at an equal rate for both office and retail in Coachella Valley resulting in higher regional transportation fees for office development in Coachella Valley but lower fees for retail development.

Figure 6 Average Single-Family Development Impact Fee Costs and Proportions in Neighboring Jurisdictions

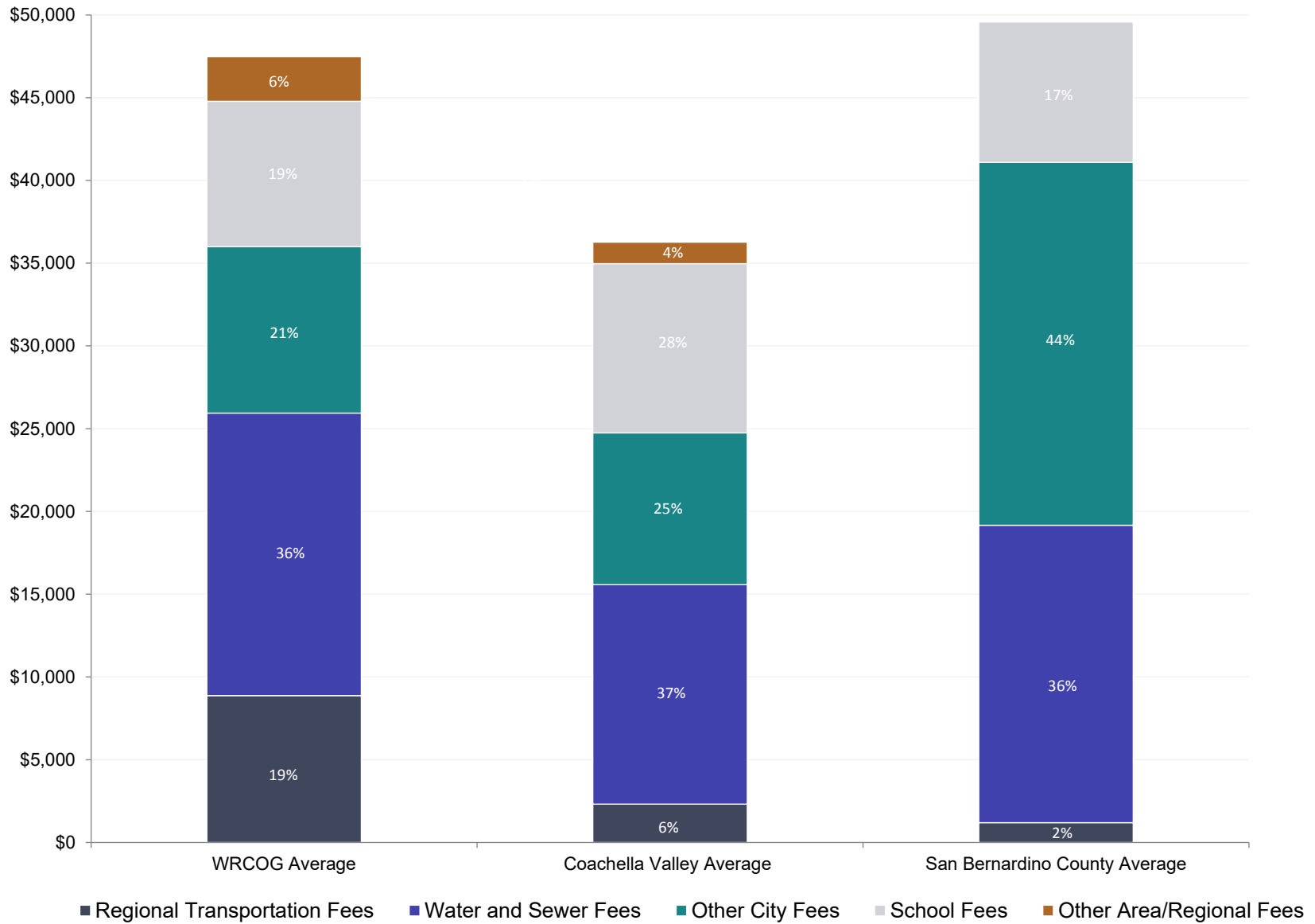


Figure 7 Average Multifamily Development Impact Fee Costs and Proportions in Neighboring Jurisdictions

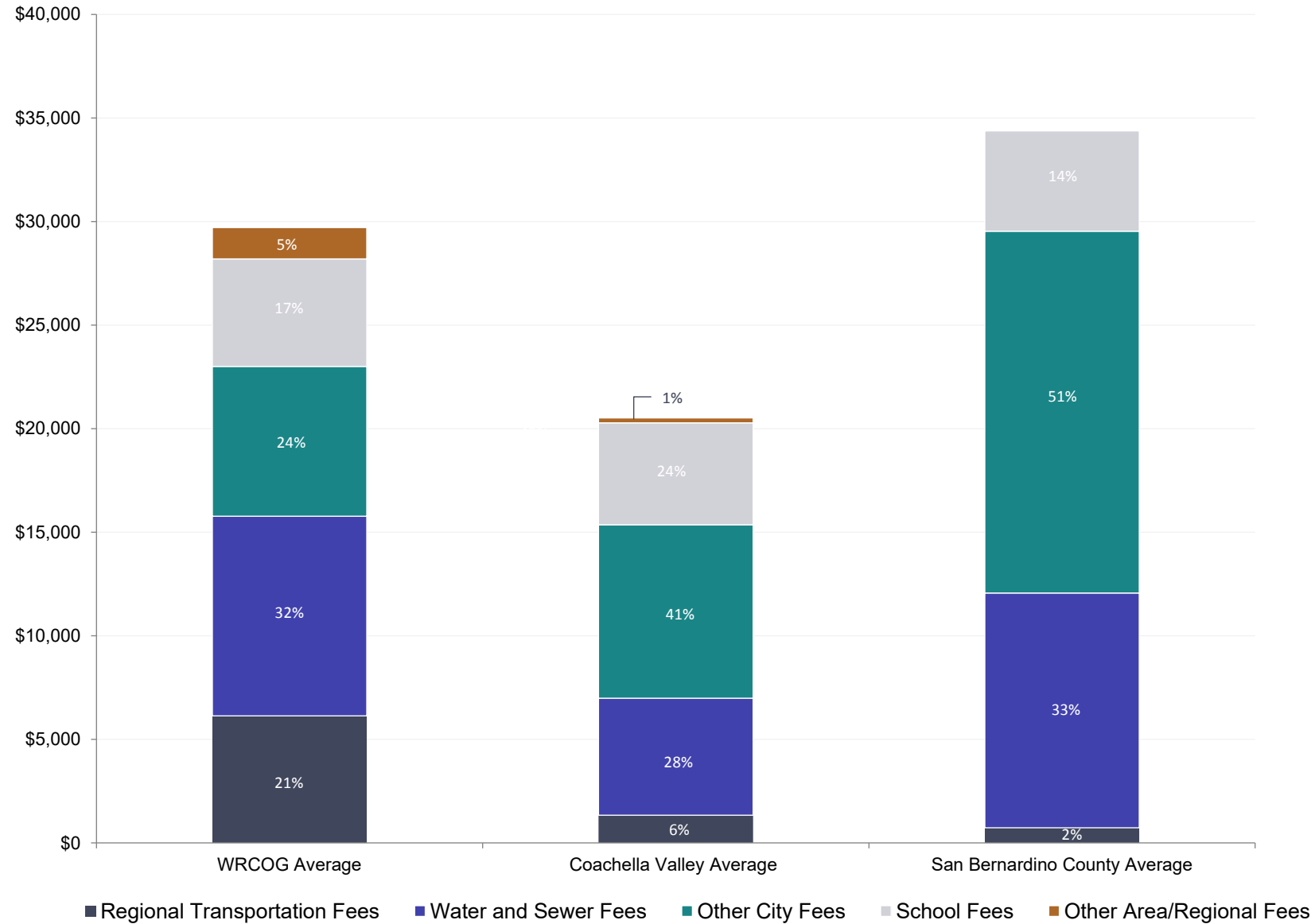


Figure 8 Average Retail Development Impact Fee Costs and Proportions in Neighboring Jurisdictions

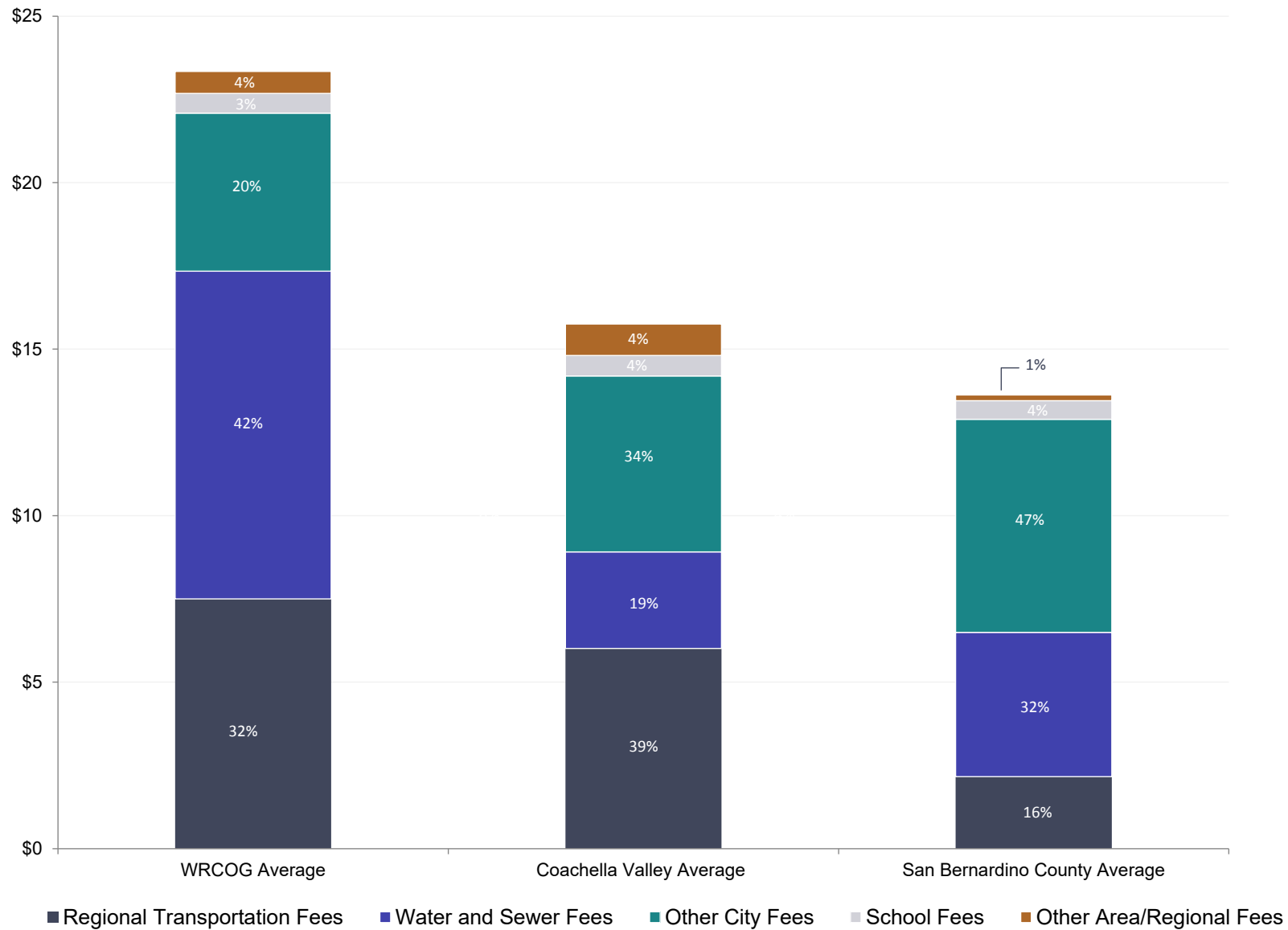


Figure 9 Average Industrial Development Impact Fee Costs and Proportions in Neighboring Jurisdictions

