



Western Riverside Council of Governments Technical Advisory Committee

AGENDA

**Thursday, September 19, 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 (Chris Lopez, 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 July 18, 2019, Technical Advisory Committee Meeting are Available for Consideration.** **P. 1**
Requested Action: 1. *Approve the Summary Minutes from the July 18, 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. 7**
Requested Action: 1. *Receive and file.*
- B. **WRCOG Committees and Agency Activities Update** **Chris Gray** **P. 13**
Requested Action: 1. *Receive and file.*
- C. **Regional Streetlight Program Activities Update** **Daniel Soltero** **P. 23**
Requested Action: 1. *Receive and file.*
- D. **Western Riverside Energy Partnership Program Activities Update** **Anthony Segura** **P. 27**
Requested Action: 1. *Recommend that the Executive Committee authorize the Executive Director to approve a public-private partnership agreement between WRCOG and The Research Corporation to develop bid packets for Southern California Edison's Request for Abstract & Request for Proposal solicitations for public sector energy programs.*
- E. **International City / County Management Association Activities Update** **AJ Wilson, ICMA** **P. 43**
Requested Action: 1. *Receive and file.*

7. REPORTS / DISCUSSION

- A. **Connect SoCal** **Chris Gray, WRCOG** **P. 45**
Requested Action: 1. *Receive and file.*

- B. **PACE Program Activities Update: Commercial PACE Update and Renovate America Stipulated Judgment** **Casey Dailey, WRCOG** **P. 47**

Requested Action: 1. *Receive and file.*

- C. **Public Service Fellowship Activities Update** **Rachel Singer, WRCOG** **P. 63**

Requested Action: 1. *Designate Committee members to serve on an Ad Hoc Planning Committee for the fifth round of the Fellowship Program.*

- D. **Regional Housing Needs Assessment Methodology Update** **Chris Gray, WRCOG** **P. 77**

Requested Action: 1. *Receive and file.*

- E. **Grant Writing Assistance Program Update** **Chris Gray, WRCOG** **P. 109**

Requested Action: 1. *Receive and file.*

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, October 17, 2019, at 9:30 a.m., at WRCOG's office located at 3390 University Avenue, Suite 450, Riverside.**

12. **ADJOURNMENT**

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1. CALL TO ORDER

The meeting of the Technical Advisory Committee was called to order at 9:27 a.m. by Chair George Johnson at WRCOG's office, Citrus Conference Room.

2. ROLL CALL

Members present:

Christina Taylor, City of Beaumont
Michele Nissan, City of Corona
Bryan Jones, City of Eastvale
Christopher Lopez, City of Hemet
Jason Simpson, City of Lake Elsinore
Louie Lacasella, City of Murrieta (arrival 9:35 a.m.)
Al Zelinka, City of Riverside (departure 10:30 a.m.)
Greg Butler, City of Temecula
Gary Nordquist, City of Wildomar
George Johnson, County of Riverside (Chair)
Paul Jones, Eastern Municipal Water District
Mathew Evans, March Joint Powers Authority (arrival 9:35 a.m. / departure 10:30 a.m.)
Floyd Velasquez, Morongo Band of Mission Indians
Craig Miller, Western Municipal Water District

Staff present:

Steve DeBaun, Legal Counsel
Barbara Spoonhour, Deputy Executive Director - Operations
Andrew Ruiz, Interim Chief Financial Officer
Christopher Gray, Director of Transportation & Planning
Casey Dailey, Director of Energy & Environmental Programs
Tyler Masters, Program Manager
Christopher Tzeng, Program Manager
Daniel Ramirez-Cornejo, Program Manager
Anthony Segura, Staff Analyst
Rachel Singer, Staff Analyst
Ivana Medina, Staff Analyst
Suzy Nelson, Administrative Assistant

Guests present:

Danielle Coats, Eastern Municipal Water District
Araceli Ruiz, County of Riverside, District 1
Fred Walti, NGIN

3. PLEDGE OF ALLEGIANCE

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

4. PUBLIC COMMENTS

There were no public comments.

5. SELECTION OF TECHNICAL ADVISORY CHAIR, VICE-CHAIR, AND 2ND VICE-CHAIR FOR FISCAL YEAR 2019/2020

- Action:** 1. *Technical Advisory Committee selected Chris Lopez, City of Hemet, as Chair; Andy Okoro, City of Norco, as Vice-Chair; and Kim Summers, City of Murrieta, as 2nd Vice-Chair.*

(Riverside / Wildomar) 12 yes; 0 no; 0 abstain; Item 5 was approved. The Cities of Banning, Calimesa, Canyon Lake, Jurupa Valley, Menifee, Moreno Valley, Murrieta, Norco, Perris, and San Jacinto, and the March Joint Powers Authority were not present.

6. MINUTES *(County of Riverside / Lake Elsinore) 12 yes; 0 no; 0 abstain; Item 6.A was approved. The Cities of Banning, Calimesa, Canyon Lake, Jurupa Valley, Menifee, Moreno Valley, Murrieta, Norco, Perris, and San Jacinto and March Joint Powers Authority were not present.*

A. Summary Minutes from the May 16, 2019, Technical Advisory Committee Meeting are Available for Consideration.

- Action:** 1. *Approved the Summary Minutes from the May 16, 2019, Technical Advisory Committee meeting.*

7. CONSENT CALENDAR *(WMWD / Corona) 12 yes; 0 no; 0 abstain; Items 7.A – 7.G were approved. The Cities of Banning, Calimesa, Canyon Lake, Jurupa Valley, Menifee, Moreno Valley, Murrieta, Norco, Perris, and San Jacinto, and the March Joint Powers Authority were not present.*

A. Finance Department Activities Update

- Action:** 1. *Received and filed.*

B. WRCOG Committees and Agency Activities Update

- Action:** 1. *Received and filed.*

C. Riverside County Habitat Conservation Agency Update

- Action:** 1. *Received and filed.*

D. Western Riverside Energy Partnership Program Activities Update

- Action:** 1. *Received and filed.*

E. Second Amendment to Professional Services Agreement with Kearns and West, Inc., for On-Call Planning Professional Services for Member Jurisdictions

- Action:** 1. *Recommended that the Executive Committee approve the Second Amendment to the Professional Services Agreement between WRCOG and Kearns and West, Inc., to provide WRCOG planning support and advisory services in an amount not to exceed \$60,925 for WRCOG Clean Cities Program, taking the amended contract in a not to exceed amount of \$219,485 in total, and to extend the term of the Agreement through June 30, 2020.*

F. Proposed TUMF Exemption – Transitional Housing for the Homeless

Action: 1. *Recommended that the Executive Committee approve the proposed TUMF exemption for specially built homes that serve as transitional housing for homeless individuals or families.*

G. International City / County Management Association Activities Update

Action: 1. *Received and filed.*

8. REPORTS / DISCUSSION

A. Report from the League of California Cities

Erin Sasse, League of California Cities Representative, was unable to attend.

Action: 1. *None.*

B. Regional Water Supply Update

Craig Miller, Western Municipal Water District (WMWD) General Manager, and Paul Jones, Eastern Municipal Water District (EMWD) General Manager, presented an update regarding the current status of state and regional water supply.

As of July 10, 2019, the state is out of long-term drought conditions. All statewide reservoirs are nearly full, including the local Diamond Valley Lake, which is at 94% capacity. Snowpack levels are above average. While there has not been a huge recovery, the trend has stopped the dive, as water levels are increasing.

Two big projects WMWD is wrapping up are the La Sierra Pipeline and Sterling Pump Station Local Supply Reliability Projects. This is a \$36 million Capital Improvement investment that includes two desalters and reduces the reliance on imported water.

EMWD is building a third brackish groundwater desalter. EMWD's service area is only approximately 38% built out. EMWD is looking to create more groundwater banking in the Hemet / San Jacinto basin.

An emerging contaminant issue is Per- and Poly-fluoroalkyl Substances (PFAS). PFAS has recently received growing media attention due to the potential adverse health implications. These are the most extensively produced and regulated chemicals and are found in water-proofing materials, non-stick coatings, fire-fighting foams, paper packing, and food wrappers.

PFAS have been detected in three wells at the March Air Reserve Base and the Air Force has been working with EMWD for a couple of years to remove PFAS from that water. Until that occurs, the wells have been taken out of service.

EMWD and other local water agencies are doing extensive monitoring and research for all water supply sources.

Committee member Gary Nordquist asked what the cities' standpoint is to notify residents regarding the PFAS.

Mr. Jones responded that it was the water districts' responsibility to notify all of their customers.

Action: 1. *Received and filed.*

C. Update on the Experience Subregional Innovation Center

Fred Walti, President and CEO of Network for Global Innovation (NGIN), presented on NGIN's current standpoint and efforts with implementing the Experience Innovation Center. Mr. Walti gave an overview of his experience and what his goals are for achieving the programmatic elements of Experience.

Action: 1. *Received and filed.*

D. 2019 TUMF Construction Cost Index Adjustment

Christopher Gray reported that staff is required to bring an adjustment on a yearly basis through the Committee structure for recommendation to the Executive Committee. Three potential options for implementation of a Construction Cost Index (CCI) adjustment were provided. Option 1 would implement a CCI adjustment with 2016 Nexus Study actions (maintain retail reduction and continued phase-in for single-family residential). Option 2 would implement a CCI adjustment and maintain the retail reduction. Option 3 would implement 50% of a CCI adjustment and maintain the retail reduction.

In June 2019, the Public Works Committee recommended Option 1 be presented to the Executive Committee. On average each project would be a 5% increase in funds available if the current CCI adjustment was made. By not adopting a CCI adjustment there has been approximately \$7 million in non-collected TUMF.

The recommendation made today will be presented to the Administration & Finance Committee in September and to the Executive Committee in October.

Action: 1. *Recommended that the Executive Committee adopt a CCI adjustment and consider an implementation option with the 2016 Nexus Study actions (maintain retail reduction and continue phase-in for single-family residential).*

(Wildomar / County) 11 yes; 0 no; 0 abstain; Item 8.D was approved by the Committee as a whole. The Cities of Banning, Calimesa, Canyon Lake, Jurupa Valley, Menifee, Moreno Valley, Norco, Perris, and San Jacinto were not present. EMWD, WMWD, and the Morongo Band of Mission Indians do not vote on TUMF matters.

E. Regional Streetlight Program Activities Update

Daniel Soltero provided a recap of all streetlight activities to date. The Cities of Eastvale, Hemet, Moreno Valley, and Murrieta, are currently undergoing the retrofit. The City of Wildomar is projected to start retrofit this month and the remaining jurisdictions in the Program will begin the retrofit in the coming months. Staff has seen mostly positive comments on the retrofit of the streetlights within jurisdictions.

Through coordination with each member agency, cities avoided an LED price increase by purchasing fixtures prior to the increase deadline. The price increase was the result of federal tariffs imposed on Chinese imports.

Action: 1. *Received and filed.*

F. California Clean Air Day

Casey Dailey reported that the Coalition for Clean Air launched Clean Air Day to unite people to action to improve community health and help develop habits to achieve clean air. This year will be the second annual California Clean Air Day on October 2, 2019. Staff is serving as the Inland Empire Working Group Co-Chair to help organize a series of events and activities for California Clean Air Day in

Riverside and San Bernardino Counties. City members are encouraged to pass their own resolution for California Clean Air Day as well as host a tree planting ceremony honoring the resolution.

WRCOG is submitting a micro-grant to purchase trees, commemorate plaques, and tree planting materials. Jurisdictions that choose to be a part of this event and pass a resolution proclaiming October 2, 2019, as California Clean Air Day, will be provided with supplies for a tree planting ceremony at their City Hall or local park.

Action: 1. *Recommended that the Executive Committee Adopt Resolution Number 30-19; A Resolution of the Executive Committee of the Western Riverside Council of Governments proclaiming October 2, 2019, as California Clean Air Day.*

(County / Corona) 12 yes; 0 no; 0 abstain; Item 8.F was approved. The Cities of Banning, Calimesa, Canyon Lake, Jurupa Valley, Menifee, Moreno Valley, Norco, Perris, Riverside and San Jacinto, and the March Joint Powers Authority were not present.

9. REPORT FROM THE EXECUTIVE DIRECTOR

Barbara Spoonhour thanked everyone who attending the 28th Annual General Assembly and the Future of Cities Symposium. Special thanks to those that were on the panels during the Future of Cities.

10. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

11. GENERAL ANNOUNCEMENTS

Committee member Bryan Jones shared that the City of Eastvale will be hosting a presentation by an Economist featuring topics such as, "How to Value your land," on July 23 & 24; everyone is welcome.

12. NEXT MEETING

The Technical Advisory Committee has been canceled for the month of August. The next Technical Advisory Committee meeting is scheduled for Thursday, September 19, 2019, at 9:30 a.m., at WRCOG's office located at 3390 University Avenue, Suite 450, Riverside.

13. ADJOURNMENT

The meeting of the Technical Advisory Committee adjourned at 10:46 a.m.

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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: September 19, 2019

The purpose of this item is to provide an update on the Fiscal Year (FY) 2018/2019 Agency Audit, the Agency Financial Report summary through June 2019, and the status of the Agency relocation.

Requested Action:

1. Receive and file.

FY 2018/2019 Agency Audit

WRCOG's annual Agency Interim Audit was completed on June 12, 2019. WRCOG utilizes the services of the audit firm Rogers, Anderson, Malody, and Scott (RAMS) to conduct its financial audit. The first visit is known as the "interim" audit, which involves preliminary audit work that is conducted prior to fiscal year end. The interim audit tasks are conducted in order to compress the period needed to complete the final audit after fiscal year end. In September, RAMS will return to finish its second round, which is known as "fieldwork." It is anticipated that the final Audit will be presented to this Committee in December 2019.

Financial Report Summary Through June 2019

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

Agency Relocation Update

During Fiscal Year 2018/2019, WRCOG began subleasing approximately 2,000 square feet of its office space to David Taussig & Associates (dta). Building ownership also proposed an offer for WRCOG to relocate its offices to the 2nd floor, where there is 4,000 square feet less than the 4th floor and would net WRCOG approximately \$1 million in savings during the remainder of the lease in comparison to the existing lease. The Executive Committee took action to allow for the move, and WRCOG has since entered into an agreement to relocate.