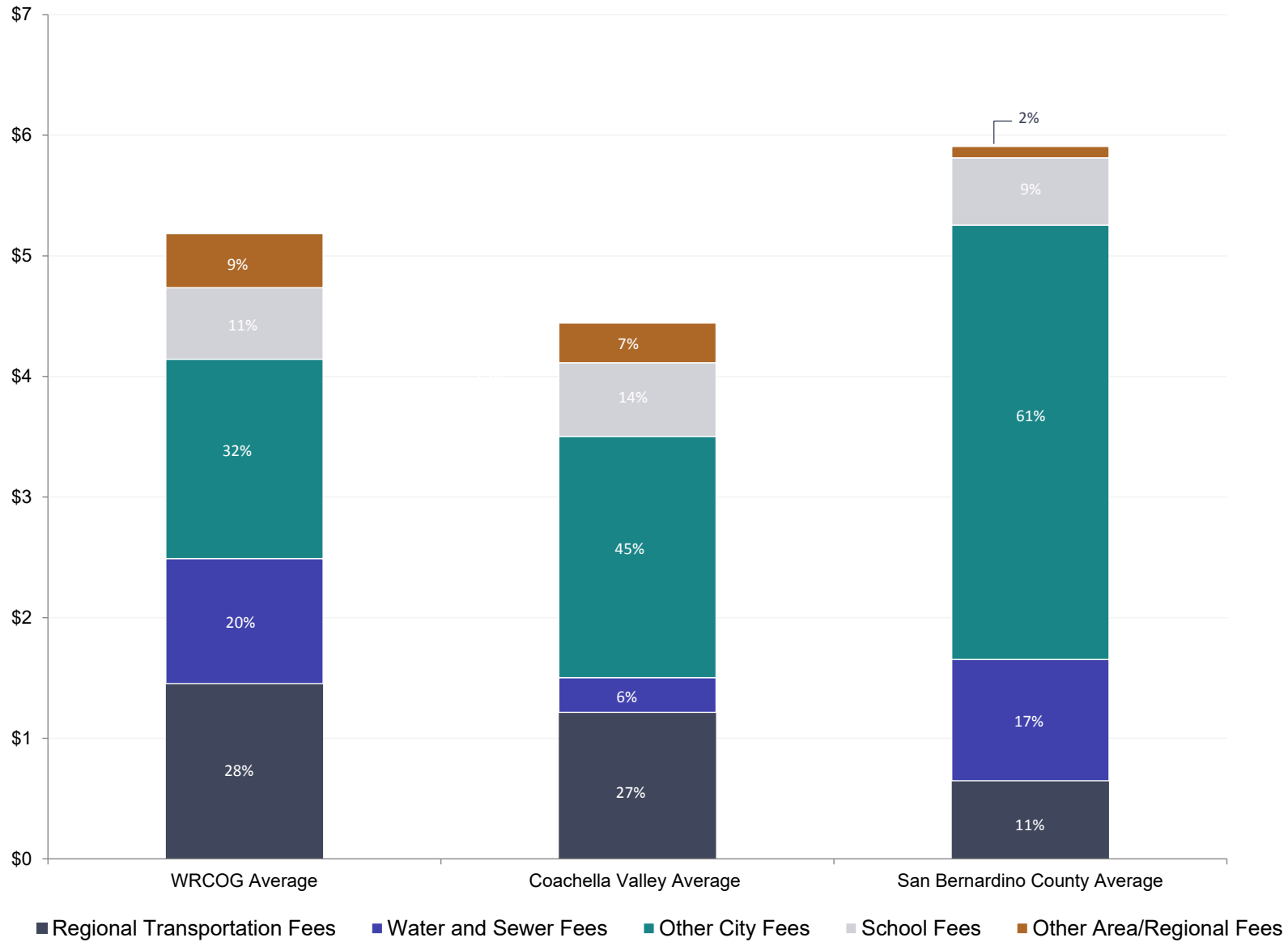
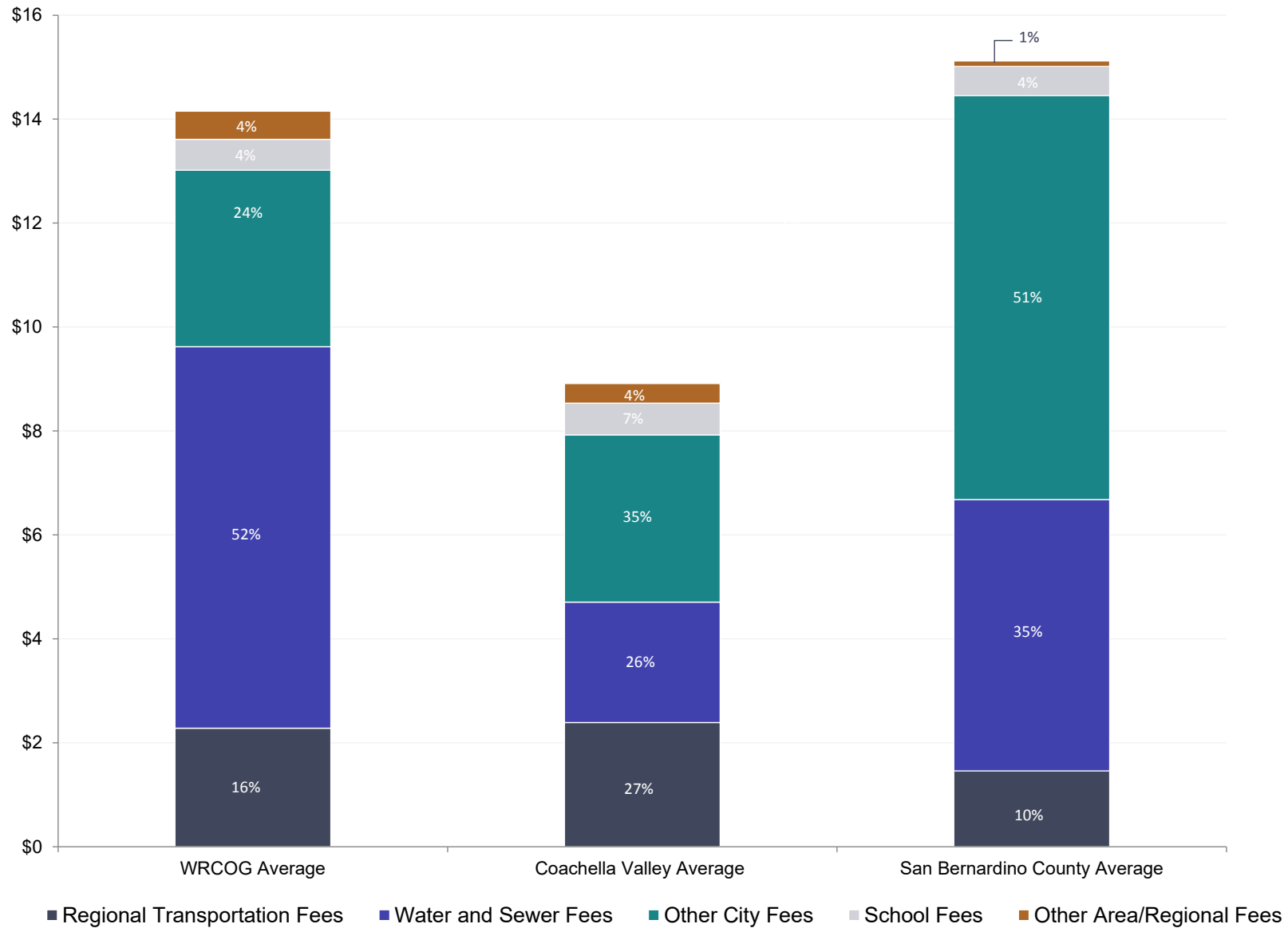


Figure 10 Average Office Development Impact Fee Costs and Proportions in Neighboring Jurisdictions



3. *DEVELOPMENT IMPACT FEES AND DEVELOPMENT COSTS*

This chapter evaluates development impact fees, including the TUMF, in Western Riverside County in the context of overall development costs. The first section below provides an overview of the complex factors that influence decisions to develop, one of which is development cost. The subsequent section describes the methodology used to estimate development costs for different land use types. The next section provides conclusions concerning the level of development impact fees and TUMF in the context of overall costs.

It is critical to note that this analysis uses generalized development prototypes and development cost and return estimates to draw overall conclusions about development impact fees relative to development costs. This analysis does not represent a project-specific analysis as the development program, development costs, and returns associated with any individual project can vary widely. No conclusions concerning the feasibility of any specific project should be drawn from this analysis.

Economics of Development

Key Factors in New Development

The drivers of growth and development are complex and multifaceted. Broader global, national, and regional economic conditions are key drivers. As witnessed by the recent Great Recession, there are no regional and local policy options available to fully counterbalance a strong economic downturn. Under more moderate or strong market conditions, the regional demand for housing and workspaces translate into the potential for cities and subregions to capture new residential and economic/workforce development.

Developers (whether looking to do speculative development or to provide build-to-suit developments for larger users) will review a number of conditions before determining whether to move forward with site acquisition/optioning and pre-development activities. Factors will include: (1) the availability of appropriate sites, (2) the availability of/proximity to/quality of infrastructure/facilities (e.g., proximity to transportation corridors, schools, and other amenities), (3) local market strength (achievable sales prices/lease rates) in the context of competitive supply, (4) expected development costs (including land acquisition costs, construction materials and labor costs, the availability and costs of financing, and development impact fees, among others), and, (5) where sites are unentitled, the entitlement risk.

For some subregions, cities, and/or areas, market conditions for particular uses may be too weak to have a realistic chance of attracting certain types of development. For example, to the extent the market-supported lease rates for new office development in a particular area of a City do not support Class A office development construction costs, the attraction of this type of space will not be realistic in the short term. Similarly, some users, like major retailers, will only be interested in sites along major transportation corridors. In other cases, there may be a nominal or potential demand, but the willingness of home-buyers/businesses to pay may still not be sufficient to cover the development costs. This willingness to pay will be constrained by competitive supply and prices, whether the price points/lease rates among existing homes/workspaces in the same community or by the price points/lease rates offered in

neighboring communities with different characteristics (proximity to jobs centers, local infrastructure/amenities, school district quality, among other factors).

In other cases, the strength of market demand for new residential and Nonresidential development will spur more detailed review and evaluation of sites by developers. Even in cases where market factors look strong, there is a complex balance between development revenues, development costs, land costs, and required developer returns that must be achieved to catalyze new development. Modest fluctuations in development revenues (i.e., market prices), development costs (materials, labor costs, etc.), and landowner expectations (perceived value of land) can all affect development decisions as can assessments of entitlement risk and complexity, where entitlements are still required. And many of these factors, such as the price of steel, the complexities of CEQA, the market for labor, and landowner's land value preferences, to name a few, are outside of the control of developers and local public agencies.

Methodology

Every development project is different and will have different development costs. For the purposes of this analysis, EPS considered the same set of land use prototypes as for the fee review and comparison and developed an illustrative estimate of the full set of development costs. The steps taken in developing the development cost estimates are described in the subsections below.

Land Uses Evaluated

The development cost evaluation considered the following land uses/development prototypes, consistent with those used in **Chapter 2**:

- Residential Single-family Development – Single-family Units in a 50-unit subdivision
- Residential Multifamily Development – Multifamily Units in a 200-unit apartment building.
- Industrial Development – Industrial Space in a 265,000 square foot “high cube” development.
- Office Development – Office Space in a 20,000 square foot office building.
- Retail Development- Retail Space in a 10,000 square foot retail building.