While the 2nd floor is 4,000 square feet less than the 4th floor, staff is working with an architect to compress the current open space concept into a more compact workplace while still retaining the same number of offices and workspaces and the two large conference rooms. There will still be enough space on the 2nd floor to accommodate growth when / if the Regional Energy Network (REN) and/or Western Community Energy (WCE) launch. The savings in relocating to the 2nd floor represents a 20% reduction in the overall lease cost. The anticipated move-in date is in late January / early February 2020.

CalPERS Unfunded Accrued Liability Update

At the June 21, 2019, Executive Committee meeting, Committee member Jeff Hewitt requested information

regarding where WRCOG stands with its Unfunded Accrued Liability (UAL) and how much of WRCOG's pension is currently covered. Committee member Hewitt noted that the Riverside County Transportation Commission (RCTC) recently acted to pay off its UAL of \$8.1 million, which would save RCTC approximately \$7.5 million in interest payments over 30 years.

On July 10, 2019, the Administration & Finance Committee received a presentation and requested that the Finance Directors Committee provide its input and that staff return to the Administration & Finance Committee in September with an update. Staff presented the aforementioned options to the Finance Directors Committee and also polled the Finance Directors to see what, if anything, the jurisdictions are currently doing to reduce its UAL. Most jurisdictions are unable to make additional principal payments to PERS but are making annual lump-sum payments rather than monthly payments, which saves the jurisdictions some money. Jurisdictions that do have funds available are opening a Section 115 Trust. On September 11, the Administration & Finance committee recommended that WRCOG open a Section 115 Trust with PARS for WRCOG's UAL.

Prior Action:

September 11, 2019: The Administration & Finance Committee recommended that WRCOG open a Section 115 Trust with PARS for WRCOG's Unfunded Accrued Liability.

Fiscal Impact:

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

Attachment:

1. Financial Report summary – June 2019.

Item 6.A

Finance Department Activities Update

Attachment 1

Financial Report summary – June 2019

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**Western Riverside Council of Governments
Monthly Budget to Actuals
For the Month Ending June 30, 2019**

Total Agency			
	Approved Budget 6/30/2019	Thru Actual 6/30/2019	Remaining Budget 6/30/2019
Revenues			
Member Dues	311,410	311,410	-
PACE Residential Revenue	255,598	244,052	11,546
WRELP Phase 2 Revenue	86,750	149,654	(62,904)
Statewide HERO Revenue	1,080,342	1,080,342	-
Gas Co. Prtnrshp Revenue	86,676	101,893	(15,217)
PACE Commercial Revenue	41,984	30,844	11,140
WRCOG HERO-Recording Revenue	132,795	180,565	(47,770)
PACE Commercial Recording Revenue	22,770	1,361	21,409
Statewide Recording Revenue	665,915	665,915	-
Active Transportation Revenue	71,443	71,443	-
Regional Streetlights Revenue	300,000	425,687	(125,687)
Solid Waste	122,248	122,248	-
Used Oil Grants	228,820	228,574	246
NW Clean Cities - Air Quality	181,770	191,770	(10,000)
LTF Revenue	775,500	775,500	-
Adaptation Grant Revenue	258,186	258,186	0
CAP Grant Revenue	11,881	11,881	(0)
RivTAM Revenue	150,000	112,600	37,400
General Assembly Revenue	300,000	247,800	52,200
PACE Admin Requisition Fee	25,000	25,000	-
Commerical/Service	110,645	104,018	6,627
Retail	130,094	125,670	4,424
Industrial	397,418	533,627	(136,209)
Residential/Multi/Single	1,192,183	1,295,926	(103,743)
Multi-Family	8,037,275	488,203	7,549,072
PACE SB2 Recording Revenue	308,810	308,810	-
Interest Revenue - Other	128,942	178,994	(50,052)
HERO - Other Revenue	150,823	150,823	-
Commercial/Service - Non-Admin Portion	2,655,491	2,600,447	55,045
Retail - Non-Admin Portion	3,122,265	3,141,741	(19,476)
Industrial - Non-Admin Portion	9,538,037	13,340,671	(3,802,634)
Residential/Multi/Single - Non-Admin Portion	27,516,865	32,398,156	(4,881,291)
Multi-Family - Non-Admin Portion	11,304,318	12,205,079	(900,761)
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	2,078,697	5,563
Total Revenues and Carryover Funds	58,937,742	79,402,189	(1,840,847)
Expenditures	Approved 6/30/2019	Actual 6/30/2019	Remaining Budget
Wages and Benefits			
Salaries & Wages	2,706,622	2,476,266	230,356
Fringe Benefits	907,163	778,111	129,052
Overhead Allocation	2,078,254	2,078,697	(443)

Total Wages, Benefits and Overhead	6,001,857	5,333,074	358,965
General Legal Services	685,194	627,641	57,553
PERS Unfunded Liability	198,823	152,327	46,496
Audit Svcs - Professional Fees	27,500	32,480	(4,980)
Bank Fees	26,856	33,347	(6,491)
Commissioners Per Diem	71,800	67,665	4,135
Office Lease	400,000	390,420	9,580
WRCOG Auto Fuels Expenses	1,250	1,362	(112)
WRCOG Auto Maintenance Expense	89	89	-
Parking Validations	24,752	17,054	7,698
Staff Recognition	800	408	392
Coffee and Supplies	3,000	1,720	1,280
Event Support	175,722	171,704	4,018
Program/Office Supplies	22,809	22,177	632
Computer Equipment/Supplies	6,993	3,238	3,755
Computer Software	93,448	74,506	18,942
Rent/Lease Equipment	30,000	15,799	14,201
Membership Dues	34,000	30,822	3,178
Subscription/Publications	1,948	1,620	328
Meeting Support Services	8,052	3,225	4,827
Postage	6,468	3,580	2,888
Other Household Exp	1,129	787	342
COG HERO Share Expenses	15,000	5,431	9,569
Storage	6,657	5,251	1,406
Printing Services	2,798	2,190	608
Computer Hardware	12,600	2,664	9,936
Communications - Regular Phone	15,000	18,132	(3,132)
Communications - Cellular Phones	20,379	9,275	11,104
Communications - Computer Services	57,936	42,590	15,346
Communications - Web Site	8,063	8,063	-
Equipment Maintenance - General	9,000	5,396	3,604
Equipment Maintenance - Comp/Software	21,000	17,920	3,080
Insurance - Gen/Busi Liab/Auto	97,678	104,073	(6,395)
PACE Residential Recording	333,966	288,851	45,115
Seminars/Conferences	13,233	6,105	7,128
General Assembly Expenses	300,000	213,207	86,793
Travel - Mileage Reimbursement	24,357	16,017	8,340
Travel - Ground Transportation	4,535	4,057	478
Travel - Airfare	14,755	12,504	2,251
Lodging	12,290	14,828	(2,538)
Meals	7,919	5,980	1,939
Other Incidentals	7,206	8,075	(869)
Training	6,250	745	5,505
OPEB Repayment	71,053	71,053	-
Supplies/Materials	52,195	35,343	16,852
Advertisement Radio & TV Ads	42,274	26,820	15,454
Consulting Labor	2,660,491	2,568,772	91,719
TUMF Project Reimbursement	38,000,000	31,874,980	6,125,020
BEYOND Program REIMB	2,793,608	1,831,037	962,571
Misc Equipment Purchased	3,000	2,735	265
Bad Debt Expense	78,238	78,238	-
Total General Operations	47,676,204	38,857,272	8,210,104
Total Expenditures and Overhead	53,678,061	44,190,346	8,569,069



Western Riverside Council of Governments

Technical Advisory Committee

Staff Report

Subject: WRCOG Committees and Agency Activities Update

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

Date: September 19, 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 summary recaps of actions and activities from recent WRCOG standing Committee meetings that have taken place for meetings which have occurred during the month of August.

Prior Actions:

September 12, 2019: The Public Works Committee received and filed.

September 12, 2019: The Planning Directors Committee received and filed.

September 9, 2019: The Executive Committee received and filed.

Fiscal Impact:

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

Attachment:

1. Summary recaps from August Committee meetings.

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Item 6.B

WRCOG Committees and Agency
Activities Update

Attachment 1

Summary recaps from August
Committee meetings

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**Western Riverside Council of Governments
Executive Committee
Meeting Recap
August 5, 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](#).

Professional Services Agreements (PSAs) Approved

- The Executive Committee approved amendment to a consulting contract for the continuation of planning support and advisory services for the Clean Cities Program.

TUMF Program Activities

- The Executive Committee approved a TUMF exemption for specially built homes that serve as transitional housing for homeless individuals or families.
- The Executive Committee approved a Reimbursement Agreement Amendment with the City of Moreno Valley for the Nason Street / SR-60 Interchange Project and the Moreno Beach Drive / SR-60 Interchange Project.
- The Executive Committee approved a Reimbursement Agreement with the City of Temecula for the Diaz Road (Western Bypass) Widening Project.

4th Quarter Budget Amendment Approved

- The Executive Committee approved a Fiscal Year 2018/2019 4th Quarter Budget amendment.
- Overall, there will be a net total agency increase in revenues of \$11,401,063 for the 4th Quarter of Fiscal Year 2018/2019.

Regional Water Supply Presentation Received

- Paul Jones, Eastern Municipal Water District General Manager, and Craig Miller, Western Municipal Water District General Manager, provided an update on the status of State and local water supply and projects.
- As of July 10, 2019, the State is out of long-term drought conditions due to the past rainy season. Locally, the Diamond Valley Reservoir, which predominantly serves the southern California area, is at 94% capacity.
- Local projects for both Eastern and Western Municipal Water Districts continue to diversify the water supply portfolio and increase system reliability.
- The Committee also received a presentation on Per- and Poly-fluoroalkyl Substances (PFAS), an emerging contaminant issue, which has recently received growing media attention due to potential adverse health implications. WMWD and EMWD are taking the necessary precautions to preserve the public health of communities served.

Regional Streetlight Program Presentation Received

- Streetlight retrofits have begun in a number of participating jurisdictions including the Cities of Eastvale, Moreno Valley, Murrieta, and Wildomar. The City of Murrieta will be the first participating agency to complete their streetlight retrofit.
- Since 2017, federal tariffs imposed have impacted General Electric and other lighting manufacturers, forcing them to increase pricing 6% - 10%. In response, WRCOG negotiated a price lock resulting in savings of approximately \$370,000 for participating jurisdictions.

PACE Updates Received

- The Executive Committee updated the PACE debt management policy to further outline debt issuance guidelines in accordance with the California Debt Investment Advisory Commission requirements.
- Since the inception of the Program, WRCOG has added Renew Financial, PACE Funding, Ygrene, Greenworks, CleanFund, and Twain as PACE Providers. The Executive Committee increased the maximum bond authorization from \$3 billion to \$3.7 billion to reflect the addition of new Providers.
- The Executive Committee approved an update to the HERO Residential Dealer Fee Program that will remove the 90-day interest rate lock in contractors must abide to. Instead, contractors will have flexibility to move through the interest rate bands on an individual project basis.

California Clean Air Day is October 2, 2019

- The Executive Committee adopted a resolution proclaiming October 2, 2019 a California Clean Air Day, which encourages communities to act and improve air quality.
- WRCOG is encouraging member agencies to pass similar resolutions to embrace California Clean Air Day. Jurisdictions that adopt a similar resolution will be provided resources to host a tree planting ceremony at the jurisdiction or a local park. Interested member agencies should reach out to WRCOG staff.

Next Meeting

The next Executive Committee meeting is scheduled for Monday, September 9, 2019, at 2:00 p.m., at the County of Riverside Administrative Center, 1st Floor Board Chambers.



**Western Riverside Council of Governments
Planning Directors Committee
Meeting Recap
August 8, 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](#).

Planning Directors Committee Leadership for FY 2019/2020 Selected

- Chair: H.P Kang, City of Hemet
- Vice-Chair: Jeff Murphy, City of Murrieta
- 2nd Vice-Chair: Travis Randel, City of San Jacinto

Residential Housing Definition for TUMF

- The TUMF Administrative Plan includes program guidelines and procedures, including a section that outlines the definitions of land uses for TUMF.
- Due to changing types of residential projects (i.e. mixed used development projects), WRCOG is asking for input on whether the definition of “single-family residential unit” and “multi-family residential unit” should be redefined in the TUMF Administrative Plan.
- WRCOG staff will monitor projects over the next three to four months and return to the Planning Directors Committee (PDC) with additional information to determine whether a change should be made to the TUMF Program definitions or if projects should be processed on a case-by-case basis.

State Housing Legislative Update

- Assembly Bill (AB) 101 and Senate Bill (SB) 102 are two trailer bills that were introduced as part of the Governor's budget and include:
 - Incentives: a state funding program for “pro housing” communities
 - Penalties: financial penalties for jurisdictions with non-compliant Housing Elements ranging from \$10,000 – \$600,000 monthly
- AB 101 has passed both houses of the State Legislature and is now pending approval by the Governor.
- SB102 has passed the Senate and is being reviewed by the Assembly.
- The 2019 Legislative Session ends on September 13, 2019.
- October 13, 2019, marks the last day for the Governor to sign or veto bills.