Development Cost Estimates

An illustrative static pro forma structure was developed. The pro forma incorporated different categories of development costs (see below). It also considered potential land values/acquisition costs based on a residual land value approach that considered potential development values, subtracted direct and indirect development costs and developer return requirements, and indicated a potential residual land value. The development values were refined based on available market data ranges and the need to generate a land value of an appropriate level to support land acquisition and new development. Available information on land transactions was also reviewed. As noted above, this analysis is designed to provide overall insights on general economic relationships and does not draw conclusions concerning the feasibility of individual projects.

It is also important to note that the pro formas developed were specifically configured to represent a potentially feasible set of relationships, in terms of revenues, costs, and returns. This allows for consideration of development impact fees in the context of illustrative projects that would make sense to undertake. To the extent, development costs/ returns are higher than those indicated – a reality which could certainly be true for many projects – development values would need to be higher or feasibility is not likely to be attained. To the extent, this is true, development impact fees as a proportion of development costs/ returns would be lower than those shown.

In 2016, the key development cost categories were estimated for all land uses as described below. In this Update, major cost categories were revised, including direct construction costs, land costs, and development impact fees.

- **Direct Construction Costs** – Site Work/Improvements and Vertical Construction Costs. Estimates were taken from RS Means (a construction cost data provider) estimates, available pro formas, and feedback from developers where provided.
- **Indirect Costs** – Architecture and Engineering Costs, Sales and Marketing, Financing, Development Impact Fee, and other soft costs. Estimates were taken from RS Means, the WRCOG Fee Comparison, available pro formas, and feedback from developers where provided.
- **Developer Return Requirements** – Developer return requirements were set to be equal to 10 percent of development value for all land uses. This represented between 10 and 20 percent of direct and indirect construction costs consistent with typical developer hurdle returns.
- **Land Costs** – Land costs were based on the estimated residual land values when costs and returns were subtracted from estimates of development value and/or information on actual land transactions. Development values in all cases were adjusted to ensure land values reached between 25 and 35 percent of development value, unless other information was available to justify a different percentage. This was used as a general metric of potential feasibility; i.e., if the residual land value fell below this level, developers would have a hard time finding willing sellers of land and so the project as a whole may not be feasible.⁸

It is also important to note that the following additional assumptions were used in this analysis:

- **Development Impact Fees.** The development cost estimates include the average development impact fees for WRCOG jurisdictions identified in **Chapter 2**. In reality, the fees, like other development costs factors, vary by jurisdiction.
- **Land Values.** Land values will vary by area and by development prospects as well as by the level of entitlement and improvement of the land. The land value estimates provided represent illustrative estimates for the purposes of this analysis.

⁸ A similar evaluation was not conducted for retail development as the location decisions of major retailers are typically more tied to location/site characteristics than to modest variations in development costs.

- **Direct Construction Costs.** The direct construction costs shown, whether provided by developers or through RS Means, assume non-union construction costs per square foot. The actual construction cost per square foot would be higher if union-labor is required. Depending on the specific union roles required, direct construction would be expected to increase by 10 percent or more.

Results

As context for the description of the results of this analysis, it is worth repeating that there will be considerable variation throughout Western Riverside County in terms of different development cost components and overall development costs. On an average/illustrative basis, overall development costs included in this analysis may be conservative as they do not include union labor costs and may be conservative with regard to entitlement costs. Given that the focus of this analysis is on the relationship between development impact fees and total development costs, an underestimate in total development costs would mean that the proportionate significance of development impact fees has been overestimated.

It is again important to note that the analysis shown here is not an evaluation of development feasibility. Such an analysis would require a more-location specific analysis and is highly dependent on site characteristics, local market conditions, and site land values, among other factors.

Figure 11 summarizes the estimated development costs/returns on a per residential unit and per Nonresidential building square foot basis. **Figure 12** converts the cost estimates into percent allocations out of the total development/return. It should be noted that the total cost/return (equivalent to the 100 percent) equals the sum of direct and indirect costs, estimated land costs, and required development return. This total cost/return is equivalent to the sales prices/capitalized building value a developer would need to command to cover all costs/return requirements. To the extent, actual costs are higher (e.g., higher land costs or construction costs), the achievable sales prices/capitalized lease rates would also need to be higher.

Figure 11 Proportionate Development Costs/Return for Development Prototypes

Development Costs, Land Values, and Return	Single Family Per Unit	Multifamily Per Unit	Industrial Per Bldg Sq.Ft.	Retail Per Bldg Sq.Ft.	Office Per Bldg Sq.Ft.
<u>DIRECT</u>					
Basic Site Work/ Lot Improvements	\$31,652	\$9,766	\$12.13	\$26.38	\$15.07
Direct Construction Cost	<u>\$227,898</u>	<u>\$196,540</u>	<u>\$37.98</u>	<u>\$138.75</u>	<u>\$148.31</u>
Hard Cost Total	\$259,550	\$206,307	\$50.12	\$165.13	\$163.38
<u>INDIRECT</u>					
TUMF	\$8,873	\$6,134	\$1.45	\$7.50	\$2.19
Other Development Impact Fees	\$38,597	\$23,572	\$3.74	\$16.13	\$11.87
Other Soft Costs	<u>\$56,893</u>	<u>\$47,674</u>	<u>\$20.05</u>	<u>\$31.26</u>	<u>\$33.02</u>
Soft Cost Total	\$104,363	\$77,380	\$25.24	\$54.89	\$47.08
Total Direct and Indirect Costs	\$363,913	\$283,686	\$75.35	\$220.01	\$210.46
Developer Return Requirement	\$56,160	\$33,492	\$13.68	\$34.02	\$32.52
Land Value	\$141,527	\$17,737	\$45.75	\$86.21	\$82.38
TOTAL COST/RETURN	\$561,600	\$334,915	\$136.19	\$340.25	\$325.36

* Assumes generally feasible market conditions (i.e. ability to generate developer return and positive land value).

Figure 12 Average Development Costs/Return for Development Prototypes

Development Impact Fees	Single Family	Multifamily	Industrial	Retail	Office
<u>DIRECT</u>					
Basic Site Work/ Lot Improvements	5.6%	2.9%	8.9%	7.8%	4.6%
Direct Construction Cost	<u>40.6%</u>	<u>58.7%</u>	<u>27.9%</u>	<u>40.8%</u>	<u>45.6%</u>
Hard Cost Total	46.2%	61.6%	36.8%	48.5%	50.2%
<u>INDIRECT</u>					
TUMF	1.6%	1.8%	1.1%	2.2%	0.7%
Other Development Impact Fees	6.9%	7.0%	2.7%	4.7%	3.6%
Other Soft Costs	<u>10.1%</u>	<u>14.2%</u>	<u>14.7%</u>	<u>9.2%</u>	<u>10.1%</u>
Soft Cost Total	18.6%	23.1%	18.5%	16.1%	14.5%
Total Direct and Indirect Costs	64.8%	84.7%	55.3%	64.7%	64.7%
Developer Return Requirement	10.0%	10.0%	10.0%	10.0%	10.0%
Land Value	25.2%	5.3%	33.6%	25.3%	25.3%
TOTAL COST/RETURN	100.0%	100.0%	100.0%	100.0%	100.0%

* Assumes generally feasible market conditions (i.e. ability to generate developer return and positive land value).

Key findings include:

- **Direct construction costs represent the largest proportion of total development costs/returns, typically followed by other land costs, other soft costs (collectively), developer returns, and development impact fees.** Unsurprisingly, direct construction costs are the largest cost, representing between 27.9 percent and 58.7 percent of total costs/returns for the prototypes evaluated. Land costs are likely to be most variable, depending on circumstance, range from 5.3 percent to 33.6 percent for the prototypes. Other soft costs collectively are the next highest component, though their individual components, such as sales and marketing, architecture and engineering, financing costs, are smaller. The expected hurdle developer return at 10 percent is the next highest factor. The range for total development impact fees is below all these other ranges, though when indirect costs are considered individually development impact fees represent the largest component.
- **Total development impact fees represent between 3.8 percent and 8.9 percent of total development costs/returns for the prototype feasible projects.** Total development impact fees represent 8.5 percent and 8.9 percent of total development costs/returns respectively for single-family and multifamily developments. As discussed in Chapter 2, these capital facilities fees included water and sewer fees, school district fees, other local jurisdiction fees, TUMF, and other agency/subarea fees. As is common, Nonresidential development impact fees are lower as a percent though show a significant range from 3.8 percent for industrial development, to 4.3 percent for office development, and 6.9 percent for retail development.
- **TUMF represent between 0.7 percent and 2.2 percent of total development costs/returns for the prototype feasible projects.** TUMF represent between 16.1 percent and 31.7 percent of total development impact fees, on average, as indicated in the Fee Comparison with the highest ratios for retail and industrial development and lowest for office development. As a proportion of overall development costs, TUMF represent 1.6 percent and 1.8 percent of total residential development costs for single-family and multifamily respectively. For nonresidential uses there is greater variation with TUMF representing 0.7 percent of total costs for office development, 1.1 percent of total costs for industrial development, and 2.2 percent of total costs for retail development.

4. CONCLUSIONS

The Western Riverside Council of Governments (WRCOG) commissioned the Original 2016 Study and this Study Update to provide increased regional understanding of development impact fees on new development in Western Riverside County. As noted in **Chapter 1**, the purpose of the Original and this Updated Report is to: (1) indicate the types and relative scale of the development impact fees placed on different land uses; and, (2) indicate the scale of fees relative to overall development costs. This Report is intended to provide helpful background information on development impacts fee in the region as they are introduced, updated, and debated. It is also intended to indicate the Transportation Uniform Mitigation Fee (TUMF) in the context of the broader development impact fee structure, overall development costs, and other regional dynamics.

At this point in time, it is common practice for new and updated Development Impact Fee Nexus Studies to be accompanied by some consideration of development impact fees in neighboring and peer communities and, less frequently, by consideration of development impact fees in the context of overall development costs and economics. This is true where individual jurisdictions are introducing/ updating a single development impact fee category (e.g. transportation or parks) as well as when jurisdictions undertake more comprehensive updates to a larger number of different fee categories.

Similarly, there have been a number of efforts to provide a regional/ subregional review of development impact fee practices and levels to inform regional conversations about the appropriate use and level of development impact fees. All of these regional studies require definitions of development impact fees included and land use and development prototypes utilized to ensure as close of an “apples-to-apples comparison” as possible. Examples of such studies include:

- **Residential Development Impact Fees in California Cities and Counties.** This August 2001 publication by the State of California Division of Housing was entitled: “Pay to Play: Residential Development Fees in California Cities and Counties, 1999” and was prepared by John Landis, Michael Larice, Deva Lawson, and Lan Deng at the Institute of Urban and Regional Development, University of California, Berkeley. This study considered 89 cities and counties spread throughout California.
- **Regional Development Fee Comparative Analysis for San Joaquin County.** This 2013 publication by San Joaquin Partnership represented a fourth publication prepared for the Partnership’s public and private sector investors. The regional development fee comparison compared a snapshot of development fees in 21 jurisdictions, including eight (8) in San Joaquin County and thirteen (13) in comparative/ neighboring California counties.
- **Ongoing Development Impact Fee Databases.** In addition to these regional efforts, there are a number of consulting companies that keep ongoing databases of development impact fees in regions, such as the Sacramento Valley, to inform their work for public and private sector clients. In these cases, development impact fee schedules are typically updated every year or two due to the dynamic nature of the development impact fees and the numerous different agencies that charge development fees.

In 2016, WRCOG recommended that this Report/ Study be updated periodically to ensure the regional understanding of development impact fees in Western Riverside County remains current in the context of: (1) frequent adjustments to fee levels by individual jurisdictions, (2) changing development cost and economic conditions, and, (3) less frequent, but highly significant changes in State law that affect the use and availability of other public financing tools. This development of this Update Study followed that recommendation and represents the first update to the Original Study, bringing the Original Study “up-to-date”.

- **APPENDIX A** provides detailed information on the Development Prototypes.
- **APPENDIX B** provides fee comparison summaries and detailed fee estimation information for each WRCOG jurisdiction/area and each land use category.

APPENDIX A: Development Prototypes



Single Family Prototype

- Reflects median home size for Western Riverside County home sales since 2014

Product Type:	Single Family Detached Unit	
Development Type:	Residential Subdivision	
No. of Acres:	10	Acres
No. of Units:	50	Units
Building Sq.Ft.	2,700	Sq.Ft.
No. of Bedrooms:	4	
No. of Bathrooms:	3	
Garage Space (Sq.Ft.):	500	Sq.Ft.
Habitable Space (Sq.Ft.):	2,200	Sq.Ft.
Lot Size:	7,200	Sq.Ft.
Density:	5	DU/AC
Lot Width:	60	Ft.
Lot Depth:	120	Ft.
Total Lot Dimensions (Sq.Ft.):	7,200	Sq.Ft.
Water Meter Size	One 1	Inch Meter



Example Prototype Home, City of Riverside

Multi-Family Prototype

- Reflects median building size for multi-family developments since 2010



Example Prototype Multi-Family Development, City of Temecula

Product Type:	Multi Family Apartment Unit
Development Type:	Multi Family Apartment Building
Number of Acres:	10 Acres
Apartment Building Square Feet:	260,000 Sq.Ft.
FAR:	0.60
Number of Stories:	3
Dwelling Units:	200
Density:	20.0 DU/AC
Average Unit Size:	1,100
Water Meter Sizes*:	Eight 2 inch Meters
Roof Area:	86,667 Sq.Ft.
Lot Width:	515.3 Ft.
Lot Depth:	717.2 Ft.

*Note: Assumption is for analytical simplicity. Different assumptions are used where recommended by individual jurisdictions.

Industrial Prototype

- Reflects median building size for industrial developments since 2010

Product Type:	Warehouse/ Distribution
Criteria:	Meets criteria for High-Cube
No. of Acres:	15.2 Acres
Rentable Square Feet:	265,000 Sq.Ft.
FAR:	0.4
Water Meter Sizes:	One 2 Inch Meter
Roof Area:	265,000 Sq.Ft.
Lot Width:	813.9 Ft.
Lot Depth:	813.9 Ft.



Example Prototype Industrial Development, City of Perris

Retail Prototype

- Reflects building size for retail developments since 2010



Example Prototype Retail Development, City of Hemet

Product Type:	Retail Building
No. of Acres:	1.15 Acres
Rentable Square Feet:	10,000 Sq.Ft.
FAR:	0.2
No. of Stories:	1
Water Meter Sizes:	One 2 Inch Meter
Roof Area:	10,000 Sq.Ft.
Lot Width:	223.6 Ft.
Lot Depth:	223.6 Ft.

Office Prototype

- Reflects median building size for office developments since 2010

Product Type:	Office Building
Number of Acres:	1.3 Acres
Rentable Square Feet:	20,000 Sq.Ft.
FAR:	0.35
No. of Stories:	2
Water Meter Sizes:	One 2 Inch Meter
Roof Area:	10,000 Sq.Ft.
Lot Width:	239.0 Ft.
Lot Depth:	239.0 Ft.



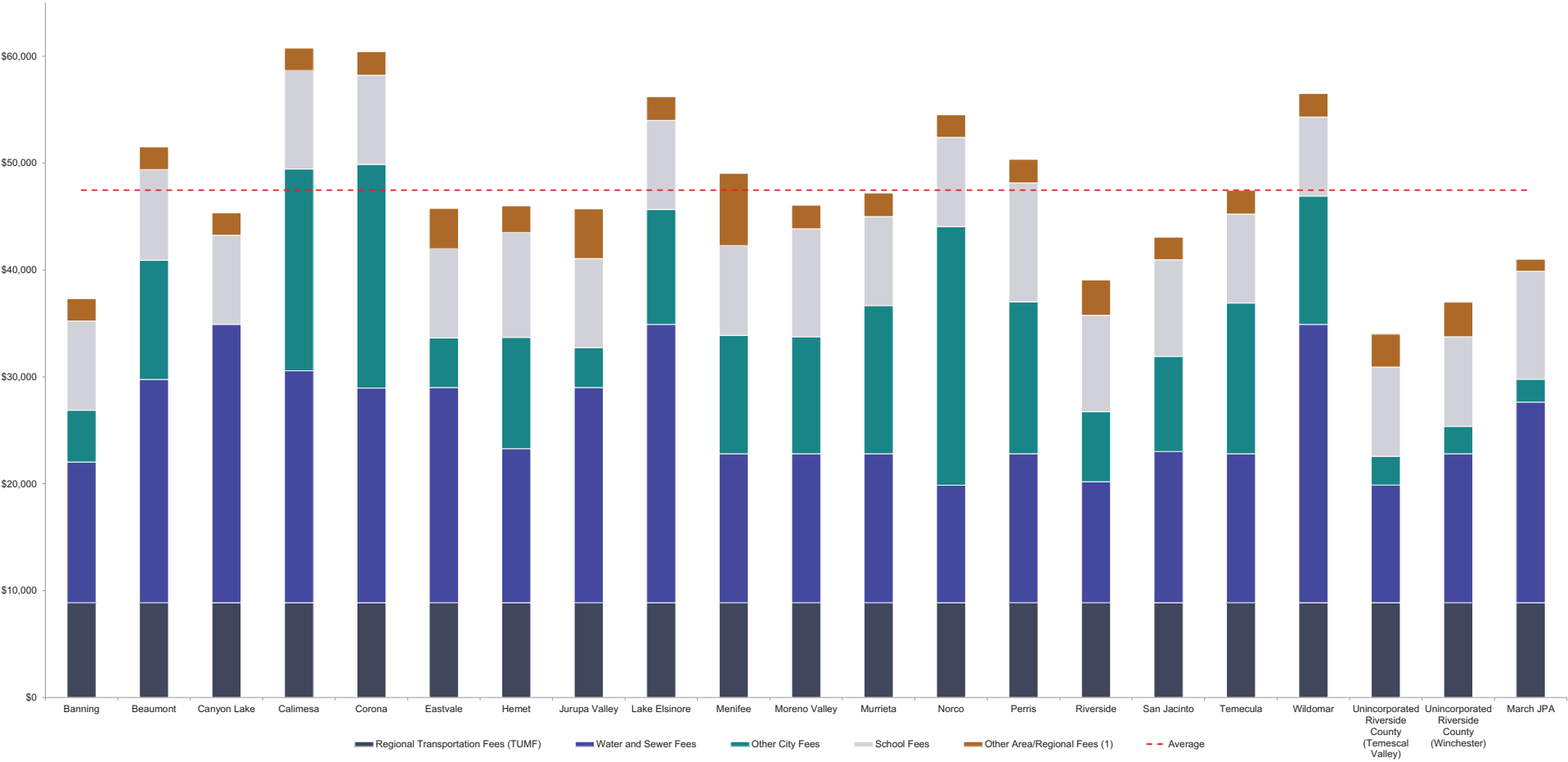
Example Prototype Office Development, City of Hemet

APPENDIX B:

Fee Comparison Summaries and Estimations for WRCOG Jurisdictions

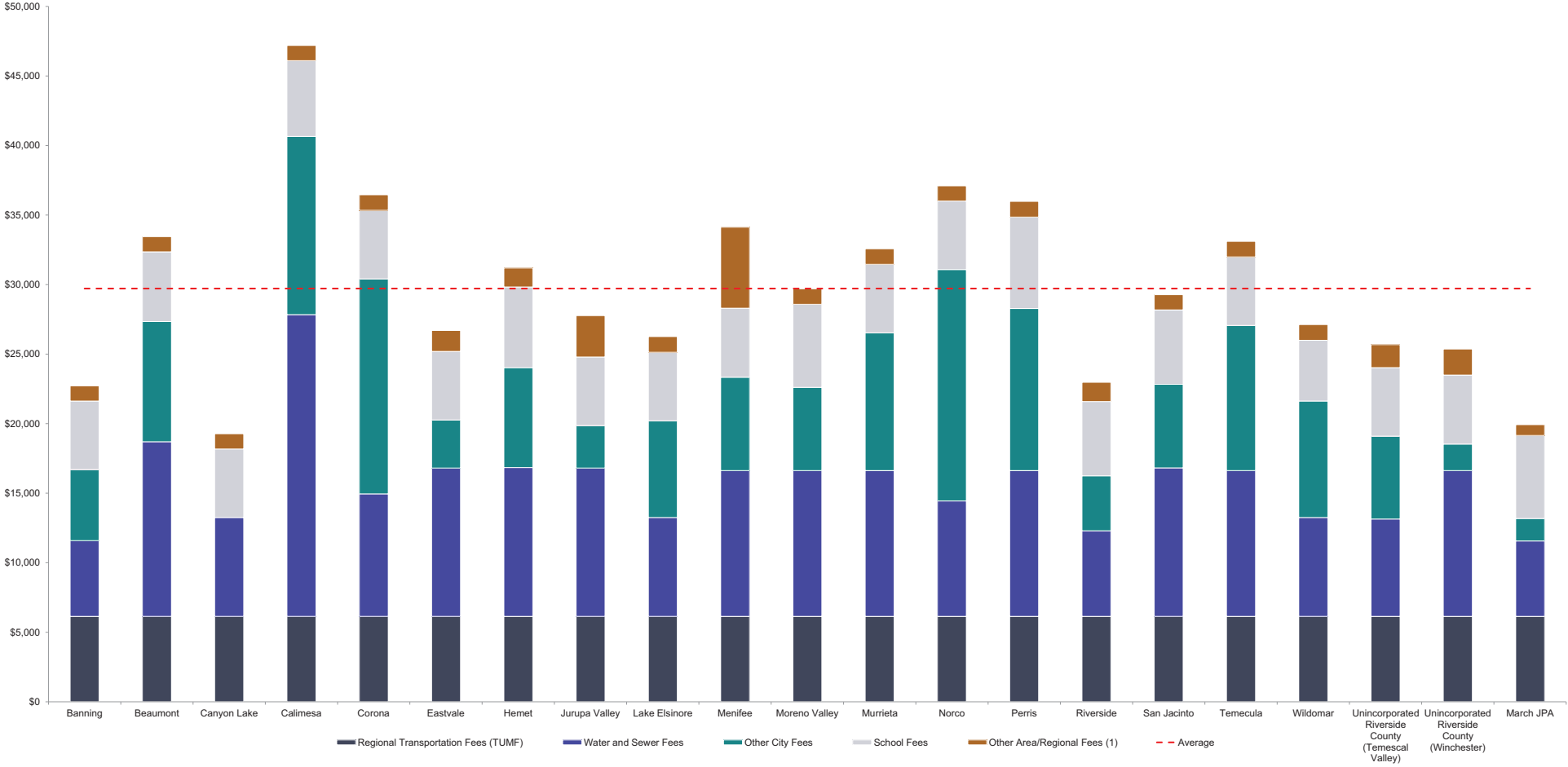


Single Family Detached Prototype
Capital Facilities / Infrastructure
Development Fees by Jurisdiction (Per Unit)