Inland Empire Comprehensive Multimodal Corridor Plans are Being Developed

- RCTC and SCBTA, in coordination with Caltrans and SCAG, are preparing two comprehensive Multimodal Corridor Plans that will span into Western Riverside and San Bernardino Counties and will include highway facilities and transit systems.
- The main purpose for the Corridor Plans is to meet requirements for funding programs, primarily the SB 1 Solutions for Congested Corridors Program (SCCP).
- Projects submitted for SCCP Cycle 2 funding must be included in a Multi-Modal Corridor Plan. The California Transportation Commission allows three types of projects:
 - To be an update to an existing multimodal plan
 - A hybrid plan
 - A new plan

Eastvale, Moreno Valley, Murrieta, and Wildomar are Retrofitting their LED Streetlights

- Streetlight retrofits have begun in several participating jurisdictions including the cities of Eastvale, Moreno Valley, Murrieta, and Wildomar. The City of Murrieta will be the first participating agency to complete their streetlight retrofit.
- The City of Hemet is projected to begin their streetlight retrofits in August 2019. Remaining jurisdictions (Lake Elsinore, Menifee, Perris, San Jacinto, Temecula and the Jurupa Valley Community Services District) are anticipated to start the retrofit process later this year.
- Since 2017, an increase in federal tariffs have impacted General Electric and other lighting manufacturers, forcing them to increase pricing 6% - 10%. In response to this, WRCOG has negotiated prices and locked-in lower rates for participating jurisdictions, saving them approximately \$370,000.

Regional Housing Needs Assessment (RHNA) Methodology Options Discussions are Occurring at SCAG

- Each local jurisdiction in California is required to adopt a Housing Element as part of its General Plan that shows how the community plans to meet its existing and projected housing needs for people at all income levels within their jurisdiction.
- RHNA is the state-mandated process to identify the total number of regional housing units needed, and SCAG is the entity assigned with drafting a methodology to distribute the regional need. In preparation for the 6th RHNA Cycle, SCAG staff has drafted three prospective methodologies to distribute housing need.
- SCAG is currently soliciting input on the three methodologies and will be holding four public hearings in August. The public hearing in the Inland Empire will be held at the San Bernardino County Transportation Authority office on Tuesday, August 27, 2019 at 6:00 p.m.
- WRCOG is currently evaluating whether it should submit a comment letter to SCAG regarding the RHNA methodology. If WRCOG prepares a comment letter, it will need to be submitted to SCAG by the first week of September. We ask that any agency that wishes to provide input to WRCOG do so by August 23rd so that WRCOG may incorporate these comments into our letter.

Planning Directors Committee Representative Update

- As part of an annual update, staff would like PDC members to review and provide updates to voting representatives from each member agency.
- Staff would like to note that the designated PDC representative does not have to be the jurisdiction's Community Development Director or Planning Director. Staff encourages each agency to have at least one alternate representative.
- Any updates or changes to designated representatives can be sent to Janis Leonard, WRCOG Administrative Services Manager, at jleonard@wrcog.us.

Next Meeting

The next Planning Directors Committee meeting is scheduled for Thursday, September 12, 2019, at 9:00 a.m. at WRCOG's office, located at 3390 University Avenue, Suite 450, Riverside.



**Western Riverside Council of Governments
Public Works Committee
Meeting Recap
August 8, 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](#).

Public Works Committee Leadership for FY 19-20 Selected

- Chair: Kristen Jensen, City of Hemet
- Vice-Chair: Bob Moehling, City of Murrieta
- 2nd Vice-Chair: Brad Brophy, City of San Jacinto

Eastvale, Moreno Valley Murrieta, and Wildomar are Retrofitting Their LED Streetlights

- Streetlight retrofits have begun in several participating jurisdictions including the cities of Eastvale, Moreno Valley, Murrieta, and Wildomar. The City of Murrieta will be the first participating agency to complete their streetlight retrofit.
- The City of Hemet is projected to begin their streetlight retrofits in August 2019. Remaining jurisdictions (Lake Elsinore, Menifee, Perris, San Jacinto, Temecula and the Jurupa Valley Community Services District) are anticipated to start the retrofit process later this year.
- Since 2017, an increase in federal tariffs have impacted General Electric and other lighting manufacturers, forcing them to increase pricing 6% - 10%. In response to this, WRCOG has negotiated prices and locked-in lower rates for participating jurisdictions, saving them approximately \$370,000.

Residential Housing is Defined for TUMF

- The TUMF Administrative Plan includes program guidelines and procedures, including a section that outlines the definitions of land uses for TUMF.
- Due to changing types of residential projects (i.e. mixed used development projects), WRCOG is asking for input on whether the definition of "single-family residential unit" and "multi-family residential unit" should be redefined in the TUMF Administrative Plan.
- The Public Works Committee suggested that the definitions currently in place for residential housing developments remain the same.

Inland Empire Comprehensive Multimodal Corridor Plans are Being Developed

- RCTC and SCBTA, in coordination with Caltrans and SCAG, are preparing two comprehensive Multimodal Corridor Plans that will span into Western Riverside and San Bernardino Counties and will include highway facilities and transit systems.
- The main purpose for the Corridor Plans is to meet requirements for funding programs, primarily the SB 1 Solutions for Congested Corridors Program (SCCP).
- Projects submitted for SCCP Cycle 2 funding must be included in a multi-modal corridor plan. The California Transportation Commission has allowed for three types of projects:
 - To be an update to an existing multimodal plan
 - A hybrid plan
 - A new plan

- Potential improvements include transit, active transportation, operational improvements as well as improvements to local arterials.

Directors Comments

There will be a workshop on September 12, 2019 with SCAG and other presenters on streamlined electric vehicle permitting, based on new state requirements. The workshop will start at 11 AM and then conclude by 12:30 PM. Lunch will be served.

Next Meeting

The next Public Works Committee meeting is scheduled for Thursday, September 12, 2019, at 1:00 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@wrcog.us, (951) 405-6738

Date: September 19, 2019

The purpose of this item is to provide an update on the LED retrofit progress for the Cities of Eastvale, Hemet, Moreno Valley, Murrieta, and Wildomar.

Requested Action:

1. Receive and file.

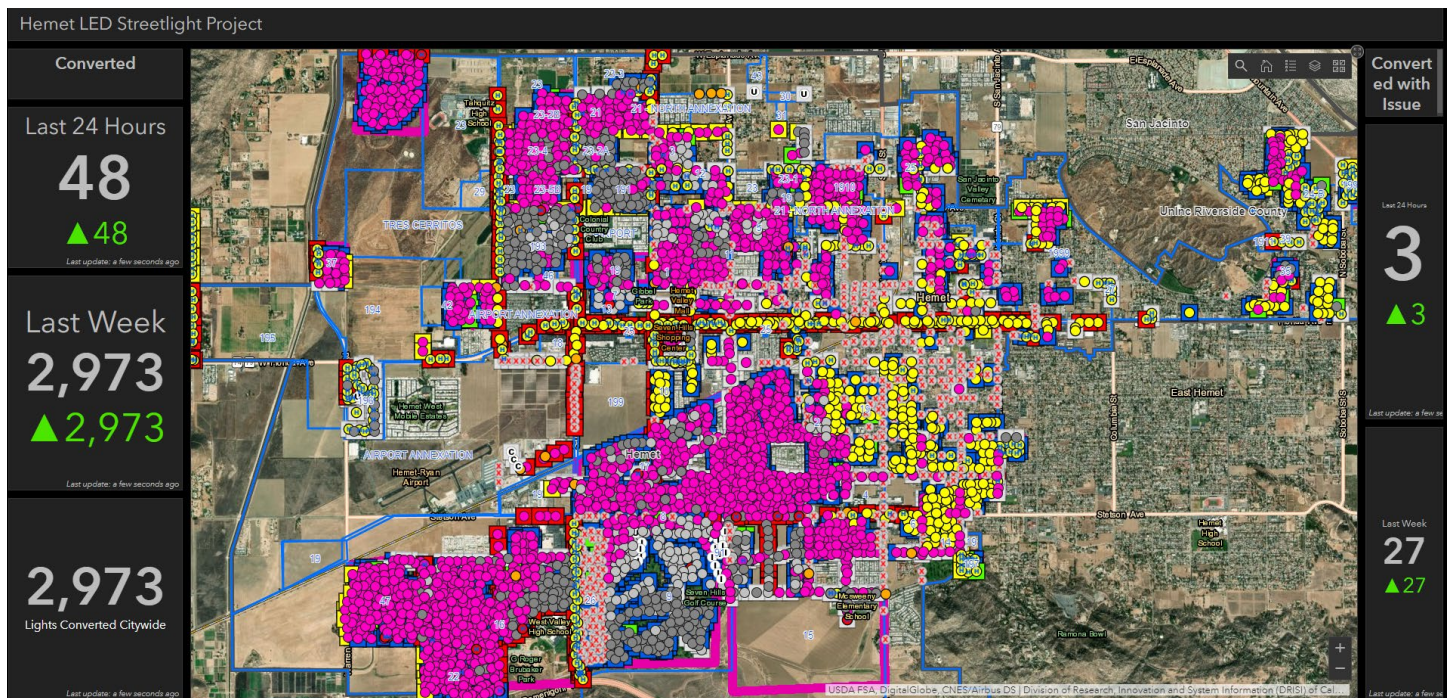
WRCOG's Regional Streetlight Program will assist member jurisdictions with the acquisition and retrofit of their Southern California Edison (SCE)-owned and operated streetlights. The Program has three phases: 1) streetlight inventory; 2) procurement and retrofitting of streetlights; and 3) ongoing operations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

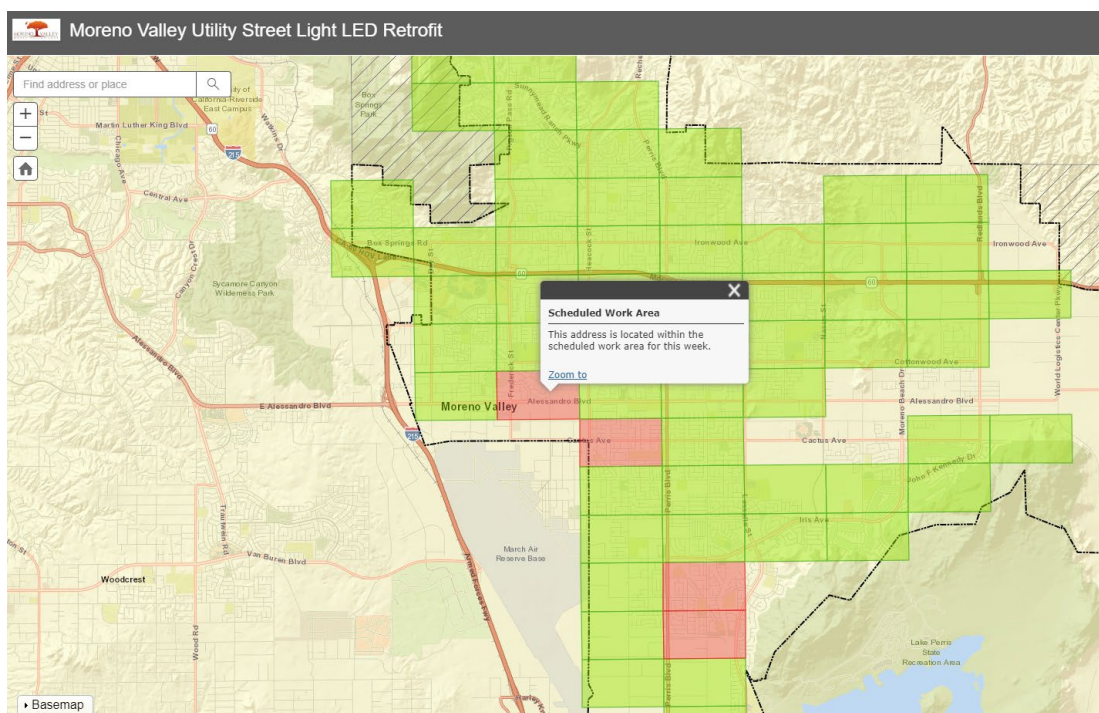
City of Hemet Retrofit is Underway

The City of Hemet started its streetlight retrofit on August 15, 2019, and is currently retrofitting over 4,200 of its city-owned and newly acquired streetlights to Current by General Electric (GE) LED fixtures. As of September 9, 2019, the City was approximately 70% complete; 2,973 streetlights converted to LED. The City is unique in being one of the only jurisdictions in the Program to own most of its streetlights prior to the acquisition of additional streetlights from SCE. This led the City to begin retrofitting city-owned streetlights first in a few residential neighborhoods, and then later move into the residential neighborhoods with streetlights acquired from SCE. The below map identified yellow dots as streetlights to be converted, pink dots as streetlights converted needing City Pole Tag, grey dots as converted poles already tagged by the City, and blue and pink lines for the City's Lighting and Maintenance District boundaries.