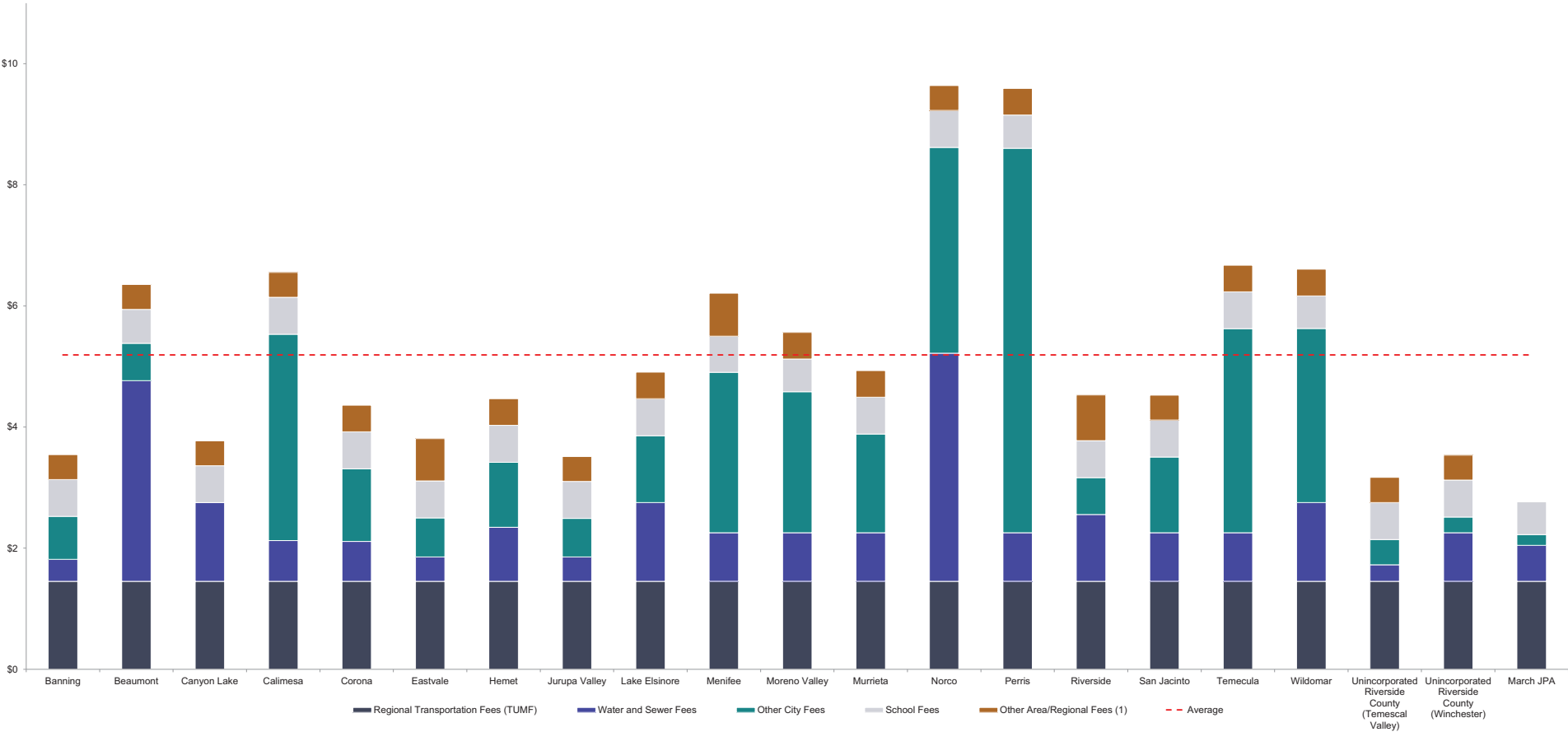
* Fee estimates for specified development prototypes as of July 2018. Actual fees will vary based on project specifics and any fee updates.
(1) "Other Area Fees/ Regional Fees" include, but are not limited to, regional parks, trails, multiservice center fees, area specific fees, and habitat mitigation fees.

Multifamily Prototype
Capital Facilities / Infrastructure
Development Fees by Jurisdiction (Per Unit)



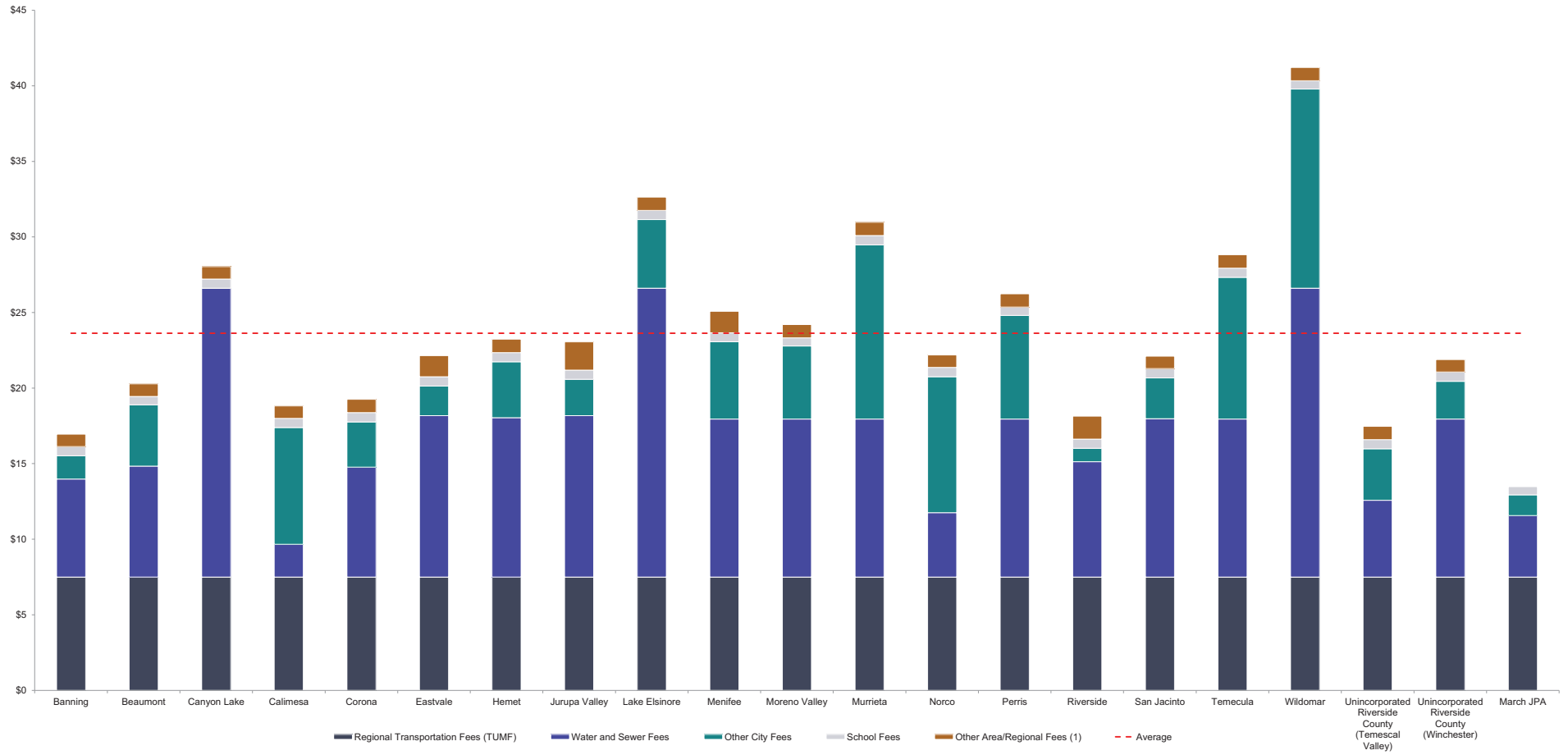
* Fee estimates for specified development prototypes as of July 2018. Actual fees will vary based on project specifics and any fee updates.
(1) *Other Area Fees/ Regional Fees* include, but are not limited to, regional parks, trails, multiservice center fees, area specific fees, and habitat mitigation fees.

Industrial Prototype
Capital Facilities / Infrastructure
Development Fees by Jurisdiction (Per Building Sq.Ft.)



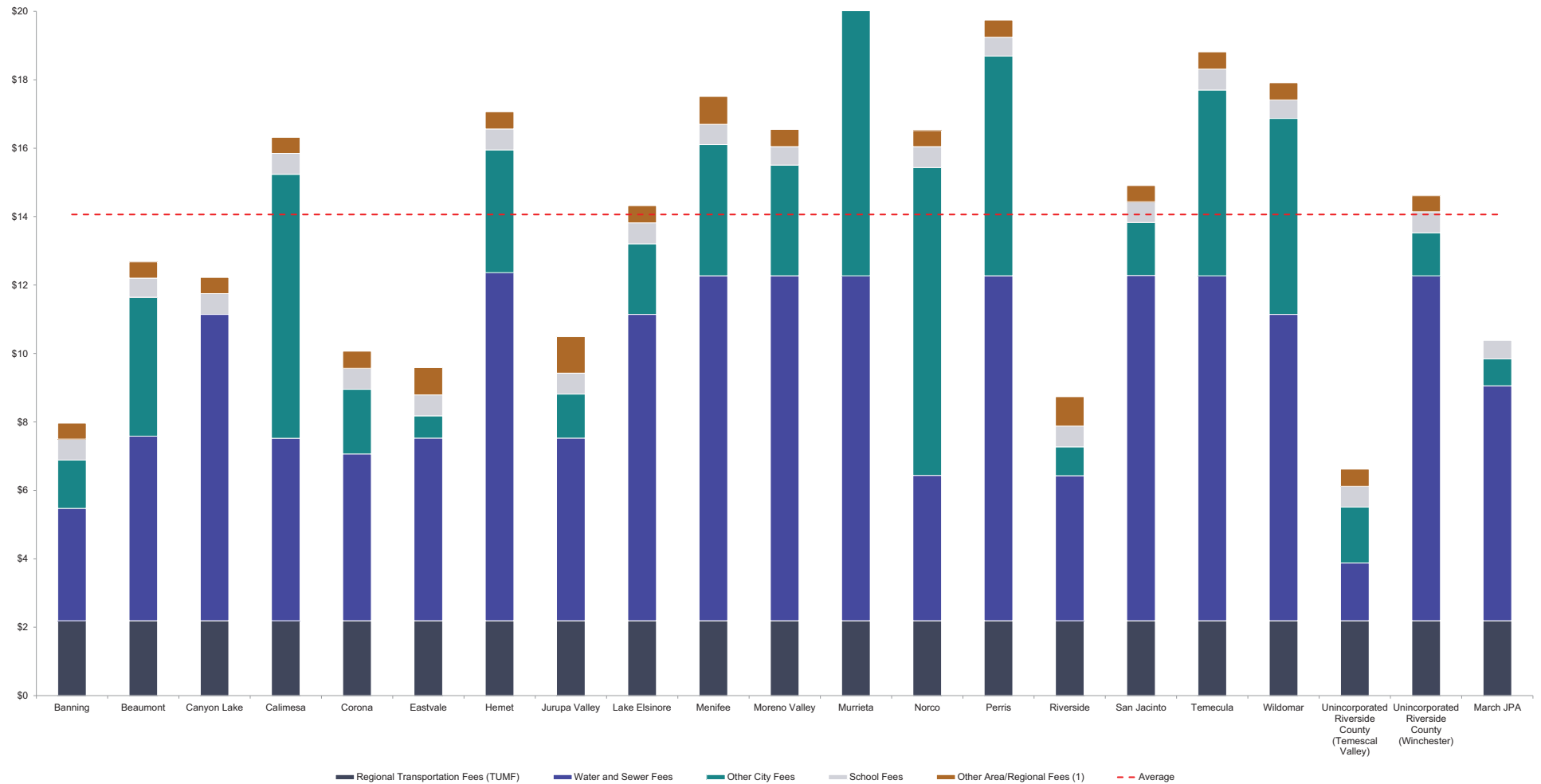
* Fee estimates for specified development prototypes as of July 2018. Actual fees will vary based on project specifics and any fee updates.
(1) "Other Area Fees/ Regional Fees" include, but are not limited to, regional parks, trails, multiservice center fees, area specific fees, and habitat mitigation fees.