Moreno Valley Streetlight Retrofit 78% Complete

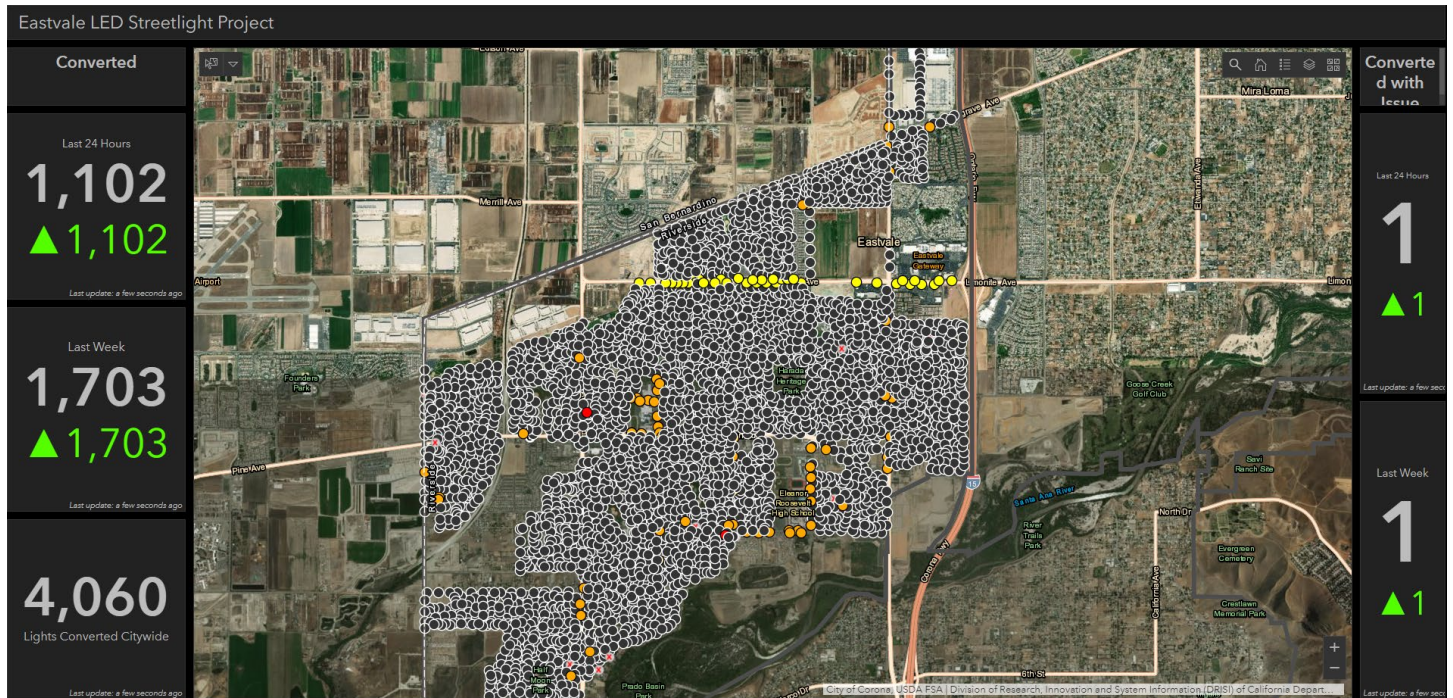
The City of Moreno Valley started retrofitting its streetlights in December 2018. As of September 11, 2019, the City has converted over 8,837 streetlights to LED fixtures, or approximately 78% complete. The City of Moreno Valley will retrofit a total 11,257 streetlights which include city-owned streetlights and streetlights acquired from SCE. The below map of the City's retrofit workflow shows work areas scheduled for the current week in red, and areas that have been completed in green.



Eastvale Streetlight Retrofit Near Completion

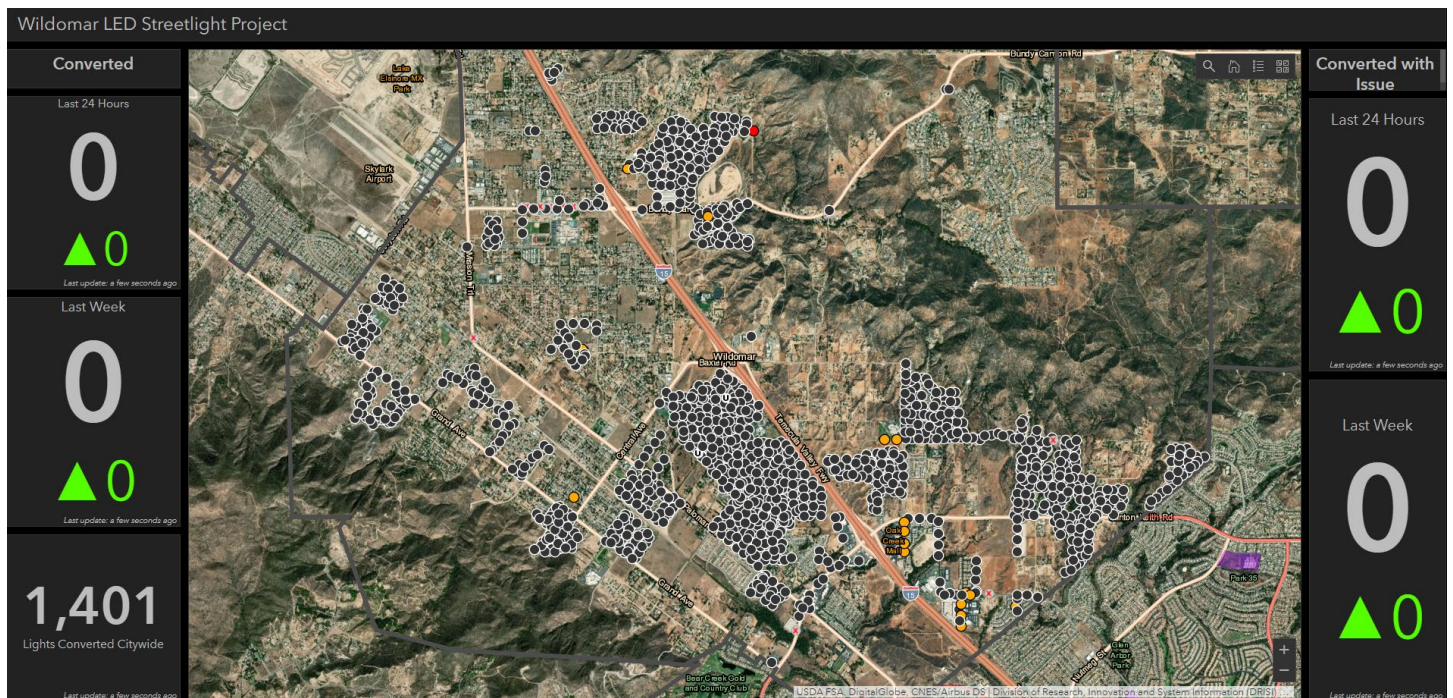
The City of Eastvale commenced with its streetlight LED retrofit on June 4, 2019. As of September 9, 2019, the City is nearing completion of its streetlight retrofit project with over 4,000 streetlights converted to GE LED fixtures, as represented by the black dots. Currently, the retrofit has halted on Limonite Avenue while the City

contemplates installing additional equipment on streetlights, as identified in the below map with yellow dots. Orange and red dots in the map below are streetlights needing a revisit due to utility issue or data error.



Wildomar Streetlight Retrofit Near Completion

The City of Wildomar started its streetlight retrofit on July 19, 2019. As of September 9, 2019, the City is nearing the completion of its streetlight retrofit project with 1,401 streetlights converted to LED. The retrofit project has been halted as WRCOG and the City are working with SCE to determine if newly constructed streetlights as part of new development could be deeded to the City, or acquired and subsequently retrofitted to LED. Additionally, the City is contemplating the retrofit of City-owned safety lights at intersections as well. The below map identifies streetlights converted to LED with black dots, and the orange and red dots represents those fixtures needing to be revisited due to utility issue or data error.



Murrieta Streetlight Retrofit Near Completion

The City of Murrieta started retrofitting its streetlights on February 11, 2019. As of September 9, 2019, the City is nearing completion of its streetlight retrofit. Currently, the City and WRCOG are inquiring with SCE about streetlight inventory data errors and poles that were missed by SCE during the True-Up process. If SCE determines these additional poles to be sellable, then the City would like to acquire the poles and retrofit them to LED. The City, Siemens, and WRCOG will work towards a project closeout which includes meeting City requirements for project delivery, substantial and final completion documentation, identification of punch list items and final work, as well as submitting all deliverables to the City such as GIS files. Concurrent to the retrofit project, WRCOG has been assisting the City with submitting SCE Incentive Applications for the streetlight retrofit.

Prior Actions:

September 9, 2019: The Executive Committee received and filed.

August 8, 2019: The Planning Directors Committee received and filed.

August 8, 2019: The Public Works Directors 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: Western Riverside Energy Partnership Program Activities Update

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

Date: September 19, 2019

The purpose of this item is to provide information on the collaboration between the Coachella Valley Association of Governments, the San Bernardino Council of Governments, and WRCOG on the partnership with The Research Corporation (TRC) on the bidding of public sector programs through Southern California Edison's (SCE) third-party solicitation.

Requested Action:

1. Recommend that the Executive Committee authorize the Executive Director to approve a public-private partnership agreement between WRCOG and The Research Corporation to develop bid packets for Southern California Edison's Request for Abstract & Request for Proposal solicitations for public sector energy programs.

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

SCE Public Sector Solicitation

In the next few months SCE will be releasing a solicitation to competitively bid out its existing Local Government Partnership (LGP) Program to third party providers. As mandated by the California Public Utilities Commission, SCE, along with the other Investor Owned Utilities (IOU), will initiate the outsourcing of approximately 60% of its energy efficiency portfolio to third party implementors. The outsourcing of the energy efficiency portfolio began in 2018 and will conclude in 2022. The reasoning for this outsourcing of programs is intended for the IOUs to find an alternative solution to achieving greater energy savings more efficiently by allowing third party implementors the opportunity to bring innovative strategies to the energy efficiency market. As of 2018, SCE has been in the process of outsourcing several of its energy efficiency programs such as residential, industrial, commercial, and public sector to identify and select a third-party implementor to oversee and implement cost effective energy efficiency programs for SCE.

The solicitation of the LGP Programs will occur over a two-phase process. The first phase consists of SCE's release of a Request for Abstract (RFA), tentatively anticipated for release in October 2019. The response to this RFA will be limited to 15 - 20 pages and will include information on proposers' conceptual energy efficiency program design, preliminary energy savings, and program budget information. The successful bidders in the RFA stage will move on to the Request for Proposal (RFP) stage that is tentatively anticipated during the first quarter of 2020 (could be pushed out further). The RFP response is much more involved and includes details on the energy program design, marketing and outreach plan, and in-depth program savings and cost

effectiveness calculations. Local jurisdictions and previous LGP implementors (like WRCOG) are eligible to propose on this opportunity.

Over the past several months, WRCOG, in coordination with the Coachella Valley Association of Governments (CVAG) and the San Bernardino Council of Governments (SBCOG), have been exploring the idea of submitting an RFA to take part in the solicitation process for the public sector component for LGPs. To participate on this bidding process, all three Councils of Governments (COGs) have been in conversation with The Research Corporation (TRC), which has been the technical assistance vendor for several LGPs, including CVAG, SBCOG, and WRCOG. TRC is interested in having a private-public partnership with all three COGs to submit an RFA to SCE for consideration of applying towards the RFP component of the solicitation process.

For the RFA phase, there is no financial commitment required from the COGs' member agencies. What will be needed to develop a response for the RFA is the collection of City property data (facility energy usage information) and any energy savings achieved to date. This information is important for the development of the RFA because it provides information on the subregion's potential to continue providing energy efficiency programs for ongoing support for projects at the municipal facility level. As part of this partnership, TRC would provide support at every stage of the process including program design, implementation and cost effectiveness calculations for both the RFA & RFP response stages.

In preparation for the RFA process, the COGs are looking to prepare and gather the city facility data that has been used in the past for prior programs such as the Western Riverside Energy Partnership. The data that would be provided for the development of the RFA would include city facility, purpose of the facility, square footage, date built, and energy usage. In addition to this information, any energy projects that have been completed for the participating members would also be added to the RFA which would highlight the active participation of local governments involved with energy efficiency work. This information would be provided to TRC for the development of the of the RFA.

In addition to this collaboration, TRC has provided the COGs with a draft teaming agreement (Attachment 1) that would need to be executed for the ongoing collaboration between the agencies for the development of the RFA & RFP stages. WRCOG, CVAG, and SBCOG are working together to review and provide feedback towards the teaming agreement with the goal of having the document executed for the interest of submitting a bid towards SCE's RFA & RFP stage per legal approval.

Prior Action:

<u>September 11, 2019:</u>	The Administration & Finance Committee recommended that the Executive Committee authorize the Executive Director to approve a public-private partnership agreement between WRCOG and The Research Corporation to develop bid packets for Southern California Edison's Request for Abstract & Request for Proposal solicitations public sector energy programs.
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Fiscal Impact:

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

Attachment:

1. Draft Teaming Agreement with TRC.

Item 6.D

Western Riverside Energy Partnership
Program Activities Update

Attachment 1

Draft Teaming Agreement with TRC

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TEAMING AGREEMENT BI-DIRECTIONAL TO PURSUE MULTIPLE OPPORTUNITIES

This TEAMING AGREEMENT – BI-DIRECTIONAL TO PURSUE MULTIPLE BUSINESS OPPORTUNITIES (“**Agreement**”) is made as of [date] (“**Effective Date**”) by and between [TRC entity], a [state] [type of legal entity] with an office located at [address] and [Correct Legal Name of other Teaming Party], a [where incorporated?] [type of legal entity] with a principal place of business at [address] (each a “**Party**” and collectively the “**Parties**”). For the purposes of this Agreement, the term “**Affiliate**” means any direct or indirect, current or future, subsidiary of a Party, or any other entity which is controlled by a Party, or which controls a Party. The term “control” as used in the prior sentence means possession, directly or indirectly, of at least fifty percent (50%) of the voting equity of another entity (or other comparable interest for an entity other than a corporation), or the power to direct or cause the direction of the management or policies of an entity, whether through ownership of securities, by contract, or otherwise

Whereas, this Agreement is made with reference to the following facts and objectives:

1. Each Party is interested in pursuing various requests for proposals (“**RFPs**”), which might commence with requests for qualifications (“**RFQs**”) issued by clients, owners, or contractors (each a “**Client**”) for projects the Parties are capable of performing (“**Projects**”).
2. Each Party desires to work with the other Party to prepare and submit statements of qualifications (each an “**SOQs**”) in response to selected RFQs, and proposals (“**Proposals**”), in response to selected RFPs, with the objective of entering into an agreement with the Client issuing the RFP to perform the selected Project (“**Contracts**”).
3. Each Party intends to collaborate and effectively use its respective core competencies and experience in the preparation and submission of SOQs and Proposals to Clients for Projects.
4. Each Party is experienced in the kinds of services required by the Projects, and, if applicable, is properly licensed to perform such work for the Projects, which will be defined in the anticipated RFPs.
5. In order to maximize the likelihood of presenting effective Proposals, the Party desires to pool its resources with the other Party’s resources to maximize their complementary capabilities according to the terms and conditions herein.