**Retail Prototype
Capital Facilities / Infrastructure
Development Fees by Jurisdiction (Per Building Sq.Ft.)**



* Fee estimates for specified development prototypes as of July 2018. Actual fees will vary based on project specifics and any fee updates.
(1) "Other Area Fees/ Regional Fees" include, but are not limited to, regional parks, trails, multiservice center fees, area specific fees, and habitat mitigation fees.

Office Prototype
Capital Facilities / Infrastructure
Development Fees by Jurisdiction (Per Building Sq.Ft.)



* Fee estimates for specified development prototypes as of July 2018. Actual fees will vary based on project specifics and any fee updates.
(1) "Other Area Fees/ Regional Fees" include, but are not limited to, regional parks, trails, multiservice center fees, area specific fees, and habitat mitigation fees.

Page Intentionally Left Blank



Western Riverside Council of Governments

Technical Advisory Committee

Staff Report

Subject: RHNA Subregional Delegation

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

Date: April 18, 2019

The purpose of this item is to provide additional information on the option for WRCOG to assume subregional delegation for the Sixth Cycle Regional Housing Needs Assessment (RHNA).

Requested Action:

1. Discuss and provide input.

Background

Each local government in California is required to adopt a Housing Element as part of its General Plan that shows how the community plans to meet the existing and projected housing needs of people at all income levels. RHNA is the state-mandated process to identify the total number of housing units (by affordability level) that each jurisdiction must accommodate in its Housing Element. As part of this process, the California Department of Housing and Community Development (HCD) and the Southern California Association of Governments (SCAG) identify the total housing need for the SCAG region. California's Housing Element Law ([Government Code, section 65584.04](#)) charges SCAG with developing a "methodology to distribute the identified housing need to local governments in a manner that is consistent with the development pattern included in the Sustainable Communities Strategy (SCS), unless a delegate subregion has been established." California's Housing Element Law ([Government Code, section 65584.03](#)) allows for "at least two or more cities and a county, or counties, to form a "subregional entity" for the purpose of allocation of the subregion's existing and projected need for housing among its members in accordance with the allocation methodology established."

SCAG is currently preparing for its 6th RHNA Cycle, which will cover the planning period of October 2021 through October 2029. In the 4th RHNA Cycle, the Cities of Los Angeles and San Fernando, and the South Bay Cities and Ventura COGs assumed responsibility for the RHNA allocation. No subregions assumed responsibility for the RHNA allocation in Cycle 5, perhaps indicating the challenges of delegation outweighed the benefits.

WRCOG was asked by multiple member agencies to explore the possibility of taking subregional delegation in RHNA Cycle 6. The following outlines the findings of WRCOG's research.

RHNA Cycle 6 Options

SCAG has indicated that the 6th Cycle RHNA updates will commence in the fall of 2019 for incorporation into the SCAG 2020 Regional Transportation Plan / Sustainable Communities Strategy (RTP/SCS) and local jurisdictions' next housing element updates. Staff expects that, under SCAG, Cycle 6 will proceed using a similar process to previous updates, in which local agencies are provided draft allocations and then given the opportunity to review and comment on their targets. Alternately, WRCOG and/or a subset of WRCOG member

jurisdictions could form a subregional entity to lead the subregion's allocation.

Under the subregional delegation process, WRCOG would utilize consultant services to develop a unique methodology to allocate the assigned housing targets in participating member agencies, as opposed to having SCAG lead the application of a methodology it develops. In an attempt to evaluate the pros and cons of this option, staff has reviewed the draft guidelines and is seeking additional information from others who have exercised this option in the past. There are significant questions regarding the likely cost of an effort and legal implications which need to be addressed. Listed below is a summary of information regarding potential pros and cons. WRCOG would need to formally notify SCAG of a decision to form a subregional entity and take on subregional delegation by June 28, 2019.

Subregional Delegation Guidelines

After a subregional entity has notified SCAG of its formation and intent to accept delegation of the RHNA process, SCAG and the delegate subregion will enter into an agreement that sets forth the process, timing, and other terms and conditions of the delegation of responsibilities by SCAG to the respective subregion.

SCAG anticipates receiving the Regional Housing Need Determination (regarding the existing and projected need for housing for the SCAG region) from HCD in or about August 2019. Thereafter, SCAG will issue the share of the Regional Housing Need assigned to each delegate subregion. The total subregional housing need will be based upon factors outlined in [Government Code Sections 65584.01\(b\)\(1\)\(A\) to \(I\)](#), such as the delegate subregion's share of the household growth from January 1, 2021, to December 31, 2029; a healthy market vacancy rate, including a healthy rental housing market of no less than 5%; and replacement needs, based upon demolitions from all jurisdictions within the delegate subregion.

Prior to assigning the total subregional housing need to any delegate subregion, SCAG will hold a public hearing and may consider requests for revision. If SCAG rejects a proposed revision, it shall respond with a written explanation of why the proposed revised share has not been accepted.

The delegate subregion's share of the regional housing need is to be consistent with the distribution of households assumed for the comparable time period within the 2020 RTP/SCS. The final subregional allocation will be submitted by the delegate subregion to SCAG for approval before SCAG prepares its final RHNA plan.

In the event a delegate subregional entity fails to fulfill its responsibilities provided under state law or in accordance with the subregional delegation agreement, SCAG will be required to develop and make a final allocation to members of the subregional entity, according to the regionally adopted method pursuant to [Government Code Sections 65584 and 65584.04](#).

Financial Assistance for Delegation

SCAG budgeted \$500,000 in financial assistance for subregional delegation efforts, including \$2,500 per jurisdiction which elects to participate in the subregional delegation process, and \$50,000 for subregions, like WRCOG, which take on delegation efforts for their member agencies. This amount is likely insufficient to cover all associated costs, meaning that some type of cost sharing process would be required for any agency wishing to participate in this process.

What Constitutes a Delegation?

By accepting delegation, the subregion would be tasked with all of the responsibilities related to distributing the housing need for the jurisdictions within the subregion including the following:

1. Maintaining the total subregional housing need
2. Developing a subregional allocation methodology to be approved by HCD
3. Releasing a draft subregional housing allocation plan by income group using the adopted subregional allocation methodology

4. Addressing any appeals related to the draft subregional housing allocation
5. Preparing and approving the final subregional housing allocation and conducting the required public hearings

Advantages to Subregional Delegation

The most significant advantages to subregional delegation include:

- Greater local control via the process of establishing a subregion-specific methodology for allocation.
- A separate appeal process from SCAG, meaning that a successful appeal within the SCAG region would not result in an increased allocation to the subregion.
- Increased transparency, as a natural biproduct of WRCOG and participant member jurisdictions working closely on the allocation. In contrast, SCAG's process is sometimes seen as a bit of a "black box," even though SCAG does make a significant effort to share information with local jurisdictions.

Disadvantages to Subregional Delegation

The most significant advantages to subregional delegation include:

- Potential to cause friction between WRCOG and its members and even between members – this has been an issue with other agencies which have pursued subregional delegation in the past. In particular, there is some information that there is friction between agencies regarding allocation decisions made during the 4th RHNA Cycle (nearly eight years ago).
- High costs associated with contracting with a consultant team to lead the subregional delegation – SCAG is offering \$50,000 to subregions which establish a delegation plus \$2,500 per participating jurisdiction (up to \$95,000) to offset a portion of the costs of subregional delegation; however, the total cost is anticipated to be higher (upwards of \$150,000 - \$250,000).
- Uncertainty of whether or not subregional delegation will yield a significantly more favorable outcome for member jurisdictions to justify the associated costs – the issues most agencies have with RHNA are likely deeper rooted in the program logistics than in the past SCAG methodologies.
- As a subregional entity, WRCOG would not have indemnification protection from SCAG and would have to be prepared to cover any other costs associated with challenges that could arise.

Subregional Delegation Case Studies

WRCOG has not previously assumed responsibility for the RHNA allocation; though there have been several opportunities to do so. As part of its due diligence, WRCOG contacted several subregions who completed this task previously.

Ventura Council of Governments (VCOG) undertook this responsibility during the 4th RHNA Cycle (approximately eight years ago). Staff involved in this process noted that it was particularly contentious, especially after the initial allocation of housing units. The point of contention was that not all agencies attended a key initial meeting, during which other agencies directed staff to allocate additional units to those cities not in attendance. There is anecdotal evidence to suggest that several agencies continue to hold the COG accountable for these actions, even though they took place nearly a decade ago.

Recent Consideration of Subregional Delegation

The Planning Directors Committee (PDC) first considered subregional delegation as part of a broader discussion of housing shortages at its February 2019 meeting. One PDC member expressed a desire to pursue subregional delegation as a means to achieve greater local control, and with the idea that working with WRCOG to address changes, might be easier than working with SCAG.

Staff introduced the possibility of subregional delegation to the Technical Advisory Committee (TAC) at its February 2019 meeting. TAC members expressed reservations with taking on subregional delegation because of the inherent risks, citing the potentially high out-of-pocket cost, the likelihood of negatively impacting

WRCOG's relationship with its member jurisdictions, and the loss of the ability to dispute growth assignments with jurisdictions outside of the WRCOG subregion.

Staff indicated to both committees that staff would return with additional information at subsequent meetings.

Prior Actions:

April 11, 2019: The Planning Directors received and filed.

April 10, 2019: The Administration & Finance Committee received and filed.

Fiscal Impact:

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

Attachment:

None.



Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: Regional Energy Network Development Activities Update

Contact: Anthony Segura, Staff Analyst, asegura@wrcog.us, (951) 405-6733

Date: April 18, 2019

The purpose of this item is to provide information on the development of a Regional Energy Network (REN) between the Coachella Valley Association of Governments (CVAG), San Bernardino Council of Governments (SBCOG), and WRCOG, and the status of the Request for Proposal (RFP) for consultant support for REN Development

Requested Action:

1. Receive and file.

Request for Proposal (RFP) – REN Development

On December 3, 2018, the Executive Committee authorized staff to continue working with both CVAG and SBCOG to develop a joint cooperative agreement and release an RFP to identify a consultant to assist all three entities with development / implementation of a Regional Energy Network (REN) in a not to exceed amount of \$150,000 (\$50,000 per COG). Through the implementation of a REN, CVAG, SBCOG, and WRCOG aim to create and implement programs that will advance the region's energy efficiency. The REN would enhance current energy efficiency programs offered under the Western Riverside Energy Partnership (WREP) and potentially replace this program.

On January 31, 2019, WRCOG, in coordination with CVAG and SBCOG, released an RFP to identify and select a consultant(s) to develop a REN Business Plan. On March 25, 2019, interviews were held for the proposers submitting responses to the RFP. The interview panel consisted of staff from WRCOG, CVAG, SBCOG, and the County of Los Angeles. Staff are currently reviewing the scores and anticipate having a recommended selection to present to the Executive Committee at its meeting in May.

Business Plan

The Business Plan to be developed under the RFP is a key requirement to developing a REN, as the Business Plan must be filed with and approved by the California Public Utilities Commission (CPUC) in order for the REN to move forward. The Business Plan would serve as the framework for the REN, providing information on the Program's service boundary, energy efficiency analysis, energy efficiency measures / potential programs to be implemented within the service territory, and how the REN's programs will meet California's energy efficiency goals. Potential program areas include Residential (single / multi-family), small commercial, Workforce Education & Training. Staff are seeking input through [an online survey](#) on which program areas members would like to consider offering through the REN.