Therefore, in consideration of the promises and mutual covenants set forth in this Agreement, each Party agrees as follows:

1. **Registered Opportunities.** Each opportunity the Parties agree to jointly pursue pursuant to this Agreement shall become a Registered Opportunity, and documented as a Registered Opportunity using the Registered Opportunity form attached hereto as Exhibit A. For each Registered Opportunity, the Parties will designate a party to be prime contractor (“**Prime**”) and a party to be subcontractor (“**Sub**”), (collectively, a “**Team**”), and will identify the portion of the Project work that will be performed by Sub (the “**Subcontractor Work Portion**”). Each Registered Opportunity form also shall contain any additional terms and conditions applicable to such Registered Opportunity, including, but not limited to, any Client confidentiality or non-disclosure requirements and/or agreement for that Registered Opportunity. The Parties will maintain a log of Registered Opportunities, substantially in the form of Exhibit B.

2. **Exclusive Arrangement.** For each Registered Opportunity, the Team will work exclusively with each other to furnish SOQs and Proposals, as applicable. Each Party agrees not to enter into a teaming arrangement with respect to the Registered Opportunity or to submit an SOQ or a Proposal for the Registered Opportunity individually or with any other person or entity (except as provided in Section 3 below). Specifically, (i) Prime agrees not to solicit from any other firm the Subcontractor Work Portion unless the Client will not approve Sub as a subcontractor; and (ii) Sub agrees that for any Registered Opportunity it will not participate in the submission of a response to an RFQ



or RFP as a prime contractor, consultant, or a subcontractor to any other firm. This provision will apply to all Affiliates of the Parties. To avoid conflicts or potential conflicts by other business units, each Party will perform internal due diligence to determine no conflicts exist and will be avoided for each Registered Opportunity. Other than with respect to Registered Opportunities, this Agreement shall not preclude either Party from marketing its services to any potential client, competing for projects, or entering into contracts, independent of the other or with other entities.

3. Additional Team Members. Prime reserves the right, upon notification to Sub, to add additional members to the Team to assist in performing tasks relating to the SOQ / Proposal; *provided, however*, that no additional members shall be added to the Team to perform the Subcontractor Work Portion. In the event that additional members are added, Prime agrees to obtain adequate written protection of Sub's proprietary information from each new team member.

4. General Responsibilities for each RFQ / Proposal. Each Party will comply with the requirements of the RFP and will not do anything that would cause the Team to fail to qualify. Each Party will make every reasonable effort to coordinate and schedule work with each other and with any necessary subconsultants and subcontractors to enable the Parties to assemble the most competitive team and Proposal that they can to obtain an award of the Contract to Prime. Prior to submission of the Proposal, the Parties will prepare a preliminary division of responsibilities identifying the portions of the Project for which each Party will be responsible if Prime enters into a Contract with Client.

5. Sub's Responsibilities for SOQs / Proposals. For each Registered Opportunity, as applicable, Sub will assist Prime in preparing and submitting an SOQ and a Proposal to respond to the RFQ and/or RFP. Specifically, Sub will furnish, for incorporation into the SOQ or Proposal, as applicable, all material pertinent to the Subcontractor Work Portion, including, but not limited to, description of work, clarifications, exceptions, graphics, and cost and/or pricing data, as appropriate. The format for presenting scope, pricing, and/or any other pertinent information shall be as specified by Prime. Sub shall make available to Prime appropriate and qualified personnel to work on Sub's portion of the SOQ / Proposal, and shall provide reasonable assistance to Prime in preparing the SOQ / Proposal, including periodic reviews of the documents and supporting information.

6. Prime's Responsibilities for SOQs / Proposals. Prime will prepare an SOQ Proposal that complies with the requirements of the RFQ/RFP, and will make reasonable efforts to incorporate and accurately and adequately portray the information provided by Sub. Prime will keep Sub informed of any changes in the Client's requirements for the Registered Opportunity. Prime will afford Sub the opportunity to review, prior to submission, that portion of the Proposal which relates to the Subcontractor Work Portion. In addition, Prime will consult with, and obtain the concurrence of Sub, before making any changes in the Proposal which concern the Subcontractor Work Portion. Prime will be responsible for the final Proposal, its means and methods, sequence, scheduling, contingencies, pricing, subcontracting, equipment, and material procurement, and contingencies in the Proposal, and will be the sole and final determinant of the Proposal content, risk profile, and pricing. Prime will identify Sub as a team member and proposed subcontractor in the Proposal, and shall describe in the Proposal Sub's responsibilities concerning the Subcontractor Work Portion. Prime will submit the Proposal on a timely basis to Client, and thereafter will keep Sub reasonably advised of any the status of the SOQ / Proposal.

7. SOQ and Proposal Costs. Except as otherwise agreed for any individual SOQ or Proposal, in performing their respective obligations under this Agreement, each Party will be responsible for its own costs incurred, including, but not limited to, travel expenses. Neither party shall have any right to any reimbursement, payment, or compensation of any kind from the other during the period prior to Prime and Sub entering into a Subcontract as contemplated by this Agreement.

8. Communications With Client. Except as requested by Prime, Sub will not communicate directly with any Client regarding any RFQ / RFP, the Project, or the Team's SOQ / Proposal, but rather will submit to Prime any applicable questions or comments, which Prime will communicate to Client. Notwithstanding the foregoing, it is recognized that Sub may have a continuing relations with Client and may be the recipient of inquiries concerning any RFQ / RFP, or the Team's SOQ / Proposal. Whenever practicable, such direct communications must be approved in advance by Prime to ensure coordination of efforts and understanding of commitments. However, if it becomes reasonably unavoidable for Sub to directly communicate with Client concerning the an SOQ or a Proposal, or if Client desires to communicate directly with Sub, such communications shall not be deemed to be a breach of this Agreement, provided Sub makes reasonable efforts to include Prime, copies Prime on any written

communications from Sub, and promptly notifies Prime of any oral communications on which Prime could not reasonably be included.

9. Negotiations With Client. Prime will use its reasonable best efforts after submission of the Proposal to the Client to obtain the contract award, and Sub agrees to provide such assistance in such efforts as Prime may reasonably request. Prime will be responsible for any negotiations and communications with Client concerning the Registered Opportunity, the RFQ/RFP, the SOQ, the Proposal or any Contract resulting therefrom. Following submission of an SOQ or a Proposal, Prime will keep Sub informed about relevant, concurrent negotiations by Prime with Client, and, when reasonably practicable, Prime agrees to afford Sub an opportunity to be present at negotiations or meetings with Client that are likely to concern the Subcontractor Work Portion. If requested by Prime, Sub will make reasonable efforts to supply management and technical personnel to assist Prime in any negotiations and discussions with Client relating to the RFQ / RFP or SOQ / Proposal. In any discussions or negotiations with an Client, Prime will not deviate from any clarifications, exceptions, and/or pricing regarding the Subcontractor Work Portion of the Proposal without first obtaining agreement from Sub.

10. Confidentiality.

- a. The Parties will exchange such information and data as are reasonably required of each to perform its obligations under this Agreement. All technical information, information systems, and confidential business information which is received from a Party under this Agreement related to a Proposal or a Project, whether in tangible or electronic form ("**Confidential Information**") will not be disclosed to other persons except as provided herein. Confidential Information may be disclosed only on a "need to know" basis, and only to (1) a Party's Affiliates and/or employees, (2) Clients, their affiliates, and their agents to respond to requirements of SOQs or RFPs, and (3) provided the subcontractor enters into a confidentiality agreement, a Party's subcontractor or subconsultant. Each Party will include a similar confidentiality clause in its agreements with its subcontractors/subconsultants. The restrictions on the disclosure of Confidential Information will not apply to the extent that such data: (i) was in the public domain at the time of disclosure or later came into the public domain; (ii) was known to the receiving Party at the time of disclosure; (iii) is authorized for disclosure by the written approval of the disclosing Party; (iv) is not unlawfully derived by the receiving Party from a source other than the disclosing Party without restriction as to the use or disclosure of such data, or (v) is independently developed by the receiving Party without resource to any Confidential Information provided under this Agreement.
- b. The Parties will not be restricted in any way from releasing information in response to a subpoena, court order or legal process, but will notify the other Party of the demand for information before responding to such a demand.
- c. The restrictions in this Section 5 will cease to apply five (5) years after the termination of this Agreement.
- d. The Parties agree to comply with any additional or different confidentiality obligations in any RFP or any confidentiality / nondisclosure agreement associated with any RFP.

11. Proprietary Rights. Subject to the rules established by Clients for RFPs, each Party will retain title to all of its intellectual property rights, including, without limitation, copyrights, with respect to all documents, drawings, specifications, electronic data, and information prepared, provided, or procured by it in connection with any SOQ or Proposal for any Project. Subject to the rights of any third party, each Party hereby grants to the other Party, for purposes of proceeding under to this Agreement, an irrevocable royalty-free license to copy and use, for any purpose solely relating to an SOQ or Proposal, all items and material subject to its intellectual property rights that are used or intended to be used for the purposes of preparation and submission of an SOQ or Proposal, and negotiation of the associated Contract. If a Party withdraws under this Agreement, the remaining Party and any new party will cease to have entitlement to use any items or materials that are the subject of the license granted pursuant to this Section 6 provided by the withdrawing Party.

12. No License Granted. No license to either Party, under any trademark, patent, or copyright is either granted or implied by the conveying of information to that Party or by executing this Agreement. None of the information which may be submitted or exchanged by the respective Parties shall constitute any representation, warranty, assurance, guarantee, or inducement by either Party to the other Party with respect to the infringement of trademarks, patents, copyrights, or any right of privacy or other rights of third persons.

13. Standard of Care. In the event either Party performs professional services for the preparation of the Proposal, the standard of care for such services will be the care and skill ordinarily used by members of a design

profession similar to the professional services being performed hereunder, practicing under similar conditions at the same time and locality as the professional services performed for the SOQ or Proposal. The standard of care will not be altered, expanded, or abridged by the application, interpretation or construction or any provision of this Agreement or any incorporated document. Each Party acknowledges that any professional services performed as part of any Proposal are based on limited information, and must be considered as preliminary and not suitable for construction.

14. Compliance with Laws and Policies / Bribery & Corruption. Each Party will comply with all laws applicable to the performance of its obligations under this Agreement. In particular, and without limiting the foregoing, each Party agrees that in the course of being introduced to an opportunity to bid to a Client, and participating under an RFQ or RFP, it will comply with all applicable laws and policies and requirements under the RFQ and/or RFP regarding ethical business practices and improper or illegal payments, gifts, or gratuities, and will not offer, make, or give any such payments, gifts, or gratuities to any person (whether government official or private individual) for the purpose of inducing such person or individual to make a buying decision or to take any other action favorable to any Party.

15. Subcontract Agreement. For any Contract awarded to Prime as a result of a Proposal submitted pursuant to this Agreement, with respect to the Subcontractor Work Portion of the Project, Prime and Sub will enter into a negotiated, mutually acceptable subcontract agreement substantially in accordance with Sub's pricing in the Proposal for the Subcontractor Work Portion, and pursuant to terms and conditions substantially similar to that attached hereto as Exhibit C ("Subcontract").

16. Subcontract Supersedes. In the event the Parties enter into a Subcontract for a Project pursuant to this Agreement, with respect to that Project the Subcontract will entirely supersede and take precedence over this Agreement.

17. Initial Term. This Agreement will commence on the Effective Date and will remain in effect for one (1) year ("**Initial Term**").

18. Renewal Terms. Following the Initial Term, this Agreement will automatically renew annually for an one (1) additional year (each a "**Renewal Term**"), subject to annual billing rate adjustments, until terminated by either Party.

19. Termination or Suspension of Agreement for Convenience. Either Party may terminate or suspend this Agreement, in whole or in part by providing written notice to the other Party at least thirty (30) days prior to the effective date of termination. Any termination of the entire Agreement will take effect after submission of an SOQ or Proposal under any Registered Opportunities in progress as of the notice of termination..

20. Automatic Termination of this Agreement. This Agreement and all Registered Opportunities will terminate automatically upon the occurrence of any of the following events:

- a. Either Party files a petition in bankruptcy or reorganization (or fails to discharge an involuntary petition within 60 days), makes a general assignment to creditors, or becomes insolvent;
- b. Either Party is acquired by or merged with an entity having a conflict of interest with the pursuit of work with Client; or
- c. Mutual agreement of the Parties.

21. Termination of Registered Opportunities. With respect to any Registered Opportunity in progress, the Parties' obligations under this Agreement will terminate upon the occurrence of any of the following events:

- a. Award by Client of a Contract to Prime and then execution of a Subcontract between Prime and Sub for the Project;
- b. Award by Client of a contract for the Project to a bidder other than Prime;
- c. No award of the Project is made within 180 days after the Proposal is submitted to Client, unless the Parties agree upon an extension;
- d. Cancellation of the Project or the RFP;
- e. Failure of Prime to become prequalified by Client to submit a Proposal;
- f. Refusal of Client to accept Sub as a subcontractor;
- g. Either Party reasonably determining that a significant Project matter, such as the scope of work, the Project's financing plan, the procurement process, or the terms of the Contract, RFP, or Subcontract

- is/are unacceptable to said Party; provided, however, that neither Party will be allowed to terminate this Agreement for convenience within ten (10) days of the due date for any Proposal;
- h. A default by either Party with respect to any of its obligations under this Agreement that is not corrected within ten (10) calendar days after receipt of written notice of such default provided by the other Party, at the discretion of the non-defaulting Party; or
 - i. Mutual agreement of the Parties.

22. Pursuit of Projects Following Termination of this Agreement or a Registered Opportunity. If termination occurs for reasons in sub-sections 15.b, or 15.e, 15.f then either Party may pursue work on the Project independently. If termination occurs for reasons in sub-sections 14.a, 14.b, 15.g, or 15.h, only the non-failing, non-defaulting, or non-withdrawing Party may compete for the Project individually or in combination with another entity. If termination occurs by for reasons in sub-sections 14.c, 15.c, 15.d, 15.h, neither Party may compete for the Project unless otherwise agreed to in writing by the Parties.