The Business Plan will undergo stakeholder review from the CPUC's Energy Division and the California Energy Efficiency Coordination Committee (CAEECC) where various entities will provide comments on the

proposed Business Plan before it reaches the CPUC for final approval. If approved by the CPUC, staff anticipates the REN would launch by fall 2020.

Next Steps

As part of the next steps for REN development, CVAG, SBCOG, and WRCOG will be working on a joint Memorandum of Understanding between all three agencies.

For additional questions or information on the REN development, please contact Anthony Segura at asegura@wrcog.us.

WREP Background and the Emerging Need for a REN

Local Government Partnerships (LGPs), such as WRCOG's WREP Program, were approved by the CPUC in 2009 and allow Investor Owned Utilities (IOUs) to work with local governments on the implementation of LGPs. LGPs typically focus on three objectives: 1) retrofitting local government buildings; 2) promoting utility core programs; and 3) supporting qualified energy efficiency activities included in the Energy Efficiency Strategic Plan.

WREP was formed in 2010 and is administered by WRCOG to achieve the above-stated objectives. WREP works closely with WRCOG's member agencies, as well as Southern California Edison (SCE) and SoCal Gas, to provide project support and community outreach through a number of energy efficiency initiatives. WREP has been extremely impactful over the last 9 years, resulting in a total savings for member jurisdictions of over 16.7 million kWh (equivalent to 2,000 homes' electricity use for one year) and over 9,000 therms (equivalent to electricity use for 8 homes for one year).

Despite these gains, IOUs are diverting resources from WREP and other LGPs in favor of programs that will yield broader energy savings across communities, focusing less on savings for local jurisdictions. In an effort to continue to provide a high level of support to member jurisdictions with energy efficiency, WRCOG, in partnership with SBCOG and CVAG (both of which implement individual LGPs), is exploring development and implementation of a REN that would cover all of Riverside and San Bernardino Counties. The resultant REN would complement the activities of the IOUs and yield greater energy savings overall.

REN FAQs:

What is the difference between a REN and an LGP (like WREP)?

The CPUC calls for RENs to address the following three operational areas:

1. Undertake programs that the IOUs cannot or do not intend to administer (as described above).
2. Target hard-to-reach areas.
3. Design programs that have the potential to be scaled to larger geographic areas.

In addition to these focus areas, the CPUC also directed RENs to address the areas of Workforce Education & Training (WE&T), Technology Development, and the Water- Energy Nexus.

Would an Inland Southern California REN duplicate the work of the IOUs? No. REN's are not allowed to duplicate the work of other efforts (see item number 1 above), unless the REN work would extend a program to a hard-to-reach group (such as non-English speaking populations) (see item number 2 above), not served by the IOU-administered program.

What does the funding look like for the existing RENs? The table below shows the 2019 budgets for the existing RENs and WRCOG. 3C REN represents the Counties of San Luis Obispo, Santa Barbara, and Ventura, which have a total population of 1,570,949, meaning that the 3C REN was funded \$3.80 per capita, in comparison to \$0.18 per capita for WREP.

2019 Energy Program Funding	
Program	Funding Allocation
SoCal REN	\$21,800,800
BAYREN	\$24,702,000
3C REN	\$5,964,400
WREP	\$216,000

Another significant difference between RENs and LGPs is the flow of money. In an LPG, the IOUs must approve a budget and administer funds on a reimbursement basis. With a REN, however, the money is sent directly from the CPUC to the Network in advance.

Where does funding come from? Like WREP is currently, the REN would be funded by revenues collected by the CPUC from the Public Benefits Charge (PBC), a fee applied to utility bills to fund public-interest programs related to the utility service. WRCOG anticipates that the REN would garner a greater share of PBC funding than the aggregate funding of WREP and the CVAG- and SBCOG-operated LGPs, because RENs have greater flexibility to create and implement a wider variety of programs.

Why collaborate with other COGs? WRCOG is looking to collaborate with CVAG and SBCOG to form a REN for two primary reasons. First, the larger region is anticipated to be more attractive for approval by the CPUC. Second, a collaborative REN offers an opportunity to leverage the existing resources and knowledge capital across the inland region and offer energy savings programming with increased economies of scale and efficiency.

Who will administer the REN? It was decided among the three COGs that WRCOG would take the lead role in administering the REN.

Will the REN conduct similar work to an LGP (like WREP)? WREP supports energy savings through two primary platforms: municipal energy retrofit assistance and community education. Municipal retrofit projects include LED lighting upgrades, smart controls for HVAC, HVAC upgrades, water heater replacement, and water heater insulation. WREP's community education activities promote sustainable best practices through outreach at community events. At these events, WREP staff educate and promote current SCE / SoCal Gas residential customer and business programs that are available for enrollment. Programs promoted in the past include SCE and SoCal Gas' Energy Saving Assistance (ESA) Programs which offer residents who meet an income threshold an audit and installation of energy measures, all at no cost. Measures include lighting, plug load strips, low flow shower heads, and in some instances, residents will also be eligible to receive upgrades to their appliances (refrigerators, stoves, washer / dryer).

The goal for REN is to continue to offer the same programs that WREP conducts and augment them with additional programs and benefits. For example, the REN would look to implement programs that bring advanced technology to the region (such as battery storage or smart metering), hold workshops and educate contractors on the installation of new energy efficiency standards as set by the CPUC, facilitate electric vehicle roadmaps / rebate programs, and provide energy efficiency measures to disadvantaged communities.

Below is a side by side comparison of current WREP offerings and potential REN program offerings:

Program Comparison	
WREP	REN
Project Support (Municipal)	Project Support (Municipal)
Technical Assistance	Technical Assistance
Community Outreach (Residents & Small Commercial)	Community Outreach (Residents & Small Commercial)
	Residential Energy Efficiency (Single / Multi-Family)
	Advancement of Innovative Technology (Solar / Battery Storage)
	Electric Vehicle Rebate Programs
	Development of Funding Mechanisms (Revolving Loan Funds)
	Workforce Education & Training

Prior Actions:

April 10, 2019: The Administrative & Finance Committee approved the recommendation that the Executive Committee direct the Executive Director to enter into contract negotiations between WRCOG and Frontier Energy for Regional Energy Network (REN) Development.

December 3, 2018: The Executive Committee authorized the Executive Director to develop a joint cooperation agreement between CVAG, SBCOG, and WRCOG; and 2) directed the Executive Director to release a Request for Proposals for feasibility & implementation of a Regional Energy Network.

Fiscal Impact:

REN Program development has been included in WRCOG's 2nd Quarter Budget Amendment.

Attachment:

1. REN White Paper.

Item 7.E

Regional Energy Network
Development Activities Update

Attachment 1

REN White Paper

Page Intentionally Left Blank

What are Regional Energy Networks and the transition from Local Government Partnerships?

This paper describes the historic purpose and role of Local Government Partnerships (LGPs), the challenges they are facing, and a new opportunity for WRCOG members to continue providing localized energy efficiency programs for their communities through a Regional Energy Network (REN)

History of Local Government Partnerships (LGPs) and the emergence of Regional Energy Networks (RENs)

Local Government Partnerships (LGPs), such as WRCOG's WREP Program, were approved by the CPUC in 2009 and allow Investor Owned Utilities (IOUs) to work with local governments on the implementation of LGPs. LGPs typically focus on three objectives: 1) retrofitting local government buildings; 2) promoting utility core programs; and 3) supporting qualified energy efficiency activities included in the Energy Efficiency Strategic Plan.

WREP was formed in 2010 and is administered by WRCOG to achieve the above-stated objectives. WREP works closely with WRCOG's member agencies, as well as Southern California Edison (SCE) and SoCal Gas, to provide project support and community outreach through a number of energy efficiency initiatives. WREP has been extremely impactful over the last 9 years, resulting in a total savings for member jurisdictions of over 16.7 million kWh (equivalent to 2,000 homes' electricity use for one year) and over 9,000 therms (equivalent to electricity use for 8 homes for one year).

Despite these gains, IOUs are diverting resources from WREP and other LGPs in favor of programs that will yield broader energy savings across communities, focusing less on savings for local jurisdictions.

RENs represent the next iteration of LGPs

In 2012, the CPUC authorized a new model for administering energy efficiency programs outside of the traditional IOU-administered LGP. These new models are known as RENs. Since then, three RENs have been established in California, supporting 15 counties.

In an effort to continue to provide a high level of support facilitating energy efficiency to member jurisdictions, WRCOG, in partnership with SBCOG and CVAG (both of which implement individual LGPs), is exploring development and implementation of a REN that would cover all of Riverside and San Bernardino Counties. The resultant REN would complement the activities of the IOUs and yield greater energy savings overall.

Where are RENs operating in California and what do they accomplish?

The three active RENs established to date are SoCal REN (administered by the County of Los Angeles), BAYREN (administered by the Association of Bay Area Governments (ABAG)), and 3CREN (administered by Santa Barbara, San Luis Obispo, and Ventura Counties). These three REN implementers work with their respective IOUs and administer the following programs for their regions:

1. Residential and commercial energy efficiency installation programs
2. Workshops and trainings for energy efficiency contractors
3. Financing mechanisms for municipal agencies to fund energy efficiency projects
4. Collaborations with third-party providers to assist with additional energy audits and program support for municipalities or businesses.

What is the difference between a REN, an LGP and the IOU-operated programs?

The CPUC calls for RENs to address the following three operational areas, which are expressly focused on not duplicating the work of IOU-operated programs:

1. Undertake programs that the IOUs cannot or do not intend to administer: RENs can develop "Pilot" programs that are entirely different from IOU programs or utilize a unique approach and have the potential to scale and/or target hard-to-reach customers (see below).

2. Target hard-to-reach consumers: Utility customers who are geographically isolated, have language barriers, and/or low socioeconomic status are considered “hard-to-reach”.
3. Design programs that have the potential to be scaled to larger geographic areas: RENs can implement projects with potentially broad applications allowing for regional or state-wide expansion.

In addition to these focus areas, the CPUC also directed RENs to address the areas of Workforce Education & Training (WE&T), Technology Development, and the Water- Energy Nexus.

Will the REN conduct similar work to an LGP?

WREP, and LGP, supports energy savings through two primary platforms: municipal energy retrofit assistance and community education. Municipal retrofit projects include LED lighting upgrades, smart controls for HVAC, HVAC upgrades, water heater replacement, and water heater insulation. WREP’s community education activities promote sustainable best practices through outreach at community events. At these events, WREP staff educate and promote current SCE / SoCal Gas residential customer and business programs that are available for enrollment. Programs promoted in the past include SCE and SoCal Gas’ Energy Saving Assistance (ESA) Programs which offer residents who meet an income threshold an audit and installation of energy measures, all at no cost. Measures include lighting, plug load strips, low flow shower heads, and in some instances, residents will also be eligible to receive upgrades to their appliances (refrigerators, stoves, washer / dryer).

The goal for REN is to continue to offer the same programs that WREP conducts and augment them with additional programs and benefits. For example, the REN would look to implement programs that bring advanced technology to the region (such as battery storage or smart metering), hold workshops and educate contractors on the installation of new energy efficiency standards as set by the CPUC, facilitate electric vehicle roadmaps / rebate programs, and provide energy efficiency measures to disadvantaged communities.

Below is a side by side comparison of current WREP offerings and potential REN program offerings:

Program Comparison	
WREP	REN
Project Support (Municipal)	Project Support (Municipal)
Technical Assistance	Technical Assistance
Community Outreach (Residents & Small Commercial)	Community Outreach (Residents & Small Commercial)
	Residential Energy Efficiency (Single / Multi-Family)
	Advancement of Innovative Technology (Solar / Battery Storage)
	Electric Vehicle Rebate Programs
	Development of Funding Mechanisms (Revolving Loan Funds)
	Workforce Education & Training

In comparison to LGPs...