23. Mutual Waiver of Consequential Damages. In no event will either Party be liable (whether based on contract, warranty, indemnity, tort – including negligence, strict liability, or otherwise) to the other Party, and each Party expressly waives any rights it might have to recover from the other Party, for any special, exemplary, punitive, indirect, multiple, and consequential, or incidental damages arising out of this Agreement, except when such damages are caused by the intentional misconduct of the other Party. The mutual waiver in the foregoing sentence specifically includes, but is not limited to, rental expenses, loss of use, loss of production, loss of opportunity, loss of income, loss of profit, loss of financing, loss of business, and loss of reputation.

24. Mutual Indemnification.

- a. Indemnity for Professional Negligence. Each Party will indemnify and hold harmless the other Party and its directors, officers, and employees from damages, costs, or expenses, including reasonable attorneys' fees and costs of litigation ("**Losses**") arising out of demands, claims, or suits ("**Claims**") by third parties to the extent such Claims are caused by the indemnifying Party's negligent acts, errors, or omissions in the performance of any professional services under this Agreement.
- b. General Indemnity. With the exception of claims arising under Section 24.a above, above, each Party will indemnify the other Party and its directors, officers, and employees against, and hold them harmless from, such all Losses, and will defend Indemnitees against any and all Claims, arising out of third party bodily injury, disease, death, or property damage (excluding damages for loss of use) associated with the performance of this Agreement, but only to the extent such bodily injury, disease, death, or property damage is caused by the negligence or intentional misconduct of the indemnifying Party, or any person or entity for whose acts or omissions the indemnifying Party is responsible.

25. Dispute Resolution. The Parties will attempt in good faith to resolve any dispute, controversy, or claim of a contractual nature arising out of or relating to any Proposal or this Agreement, or the breach thereof ("**Dispute**") promptly by negotiation. When either Party determines it has exhausted its efforts to resolve a Dispute by the persons responsible for the administration of this Agreement, that Party may provide written notice to the other demanding negotiation by executives ("**Notice**"). Within 15 days after the date of such Notice, executives of both Parties who have authority to agree to a settlement of the Dispute will meet at a mutually acceptable time and place (or, otherwise, within twenty-five (25) miles of the site of the Project), and thereafter as often as they reasonably deem necessary, to attempt to resolve the Dispute. All negotiations pursuant to this Section 14 are confidential and will be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. If the Parties do not resolve the Dispute by negotiation within 45 days after delivery of the Notice, either Party may demand arbitration. After such demand, the Parties agree the Dispute will be resolved by arbitration, by a single arbitrator agreed upon by the Parties. If the Parties cannot agree on an arbitrator, each Party will designate a neutral and those two neutrals will select an arbitrator. The arbitrator will conduct the arbitration generally in accordance with the most current Construction Industry Arbitration Rules of the American Arbitration Association ("AAA"), although the AAA will not administer the arbitration. Unless otherwise agreed, the arbitration will take place within twenty-five (25) miles of the site of the Project. The arbitration decision will be final, binding, and irrevocable, and the Parties expressly and unreservedly waive any and all rights to attack the same through any ordinary judicial means or through recourse to any other procedure

26. No Partnership. Nothing in this Agreement may be construed as creating any agency, partnership, joint venture, or legal business of any kind between the Parties. It is expressly understood that the Parties are, and will remain at all times, independent contractors pursuant to this Agreement and nothing herein will be construed as

giving either Party any of the rights of, or subjecting either Party to any of the liabilities of, a partner, nor shall either Party be authorized to represent or make any commitments binding on the other Party. This Agreement is limited to the Registered Opportunities and has no effect on any other project or any other business of either Party.

27. No Publicity. Neither Party will make any public disclosures, including, without limitation, in any advertisements, publications, or documents, regarding Client, this Agreement, the other Party, or the Project, without the prior written approval of the other Party.

28. Non-Solicitation. Unless mutually agreed otherwise, during the term of this Agreement and for a period of twelve months following the termination or completion of this Agreement, neither Party will, either directly or indirectly solicit or encourage any present employee of the other to leave the employment of that company; *provided, however*, that nothing in this Agreement prohibits (i) any general advertisement or general solicitation that is not specifically targeted at such persons (or the hiring of any employee of either Party as a result thereof); or (ii) the hiring of any such persons who initiate discussions with such Party regarding employment without any direct or indirect solicitation by such Party.

29. Miscellaneous. This Agreement: (a) is governed by the laws of the State of [state], without regard to choice of law or conflict of law principles, and applicable federal law and regulations; (b) represents the Parties' entire understanding regarding teaming for the Registered Opportunities, and supersedes any prior agreements or discussions, written or oral, regarding teaming for the Registered Opportunities; (c) may be modified only by written amendment signed by each Party's officers or authorized designees; (d) is to be considered severable, and if any provision of this Agreement is illegal or unenforceable, the unaffected provisions will remain in effect; (e) contains headings for reference only; these headings have no effect on any provision's meaning; (f) does not extend to any third-party beneficiaries; (g) may be executed in any number of counterparts, may be executed electronically, and/or may contain signatures delivered electronically, any of which will have the same effect as original manual signatures on a single instrument. If either Party fails to enforce any right or remedy under this Agreement, that failure is not a waiver of the right or remedy for any other breach or failure by the other Party.

30. Notices. Any notice required to be given under this Agreement must be in writing and will be deemed effective upon receipt, provided notice is given by personal delivery or via overnight delivery with either a nationally recognized courier or the U.S. Postal Service, and sent to the addresses of the Parties set forth in the first paragraph above, to the attention of the person executing below, or to such other address/person as either of the Parties shall have furnished to the other in writing.

31. Exhibits. This Agreement includes and fully incorporates the following exhibits:

- Exhibit A Form of Registered Opportunity
- Exhibit B Log of Registered Opportunities
- Exhibit C Form of Subcontract for Professional Services

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their fully-authorized representatives as of the Effective Date, and by so executing have agreed to be bound by this Agreement.

[TRC entity]

[Other Teaming Party]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT A
REGISTERED OPPORTUNITY FORM

[see attached]

DRAFT

REGISTERED OPPORTUNITY NO. []

This Registered Opportunity is issued under the Teaming Agreement (“**Agreement**”) dated [date] between [TRC entity], and [Correct Legal Name of other Teaming Party].

Effective Date of this Registered Opportunity: [date]

Client Name: [correct legal name of client]

Address: [address]

Contact: [RFP contact person]

Phone Number: [RFP contact person phone]

Email: [RFP contact person email]

Client RFQ / RFP Number and/or Title: [RFQ / RFP #, Title]

Check one: ☐ This RFQ / RFP includes a Client NDA which is attached hereto and executed by both Parties.
☐ This RFQ / RFP does not include a Client NDA.

Bid Date: [month dd, yyyy]

Party to be Prime Contractor: [Party name]

Prime’s Contact Person, Email, Phone: [name, email, phone number]

Party to be Subcontractor: [Party name]

Sub’s Contact Person, Email, Phone: [name, email, phone number]

Prime Roles & Responsibilities: [general description, to the extent not covered in the Agreement]

Subcontractor Work Portion: [description of Sub’s scope]

Additional terms and conditions applicable to this Registered Opportunity: [insert additional info if applicable, otherwise state N/A]

IN WITNESS WHEREOF, the Parties hereto have caused this Registered Opportunity to be executed by their fully-authorized representatives as of the Effective Date, and by so executing have agreed to pursue the Opportunity herein in accordance with the terms of the Agreement.

[TRC entity]

[Other Teaming Party]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____



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EXHIBIT B

LOG OF REGISTERED OPPORTUNITIES

[see attached]

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LOG OF REGISTERED OPPORTUNITIES

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Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: International City / County Management Association Activities Update

Contact: AJ Wilson, California Senior Advisor, International City / County Management Association, ajwcm@aol.com, (760) 723-8623

Date: September 19, 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 Annual Conference – Registration

The Annual Conference of ICMA is still open for registration. If to plan to attend, the dates of the meeting are October 20 – 23, 2019; the event is being held in Nashville, Tennessee. You can still register on the ICMA website at <https://conference.icma.org/>.

If you cannot attend but would like to have the materials and presentations, you can take advantage of the opportunity for the Virtual Conference. Registration is open for this opportunity on the ICMA website.

League of California Cities City Managers Department Annual Conference

The advanced registration for City Managers of member cities will be available until Friday, September 20, 2019. The Conference also applies to Assistant City Managers. You can reserve a room after you register at <https://www.cacities.org/Education-Events/City-Managers-Conference/For-Attendees/Registration>.

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:

July 18, 2019: The Technical Advisory 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: Connect SoCal

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

Date: September 19, 2019

The purpose of this item is to provide an update on Connect SoCal, which is the Southern California Association of Governments (SCAG) long-range land use and transportation plan.

Requested Action:

1. Receive and file.

Background

Every four years, each Metropolitan Planning Organization (MPO) in California is required to prepare a long-range land use and transportation plan known as a Regional Transportation Plan/Sustainable Community Strategy (RTP/SCS). This document includes lists of roadway and transit projects developed through input from SCAG's member agencies. The document also includes strategies designed to reduce the impacts of these projects and future development in the SCAG Region.

SCAG has held a series of workshops to gather input on Connect SoCal and is currently develop a Draft Plan which is expected to circulate for public comment in November/December 2019. After the public comment period concludes, SCAG will then adopt the RTP/SCS in 2020.

A representative from SCAG will be providing an update on Connect SoCal.

Prior Action:

None.

Fiscal Impact:

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

Attachment:

None.

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Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: PACE Programs Activities Update: Commercial PACE Update and Renovate America Stipulated Judgment

Contact: Casey Dailey, Director of Energy & Environmental Programs, cdailey@wrcog.us, (951) 405-6720

Date: September 19, 2019

The purpose of this item is to provide an update on general PACE Program activities, on C-PACE, and on the Renovate America Stipulated Judgment.

Requested Action:

1. Receive and file.

WRCOG's PACE Programs provide financing to property owners to implement energy saving, renewable energy, water conservation, and seismic strengthening improvements to their homes and businesses. Financing is paid back through a lien placed on the property tax bill. The HERO Program was initiated in December 2011 and was expanded in 2014 (an effort called "California HERO") to allow for jurisdictions throughout the state to join WRCOG's Program and allow property owners in these jurisdictions to participate. WRCOG now offers CaliforniaFIRST, Greenworks, and PACE Funding as additional PACE Providers under the WRCOG PACE Program.

Commercial PACE Update

Truax Hotel: On August 16, 2019, staff attended the groundbreaking ceremony for the Truax Hotel, located in Old Town Temecula. The Truax Hotel is utilizing Commercial PACE (C-PACE) financing through WRCOG PACE Program partner, Twain Financial. The hotel is utilizing PACE for the lighting, windows, and heating ventilation and air conditioning (HVAC) system in an amount exceeding \$29,000,000. This project represents the largest C-PACE project done to date by the WRCOG PACE Program and staff believes this is the largest new construction C-PACE project done in California. Staff intends to utilize this project as a showcase for member agencies as an economic development incentive that can be used to attract private investment into the subregion.

Renovate America Stipulated Judgment

On August 9, 2019, WRCOG learned that Renovate America reached an agreement with the Riverside County District Attorney's Office which was leading a statewide examination into PACE financing and Renovate America's HERO Program. According to the District Attorney (DA), the examination included Renovate America's cooperation and was conducted over the course of nearly three years. WRCOG was not contacted as part of the investigation, although staff had previously learned of the effort and offered assistance to the DA. There were no allegations of criminal misconduct or admission of wrongdoing.

On August 26, 2019, staff requested a meeting and met with the DA's Office to discuss and gain understanding and perspective on the stipulated judgment and the various requirements that Renovate America agreed to

implement as a result of the examination. Renovate America has 120 days from the date of the release of the judgment to implement its requirements. Renovate America is also required to conduct a third-party audit annually for the next five years to ensure compliance with the judgment. WRCOG staff is continuing to review the compliance requirements and plans to provide members with a more comprehensive analysis prior to the Executive Committee meeting.

Generally, there are about 40 requirements in the judgment, which fall into the broad categories below:

1. Requirements that Renovate America already has in place.
2. Requirements that Renovate America already has in place but need modification.
3. New requirements.

As Renovate America works to implement the requirements, WRCOG will provide updates to the Program Report, Consumer Protections, and other Program revisions to the Committee. WRCOG will also require its other residential PACE Program providers to implement these actions.

On September 9, 2019, the Executive Committee received the stipulated judgment report from staff and formed an Ad Hoc Committee, comprised of members from the Cities of Banning, Jurupa Valley, Moreno Valley, Murrieta, and Norco to review implementation of the requirements. The Ad Hoc Committee will meet monthly over the next four months.

Prior Action:

September 9, 2019: The Executive Committee received and filed.

Fiscal Impact:

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

Attachment:

1. Memo to the WRCOG Executive Committee regarding the Renovate America Stipulated Judgment.

Item 7.B

PACE Programs Activities Update:
Commercial PACE Update and
Renovate America Stipulated
Judgment

Attachment 1

Memo to the WRCOG Executive
Committee regarding the Renovate
America Stipulated Judgment

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Date: September 6, 2019

To: WRCOG Executive Committee

From: Rick Bishop, Executive Director

Subject: Renovate America Stipulated Judgement

As was conveyed to you on August 9, 2019, WRCOG learned that Renovate America reached an agreement with the Riverside District Attorney who was leading a statewide examination into PACE financing and Renovate America's HERO Program. According to the District Attorney, Renovate America fully cooperated with the District Attorney's nearly three-year investigation. WRCOG was not contacted as part of the investigation, although we had previously learned of the effort and had offered our assistance to the DA. There were no findings of criminal misconduct or any finding or admission of wrongdoing.

As part of the District Attorney's media release, Riverside County District Attorney Mike Hestrin said that "Renovate America worked with us and voluntarily implemented new consumer protections over the past three years as part of this process. The resolution in this matter marks an important step in protecting consumers and strengthening PACE financing in California." The media release also indicated that the practices in question occurred at Renovate America under previous management.

On August 26, 2019, WRCOG staff requested a meeting and met with the District Attorney's Office to discuss and gain understanding and perspective on the stipulated judgement and the various requirements that Renovate America agreed to implement.