RENs are similar in that they:

- Continue to work with IOUs, such as SCE & SoCal Gas, for program outreach.
- Continue to meet California’s Energy Efficiency Goals.
- Serve as energy efficiency platforms that support energy efficiency initiatives with IOU customers.
- Are funded by revenues collected by the CPUC from the Public Benefits Charge (PBC), a fee applied to utility bills to fund public-interest programs related to the utility service.

RENs differ in that they:

- Provide a greater level of local control in the development and implementation of programs that are specific to the region the REN represents

- LGPs do not have the same control to design regionally specific programs and are beholden to the programs developed by the IOUs. To illustrate, as shown in the chart above, WREP is only able to provide technical assistance, energy efficient education, and conduct community outreach; while RENs provide these and additional programs.
- Can develop programs to support workforce education and training for energy efficiency contractors as well as support technology development and marketing and outreach programs for municipalities, residential and commercial customers.
- Typically operate a much larger budget and, while the IOUs must approve a budget and administer funds on a reimbursement basis to LGPs, money is sent directly from the CPUC to the REN in advance.

If RENs and LGPs are funded by the same source, why do they receive different amounts?

Like WREP is currently, the REN would be funded by revenues collected by the CPUC from the Public Benefits Charge (PBC), a fee applied to utility bills to fund public-interest programs related to the utility service. WRCOG anticipates that the REN would garner a greater share of PBC funding than the aggregate funding of WREP and the CVAG- and SBCOG-operated LGPs, because RENs have greater flexibility to create and implement a wider variety of programs. This hypothesis is supported by the funding structure of the existing RENs.

The table below shows the 2019 budgets for the existing RENs compared to WRCO's WREP (LGP) Program. 3C REN represents the Counties of San Luis Obispo, Santa Barbara, and Ventura, which have a total population of 1,570,949, meaning that the 3C REN was funded \$3.80 per capita, in comparison to \$0.18 per capita for WREP.

2019 Energy Program Funding	
Program	Funding Allocation
SoCal REN	\$21,800,800
BAYREN	\$24,702,000
3C REN	\$5,964,400
WREP	\$216,000

Why collaborate with other COGs?

WRCOG is looking to collaborate with CVAG and SBCOG to form a REN for two primary reasons. First, the larger region is anticipated to be more attractive for approval by the CPUC. Second, a collaborative REN offers an opportunity to leverage the existing resources and knowledge capital across the inland region and offer energy savings programming with increased economies of scale and efficiency.

Who will administer the Inland Empire REN? It was decided among the three COGs that WRCOG would take the lead role in administering the REN.

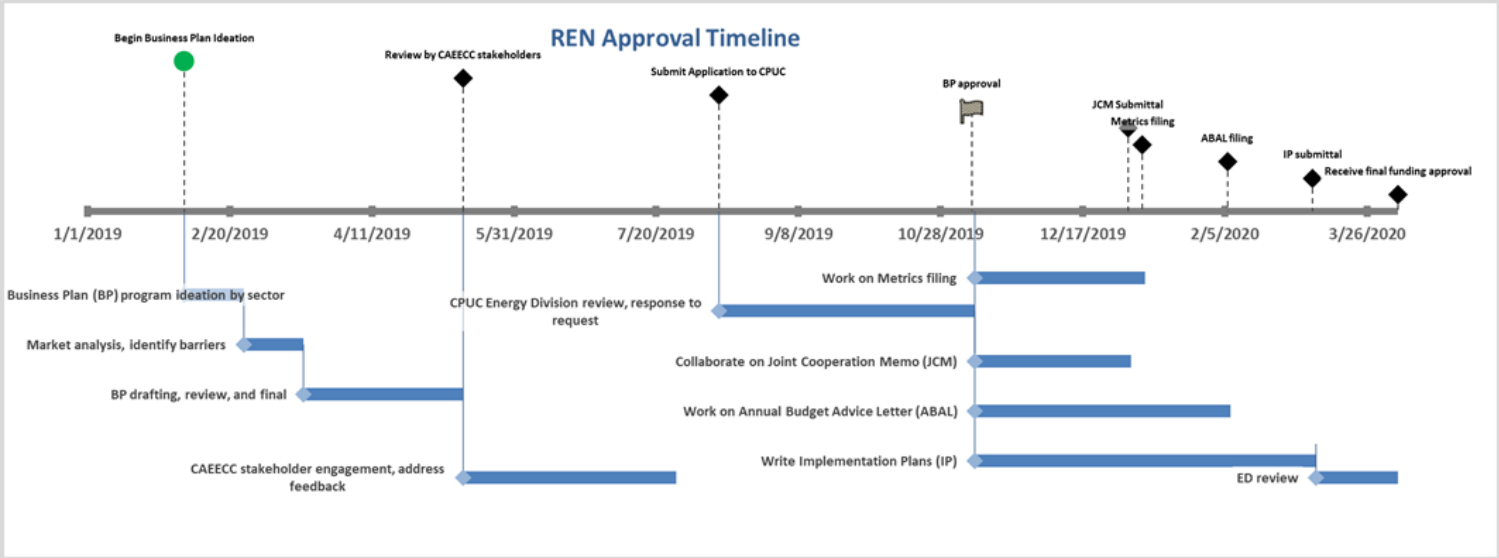
Conclusions and moving forward

A REN would offer several benefits to WRCOG members, including: education and facilitation/support on energy efficiency for municipalities, residents, and commercial businesses; relevant jobs training for contractors; increased funding from the CPUC's Public Benefits Charge (PBC) for the subregion; and greater flexibility in establishing and implementing energy efficiency programs for the betterment of the region.

In lieu of the reduced funding to WREP and other LGPs, WRCOG has been working with the San Bernardino Council of Governments (SBCOG) and Coachella Valley Association of Governments (CVAG) (which implement their own individual LGPs) to explore the development and implement a Regional Energy Network that would cover both Riverside and San Bernardino Counties. An Inland Empire REN would create the opportunity to grow energy programs tailored to member interest through a fiscally and logistically efficient collaborative.

In order for a REN to be established in both counties, all three COGs need to create and submit a REN Business Plan to the CPUC. The Business Plan would serve as the framework for the REN, providing information on the Program’s service boundary, energy efficiency analysis, energy efficiency measures / potential programs to be implemented within the service territory, and how the REN’s programs will meet California’s energy efficiency goals. Potential program areas include residential (single / multi-family), small commercial, and workforce education and training.

Once the Business Plan is approved at the CPUC level, then the creation of an Implementation Plan, Annual Budget Advice Letter, and Joint Cooperation Memo will need to be completed before the funds are dispersed to the REN. The timeline for all these documents to be created and approved at the CPUC level vary, but all three COGs are aiming to have an active REN by 2020. The chart below illustrates the timeline for REN approval.





Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: Public Service Fellowship Activities Update

Contact: Rachel Singer, Staff Analyst, rsinger@wrcog.us, (951) 405-6754

Date: April 18, 2019

The purpose of this item is to provide an update on the recruitment for the upcoming fourth cohort of the WRCOG Public Service Fellowship Program and an update on the graduating third cohort of Fellows.

Requested Action:

1. Receive and file.

In partnership with higher education institutions, WRCOG's Public Service Fellowship Program provides current students and recent graduates with career opportunities within local governments and agencies, growing career development experience for Fellows and providing additional staff resources for host agencies.

Background

WRCOG's Public Service Fellowship Program was established in 2016 and is concluding its third round. The goal of the Program is to retain local students to fulfill the subregion's needs for a robust public-sector workforce and to combat the out-migration trend of talented young people emerging from local universities and securing employment outside of the region. The Fellowship Program aims to engage local students and alumni in career opportunities with local governments and agencies in a way that is mutually beneficial to both the Fellows and the host agency.

WRCOG is responsible for general Program administration and oversight including maintaining employment of the Fellows, soliciting interest from local government agencies, serving as the liaison between member agencies and the universities, reviewing applications, conducting interviews, recommending local government agency placements, and funding the Program, and coordinating Fellow payments. In addition, WRCOG provides ongoing training to Fellows on career readiness and relevant topics during monthly Program workshops to augment their hands-on work experience.

At the 2019 February Executive Committee meeting, Committee members voted to expand the Fellowship Program and implement the following changes: 1) recruit Fellows from additional universities, both within and outside of the subregion; 2) expand candidate eligibility to students and recent graduates who live, work, attend school, or are from the subregion and meet other minimum qualifications; 3) establish a minimum 3.0 GPA threshold for all applicants; 4) alternate Fellow placements over two years so members receive a Fellow every-other year; and 5) admit Fellows to serve in either a part-time or full-time capacity.

Fellowship Round IV Recruitment Update

Following the approved updates to the Fellowship Program, staff released the 2019/2020 application for prospective Fellows. Agency interest forms were also distributed to member agencies to solicit interest for hosting a Fellow in the upcoming fourth round of the program. Staff then began recruitment at local

universities through career fairs and online job platforms including CalOpps and Government Jobs. The application deadline for applicants and member agencies for the fourth round of the Fellowship Program closed on April 6, 2019. Staff has begun the review process and will schedule interviews with prospective candidates in mid-April. Selected Fellows are scheduled to begin the Program in July 2019 at their host agency. Staff anticipate hiring approximately 10 – 15 Fellows in Round IV, depending on member agency interest and availability of qualified applicants.

Fellowship Round III Update

A total of 16 Fellows participated in the third round of the Fellowship Program. Over the course of the last nine months, six Fellows were able to secure full-time employment and left the Program early for jobs with the following organizations within the subregion: City of Eastvale (Jurupa Valley Fellow), Greater Riverside Chamber of Commerce (Corona Fellow), DHL logistics (Moreno Valley Fellow), City of Menifee (Temecula Fellow), Canyon Lake Library (Canyon Lake Fellow), and Trilakes Consulting (San Jacinto Fellow). One additional Fellow left the Program early to accelerate her degree completion. Taking into consideration these job updates, there are nine remaining Fellows in the Program who served a full, nine-month Fellowship at their host agency.

Fellowship Completion Mixer

To commemorate the accomplishments of the third graduating cohort of Fellows, WRCOG will be hosting a Fellowship Completion Mixer on Thursday, April 18, 2019, directly following the TAC meeting, from 11:15 a.m. to 12:15 p.m. at the WRCOG office. Fellows will prepare poster board presentations highlighting their accomplishments in the Program that will be utilized as a visual aid for the mixer environment. Invited guests include TAC members, WRCOG Fellow supervisors, human resource contacts from all member agencies, and other employers from the subregion. The mixer will be an opportunity for Fellows to network with some of the most influential leaders in the subregion, and for invited guests to recruit top young talent for any current or prospective open positions in Western Riverside County.

Prior Actions:

February 14, 2019: The Planning Directors received and filed.

February 4, 2019: The Executive Committee directed staff to implement the following changes to the Fellowship Program: 1) recruit Fellows from additional universities, both within and outside of the subregion; 2) expand candidate eligibility to students and recent graduates who live, work, attend school, or are from the subregion and meet other minimum qualifications; 3) establish a minimum 3.0 GPA threshold for all applicants; 4) alternate Fellow placements over two years so members receive a Fellow every-other year; and 5) admit Fellows to serve in either a part-time or full-time capacity.

January 17, 2019: The Technical Advisory Committee recommended that the Executive Committee direct staff to implement changes to the Fellowship Program: 1) recruit Fellows from additional universities, both within and outside of the subregion; 2) expand candidate eligibility to students and recent graduates who live, work, attend school, or are from the subregion and meet other minimum qualifications; 3) establish a minimum 3.0 GPA threshold for all applicants; 4) alternate Fellow placements over two years so members receive a Fellow every-other year; and 5) admit Fellows to serve in either a part-time or full-time capacity.

Fiscal Impact:

Activities for the Fellowship Program are included in the Agency's adopted FY 2018/2019 Budget.

Attachment:

None.