WRCOG has completed a preliminary review of the judgement and wanted to provide you with this summary. We will continue to review it and are scheduling regular meetings with Renovate America to further review the requirements and ensure full implementation.

The basics are as follows:

- The judgement includes 40 requirements for Renovate America to implement.
- Renovate America is required to implement the requirements within 120 days.
- Renovate America will retain an independent third-party auditor to audit implementation on an annual basis for five years, beginning in 15 months.
- Major themes of the requirements include:
 - o Advertising
 - o Compliance
 - o Disclosures
 - o Written Policies
 - o Records Retention
 - o Senior Protections

- The 40 requirements can be generally categorized as follows:
 1. Requirements that are already in place under state law and as such are part of the existing Program (14 of the 40 requirements fit into this category).
 2. Requirements that exist under state law and are part of the Program but are being modified / strengthened in some fashion (19 of the 40 requirements fit into this category).
 3. New requirements (7 of the 40 requirements fit into this category).

Each requirement is discussed below.

Requirements that are already in place and are part of the Program

The following requirements are believed to already be implemented and are part of the existing Program. Under each requirement are “Notes” that point to legislation / Program documents where the requirement is contained. Renovate America will be conducting further examination of all Program documents to ensure compliance and consistency.

1. Paragraph in Judgement: 17(a)

- Summary of Requirement: *Confirm compliance with all PACE statutes.*
- Notes:
 - o AB 811
 - o AB 2693
 - o SB 242
 - o AB 1284

2. Paragraph in Judgement: 17(b)

- Summary of Requirement: *Confirm compliance with the Uniform Electronic Transactions Act.*
- Notes:
 - o WRCOG Consumer Protections Policy, Section: 3

3. Paragraph in Judgement: 17(c)

- Summary of Requirement: *Confirm that the company is not disclosing to any registered contractor or third party engaged in soliciting assessment contracts the following: (1) approval amounts or (2) the amount of property equity.*
- Notes:
 - o Already implemented and required under SB 242

4. Paragraph in Judgement: 17(d)

- Summary of Requirement: *Do not record the PACE assessment before the property owner signs the completion certificate.*
- Notes:
 - o WRCOG Consumer Protections Policy, Section: 13
 - o PACE assessment is not recorded until PO signs completion certificate. Additionally, contractor is not paid until PO signs completion certificate

5. Paragraph in Judgement: 17(e)

- Summary of Requirement: *Confirm that the company does not provide any direct or indirect cash payment or other thing of material value to any contractor or third party except as allowed by law.*
- Notes:
 - o Already implemented and required under SB 242
 - o WRCOG Consumer Protections Policy, Section 7.4; Payments in Exchange for Financing

6. Paragraph in Judgement: 17(f)

- Summary of Requirement: *Confirm that the company is not providing any tax advice not otherwise permitted by PACE statutes.*
- Notes:
 - o Already implemented and required under SB 242
 - o WRCOG Consumer Protections Policy, Section 7.3; Tax Advice
 - o 1. HERO Financing Program Application: pg 1; A. Property Owner Acknowledgements, Item 3
 - o 2. Financing Estimate and Disclosure: pg 3; Tax Benefits
 - o 3. Final Payment Summary: pg 4; Tax Benefits

7. Paragraph in Judgement: 17(g)

- Summary of Requirement: *Confirm that the company is not making any untrue or misleading statements about the HERO Program to consumers.*
- Notes:
 - o WRCOG Consumer Protections Policy, Section 7: Marketing & Communications
 - o Will review all HERO Program documents for compliance

8. Paragraph in Judgement: 17(g)(3)

- Summary of Requirement: *Confirm that the company is not making any representation as to tax deductibility unless it is consistent with IRS or state tax agency guidance.*
- Notes:
 - o Already implemented and required under SB 242
 - o WRCOG Consumer Protections Policy 3.5.2(k)
 - o 1. HERO Financing Program Application: pg 1; A. Property Owner Acknowledgements, Item 3
 - o 2. Financing Estimate and Disclosure: pg 3; Tax Benefits
 - o 3. Final Payment Summary: pg 4; Tax Benefits

9. Paragraph in Judgement: 17(g)(5)

- Summary of Requirement: *Do not advertise that the HERO Program vets, certifies or endorses registered contractors other than as required by PACE statutes.*
- Notes:
 - o 1. HERO Financing Program Application: pg 2; B. Disclosures; 1. Program Disclosures and Disclaimers; Item h. No Endorsement, Warranty, or Liability
 - o 2. HERO Financing Program Completion Certificate: homeowner signature block; Item 3
 - o 3. Residential HERO Program Handbook: pg 8; 5. Program Requirements; 5.1 Contractor Registration
 - o 4. Residential HERO Program Handbook: pg 17; No Endorsement by Agent or Renovate America and Property Owner is Responsible for Products, Permits and Inspections
 - o 5. WRCOG Quality Assurance Call Script

10. Paragraph in Judgement: 17(g)(6)

- Summary of Requirement: *Do not make any monetary or percentage representations of potential utility savings without qualifying that such potential savings are (1) not guaranteed and (2) will not reduce the assessment payments or total assessment amount.*
- Notes:
 - o Already implemented and required under SB 242
 - o WRCOG Consumer Protections Policy: Section 3.5.2(j)
 - o 1. Financing Estimate and Disclosure: pg 3; Estimated Cost Savings
 - o 2. Final Payment Summary: pg 4; Estimated Cost Savings
 - o WRCOG Quality Assurance Call Script

11. Paragraph in Judgement: 17(g)(7)

- Summary of Requirement: *Confirm that the company does not make any monetary or percentage representations of increased value to a property owner regarding the effect the efficiency improvement will have on the property's market value, unless the estimate is derived in accordance with applicable statutes relating to property valuation.*
- Notes:
 - o Already implemented and required under AB 2693
 - o Renovate America does not make any monetary or percentage representations of increased value regarding the effect the efficiency improvement will have on the property's market value. Company will review all documents to ensure compliance.

12. Paragraph in Judgement: 27

- Summary of Requirement: *Except where one of the property owners is elder and the project is something other than HVAC, the property owner may exercise his / her right to cancel the assessment contract, without cost, on or before midnight on the third business day after whichever of the following events occurs last: (1) the date on which the property owner signed the assessment contract, (2) the date on which the property owner received the Financing Estimate and Disclosure, or (3) the date on which the property owner received the Notice of Right to Cancel.*
- Notes:
 - o This is the requirement for a 3-day right to cancel
 - o Already implemented and required under SB 242
 - o WRCOG Consumer Protections Policy, Section: 3.3.1
 - o Program Report
 - o Renovate America (RA) 3 Day Right to Cancel form

13. Paragraph in Judgement: 36

- Summary of Requirement: *Create and follow a written policy that contains practices and procedures to respond to questions and complaints.*
- Notes:
 - o WRCOG Consumer Protections Policy, Section: 4.4
 - o Written policy will document existing practices related to timely responses to questions and complaints

14. Paragraph in Judgement: 39

- Summary of Requirement: *In addition to the required introductory training for PACE solicitors and solicitor agents, the company will prepare and make available to all enrolled PACE solicitors and solicitor agents additional training, as required by law, pertaining to the following topics: (1) PACE programs and assessment contracts; (2) PACE disclosures; (3) Ethics; (4) Fraud prevention; (5) Consumer protection; (6) Nondiscrimination; and (7) Senior financial abuse.*
- Notes:
 - o Already implemented and required under AB 1284
 - o WRCOG Consumer Protections Policy, Section: 9.8
 - o Renovate America will review existing PACE solicitor training materials for compliance and implement new training as required by law

Requirements that are already in place but require modification

The following requirements are modifications / augmentations to policies and procedures that exist in the Program. For each, we note "What part or the Requirement is new?" and then indicate how the new requirement will be addressed.

15. Paragraph in Judgement: 22(a)

- Summary of Requirement: *In assessment contract disclosures and on the website, state that the efficiency improvement is being financed by a PACE assessment, a super-priority lien secured by the property, and that the payment will be made through an additional annual assessment on the property and paid either directly to the county tax collector's office as part of the total annual secured property tax bill or through the property owner's mortgage impound account.*
- Notes:
 - o WRCOG Consumer Protections Policy, Section: 3.5.2
 - o 1. HERO Financing Program Application: pg 1; A. Property Owner Acknowledgements; item 5
 - o 2. Financing Estimate and Disclosure: pg 1; first paragraph
 - o 3. Final Payment Summary: pg 1; first paragraph
 - o 4. Residential HERO Program Handbook: pg 11; last paragraph
- What part of the Requirement is new?
 - o This information is to be placed on RA's website.
- How will it be addressed / included?
 - o RA website will be revised to include this information

16. Paragraph in Judgement: 22(b)

- Summary of Requirement: *In assessment contract disclosures and on the website, state that participation in the HERO Program without the consent of the property owner's existing lender, including any reverse mortgage holder, could constitute a default, which could have serious consequences, including the acceleration of the repayment obligations due under such agreement or security instrument.*
- Notes:
 - o WRCOG Consumer Protections Policy, Section: 3.5.2
 - o 1. HERO Financing Program Application: pg 2; B. Disclosures; 1. Program Disclosures and Disclaimers; item a
 - o 2. Assessment Contract: pg 3; Section 4. Existing Mortgage Disclosure
- What part of the Requirement is new?
 - o This information is to be included on RA's website
- How will it be addressed / included?
 - o RA website will be revised to include this information

17. Paragraph in Judgement: 22(c)

- Summary of Requirement: *In assessment contract disclosures and on the website, state that the lien resulting from the PACE assessment may not be transferable to a new owner, and the owners of a significant portion of all home mortgages may require the property owner to pay off the entire assessment at the time of sale or refinance, which may affect the property owner's ability to sell or transfer the property.*
- Notes:
 - o Already implemented and required under AB 2693
 - o 1. HERO Financing Program Application: pg 2; B. Disclosures; 1. Program Disclosures and Disclaimers; item a
 - o 2. Assessment Contract: pg 3; Section 4. Existing Mortgage Disclosure
- What part of the Requirement is new?
 - o The information is to be placed on RA's website
- How will it be addressed / included?
 - o RA's website will be revised to include this information

18. Paragraph in Judgement: 22(d)

- Summary of Requirement: *In assessment contract disclosures and on the website, state that other than its actions in compliance with PACE laws, the HERO Program does not vet, certify or endorse any registered contractors, and that the HERO Program recommends that the property owner perform due diligence before selecting a contractor.*
- Notes:
 - o Already implemented and required under AB 2693
 - o 1. HERO Financing Program Application: pg 2; B. Disclosures; 1. Program Disclosures and Disclaimers; item h. No Endorsement, Warranty, or Liability
 - o 2. HERO Financing Program Completion Certificate: homeowner signature block; item 3
 - o 3. Residential HERO Program Handbook: pg 8; 5. Program Requirements; 5.1 Contractor Registration
 - o 4. Residential HERO Program Handbook: pg 17; No Endorsement by Agent or Renovate America and Property Owner is Responsible for Products, Permits and Inspections
- What part of the Requirement is new?
 - o This information is to be placed on RA's website
- How will it be addressed / included?
 - o RA's website will be revised to include this information

19. Paragraph in Judgement: 22(e)

- Summary of Requirement: *In assessment contract disclosures and on the website, state that any potential utility savings or increased market value are not guaranteed and will not reduce the assessment payments or total assessment amount.*
- Notes:
 - o Already implemented and required under SB 242
 - o WRCOG Consumer Protections Policy: Section 3.5.2(j)
 - o 1. Financing Estimate and Disclosure: pg 3; Estimated Cost Savings
 - o 2. Final Payment Summary: pg 4; Estimated Cost Savings
- What part of the Requirement is new?
 - o This information is to be placed on RA's website
- How will it be addressed / included?
 - o RA's website will be revised to include this information

20. Paragraph in Judgement: 23

- Summary of Requirement: *Create and follow a written policy that contains practices and procedures to ensure compliance with all non-Ability to Pay (ATP) underwriting requirements.*
- Notes:
 - o WRCOG Program Report
 - o WRCOG Consumer Protections Policy, Section 1.7
- What part of the Requirement is new?
 - o The judgement requires the creation of a written policy
- How will it be addressed / included?
 - o A written policy will be developed to memorialize existing practices

21. Paragraph Judgement: 24(a-f)

- Summary of Requirement: *Before the property owner signs an assessment contract, provide the property owner with (1) if the confirm terms call was conducted in language other than English, a form on which the property owner must indicate their language preference; (2) a copy of the application for a PACE assessment; (3) a copy of the assessment contract documents; (4) the financing estimate and disclosure, which will include a description of products and costs, and a sample of which is also maintained on the website; (5) right to*

cancel form; and (6) if the property has a reverse mortgage, a disclosure stating that the PACE assessment may be treated as a default.

- Notes:
 - o WRCOG Consumer Protections Policy, Section: 3.5.3
- What part of the Requirement is new?
 - o Language form (not required by statute)
 - o Reverse mortgage disclosure (not required by statute)
 - o Elder disclosures (not required by statute)
- How will it be addressed / included?
 - o These additional documents will be developed

22. Paragraph in Judgement: 25

- Summary of Requirement: *Before the property owner executes the assessment contract, the company will obtain from the property owner written confirmation of receipt of the (1) assessment contract; (2) financing estimate and disclosure; and (3) right to cancel form. All written confirmations shall be retained for five years and shall be provided to the property owner, the property owner's legal representative, or authorities within 30 business days of a written request.*
- Notes:
 - o Already implemented and required under AB 2693
 - o WRCOG Consumer Protections Policy, Section: 3
- What part of the Requirement is new?
 - o The judgement adds a requirement that the property owner provide written acknowledgement of receipt of the above forms
- How will it be addressed / included?
 - o Written confirmation forms will be developed

23. Paragraph in Judgement: 29

- Summary of Requirement: *Create and follow a written policy that contains practices and procedures to follow if a modification or change order increases the amount to be financed by the PACE assessment. The policy will evaluate whether the modification or change order will lead to the project exceeding the property owner's approval amount.*
- Notes:
 - o Already implemented and required under AB 1284
- What part of the Requirement is new?
 - o The judgement requires the creation of a written policy
- How will it be addressed / included?
 - o A written policy will be developed to reflect existing statute and to ensure that modifications / changes do not exceed approval amounts

24. Paragraph in Judgement: 31

- Summary of Requirement: *With respect to each enrolled PACE solicitor and PACE solicitor agent, maintain the following: (1) the written agreement with the PACE solicitor; (2) the background check required on PACE solicitor agents; (3) a written evaluation of the following factors relating to PACE solicitors: a) any pattern of consumer complaints regarding dishonesty, misrepresentations, or omissions, b) high likelihood that the solicitor will solicit contracts unlawfully, c) a clear pattern of the solicitor of failing to timely respond to property owner complaints; (4) the written report monitoring compliance with Financial Code Section 22680(f)(1)-(2); (5) the written report monitoring compliance of PACE solicitors with Financial Code Section 22680(f)(3) and Financial Code Section 22689(a); (6) written complaints made to or about the PACE solicitor or solicitor agent that concern PACE financing or marketing; (7) verification of the completion of required training; (8) timely notification to the*

commissioner of the enrollment of the PACE solicitor or solicitor agent; and (9) timely notification to the commissioner within ten (10) days of the cancellation or withdrawal, if applicable, of the enrollment of the PACE solicitor or solicitor agent.

- Notes / applicable locations where requirement can be found:
 - o Already implemented and required under AB 1284
 - o WRCOG Consumer Protections Policy, Section 9
- What part of the Requirement is new?
 - o The judgement adds a requirement that RA maintain records documenting compliance with statutory provisions. The judgement also adds a specific time requirement (10 days) for notifying the commissioner of the cancellation or withdrawal of a solicitor or solicitor agent.
- How will it be addressed / included?
 - o Renovate America to develop files for each PACE solicitor and solicitor agent

25. Paragraph in Judgement: 32

- Summary of Requirement: *Create and follow a written policy that contains practices and procedures for compliance with the enrollment process and continued participation of the PACE solicitor or PACE solicitor agent.*
- Notes / applicable locations where requirement can be found:
 - o Already implemented and required under AB 1284
 - o WRCOG Consumer Protections Policy, Section: 9
- What part of the Requirement is new?
 - o The judgement requires the creation of a written policy
- How will it be addressed / included?
 - o A written policy will be developed

26. Paragraph in Judgement: 33

- Summary of Requirement: *Obtain written verification from the contractor that the contractor has not provided a different price for a project financed by a PACE assessment than the contractor would provide if paid in cash by the property owner.*
- Notes:
 - o Already implemented and required under SB 242
 - o WRCOG Consumer Protections Policy, Section 7.5
- What part of the Requirement is new?
 - o The statute prohibits contractors from offering a different price than they would have if the property owner paid cash. The judgement adds a requirement that RA obtain from the contractor written verification of compliance.
- How will it be addressed / included?
 - o Form will be developed to implement requirement

27. Paragraph in Judgement: 34

- Summary of Requirement: *Create and follow a written policy that contains practices and procedures for regular, but no less than twice per year, evaluations of whether each PACE solicitor or PACE solicitor agent is in continued good standing of the licensing or registration with the CSLB.*
- Notes:
 - o Already implemented and required under AB 1284
- What part of the Requirement is new?
 - o The statute requires that RA “regularly monitor” the license or registration status of solicitors and solicitor agents. The judgement clarifies that the evaluation be conducted no less than twice per year.

- How will it be addressed / included?
 - o A written policy will be developed and implemented

28. Paragraph in Judgement: 35

- Summary of Requirement: *Create and follow a written policy that contains practices and procedures for property owners or their authorized representatives to make complaints about a PACE solicitor or PACE solicitor agent's representations, statements, or any aspect of their solicitation activities directly to the company. The policy will require a unique email address and physical address where complaints may be sent. The company will also create and maintain a complaint form on its website that can be filled out and submitted electronically. The ability to make a complaint and the method and process for making that complaint will be disclosed as required by statute. The policy will require the company to maintain all complaints as well as information concerning the resolution of a complaint. The company will take complaints into account in evaluating a PACE solicitor or PACE solicitor agent's compliance with PACE laws.*
- Notes:
 - o Already implemented and required under AB 1284
 - o WRCOG Consumer Protections Policy, Section: 4.4
- What part of the Requirement is new?
 - o The statute requires that RA provide property owners with contact information for "consumer complaints." The judgement clarifies that such complaints may include complaints about a contractor's solicitation activities, representations, or statements.
- How will it be addressed / included?
 - o A written policy will be developed and provided to property owners

29. Paragraph in Judgement: 38

- Summary of Requirement: *Create and follow a written policy that contains practices and procedures for providing required training to PACE solicitors and solicitor agents. The policy will include procedures related to promptly communicating in writing to PACE solicitors and solicitor agents the procedures related to PACE solicitation or marketing in California resulting from any changes in law, statutes, or regulations.*
- Notes:
 - o Already implemented and required under AB 1284
 - o WRCOG Consumer Protections Policy, Section: 9
- What part of the Requirement is new?
 - o Consistent with statutory requirements except that judgement adds a requirement to communicate to solicitors and solicitor agents in writing any changes in procedures related to PACE solicitation or marketing resulting from any changes in law, statutes, or regulations.
- How will it be addressed / included?
 - o A written policy will be developed to address the requirement

30. Paragraph in Judgement: 40

- Summary of Requirement: *Create and follow a written policy that contains practices and procedures which conform to the property valuation requirements under California law.*
- Notes:
 - o WRCOG Consumer Protections Policy, Section 1.3
- What part of the Requirement is new?
 - o The judgement requires the creation of a written policy
- How will it be addressed / included?
 - o A written policy will be developed to address the requirement

31. Paragraph in Judgement: 41

- Summary of Requirement: *Create and follow a written policy or policies that contain practices and procedures which conform to the ability to pay requirements under California law.*
- Notes / applicable locations where requirement can be found:
 - o Already implemented and required under AB 1284
 - o WRCOG Consumer Protections Policy, Section: 2
- What part of the Requirement is new?
 - o The judgement requires the creation of a written policy
- How will it be addressed / included?
 - o A written policy will be developed to address the requirement

32. Paragraph in Judgement: 17(g)(1)

- Summary of Requirement: *Confirm that the company is not advertising that the HERO Program is a government program or using government seals, except as in compliance with applicable statutes. If the company advertises that the HERO Program is a government program, the company will add qualifying language to such advertising notifying consumers that the HERO Program is administered by a third-party, private business.*
- Notes:
 - o Already implemented and partially required under SB 242
 - o WRCOG Consumer Protections Policy, Section: 7
 - o Company does not advertise or represent the program in this way.
- What's new?
 - o The requirement is for Company to explicitly state in writing the above points
- How will it be addressed / included?
 - o Language will be developed to address the requirement

33. Paragraph in Judgement: 26

- Summary of Requirement: *Within 30 business days after the project is completed and the assessment is recorded, provide the property owner with copies of (1) the final payment summary; and (2) the executed assessment contract, including any attached addenda or memos.*
- Notes:
 - o Already implemented and partially required under AB 2693
- What's new?
 - o The judgement adds a time requirement (30 days) for providing the documents.
- How will it be addressed / included?
 - o Renovate America to provide property owner with required documents within 30 days of project completion

New Requirements

The following are considered to be new requirements, in many cases categorized as such because the requirements are not part of existing state law.

34. Paragraph in Judgement: 17(g)(2)

- Summary of Requirement: *Do not advertise that PACE assessments are transferable to subsequent property owners without including additional qualifying language notifying consumers that the assessment may need to be paid in full before sale or refinance.*
- Notes:
 - o This is a new requirement not required by California statute
- What's new?
 - o The Program does not currently advertise that PACE assessments are transferable

- How will it be addressed / included?
 - o All existing citations / documents will be reviewed to ensure compliance with requirement

35. Paragraph in Judgement: 17(g)(4)

- Summary of Requirement: *Do not advertise that the HERO Program is "low cost" without clearly and conspicuously stating that the financing will include interest and applicable fees.*
- Notes:
 - o This is a new requirement not required by California statute
- What's new?
 - o California statute does not contain any restrictions on advertising that PACE is "low cost"
- How will it be addressed / included?
 - o Language will be developed to address the requirement

36. Paragraph in Judgement: 21

- Summary of Requirement: *Create and maintain an executive level compliance officer position for a period of five years to be responsible for maintaining compliance with all of the proposed compliance requirements*
- Notes:
 - o This is a new requirement not required by California statute
- What's new?
 - o Requirement for a compliance officer position
- How will it be addressed / included?
 - o Position is already in place

37. Paragraph in Judgement: 28

- Summary of Requirement: *All confirm terms calls must be retained for five years and made available to the authorities within 10 days of a written request or such other time period as agreed between the company and the requesting authority.*
- Notes:
 - o This is a new requirement, not required under California statute
- What's new?
 - o New requirement is to retain calls for five years and make them available within 10 days or request
- How will it be addressed / included?
 - o Requirement on call retention and access will be implemented, and written procedures will be developed

38. Paragraph in Judgement: 30

- Summary of Requirement: *Upon completion of the project and before the property owner signs the completion certificate, require contractors to sign the completion certificate stating that (1) all initial or final permits necessary for the project have been or will be obtained; and (2) the work was completed and/or is functioning to industry standards. The company will instruct the property owner not to sign the completion certificate until after the contractor has signed. The company will obtain from the property owner acknowledgement that (1) the contractor has already signed the completion certificate; (2) all necessary final permits and/or inspections have been or will be obtained; and (3) the property owner is satisfied with the project.*
- Notes:
 - o This is a new requirement, not required under California statute
- What's new?
 - o This is a new requirement, not required under California statute

- How will it be addressed / included?
 - o Written procedures will be developed and implemented to address the requirement

39. Paragraph in Judgement: 37

- Summary of Requirement: *Retain and maintain the PACE solicitor or PACE solicitor agent's file during the period of enrollment, and for a period of seven (7) years after either cancellation or withdrawal of the PACE solicitor or PACE solicitor agent from the HERO Program. The file will be provided to the authorities within fifteen (15) business days of a written request.*
- Notes:
 - o This is a new requirement, not required under California statute
 - o Partially required under WRCOG Consumer Protections Policy, Section 9.11
- What's new?
 - o This is a new requirement, not required under California statute
- How will it be addressed / included?
 - o Written procedures will be developed and implemented to address the requirement

40. Paragraph in Judgement: 43-45

- Summary of Requirement: *The Company will retain an independent third-party auditor to audit on an annual basis for 5 years, beginning in 15 months. As part of the audit, a random selection of a substantial number of oral confirmation calls will be evaluated for compliance. Within 60 days after receipt of the audit report, the company will produce a written plan to address any compliance deficiencies or a written explanation of why such compliance is not possible or practicable, and within 90 days of issuing such plan, the company will provide a written certification confirming the implementation of the corrective plan.*
- Notes:
 - o This is a new requirement, not required under California statute
- What's new?
 - o This is a new requirement, not required under California statute
- How will it be addressed / included?
 - o Renovate America will comply with the requirement



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: September 19, 2019

The purpose of this item is to provide an update on the fourth cohort of the WRCOG Public Service Fellowship Program and initiate discussions regarding logistics for the fifth round of the Program.

Requested Action:

1. Designate Committee members to serve on an Ad Hoc Planning Committee for the fifth round of the Fellowship Program.

In partnership with higher education institutions and member agencies, WRCOG developed and launched a Public Service Fellowship Program in 2016. The Program provides current college students and recent graduates with career opportunities in local governments in a way that is mutually beneficial to both the Fellow and the host agency.

Background

WRCOG's Public Service Fellowship Program was established in 2016 and is now in its fourth round. The goal of the Fellowship Program is to retain local students to fulfill the subregion's needs for a robust public-sector workforce and to combat the problem of "brain drain," which occurs when local students graduate and then leave the region to seek full-time 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.

In terms of logistics, 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, providing Program funding, reviewing applications, conducting interviews, recommending Fellow placements, and coordinating payment of Fellowship stipends. In addition, WRCOG provides ongoing training to Fellows on career readiness and relevant topics during monthly program workshops to support their hands-on work experience.

Since inception, 54 Fellows have been placed in member agencies over four rounds of the Program contributing 51,840 hours of service to member agencies. Attachment 1 provides insight to the roles and responsibilities of past Fellows as well as an update on where the featured alumni are employed now.

Featured Fellow Alumni

Eduardo Sida, a round one participant, completed his Fellowship at the City of Perris in the Administrative Services Department working on public health initiatives. During his Fellowship tenure at the City, Eduardo was completing his master's degree in public health from the California Baptist University. The Fellowship

Program provided him the opportunity to pair what he was learning in the classroom with the responsibilities at the City.

The Grow Perris initiative was one of the public health projects Eduardo engaged in during his Fellowship. It focused on improving access to healthy food options through community gardens, and has received local, regional, and national attention for its success. Following the conclusion of the Fellowship Program, Eduardo was hired by the City of Perris as a Temporary Program Assistant, later as a permanent Program Coordinator, and now serves as a Management Analyst. In reflecting on their first experience with the Fellowship Program, Isabel Carlos, Assistant City Manager from the City of Perris, commended Eduardo's work ethic saying, "Immediately, he showed leadership potential, passion, and commitment to every project he was assigned. Years later, he continues to serve the City of Perris, now as a full-time employee, facilitating health policy, advocacy, education, and interventions towards making our City a healthy thriving community."

2019 Program Updates

In February 2019, the Executive Committee voted to expand the Fellowship Program and implement the following changes: 1) expanding recruitment to additional universities, both within and outside of the subregion; 2) extending candidate eligibility to students and recent graduates who live, work, attend school, 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. These updates provided the opportunity for staff to expand recruitment efforts, while simultaneously creating the framework to ensure the best candidates were moving forward in the selection process.

Round IV Update

Recruitment for the fourth round of the Fellowship Program attracted over 65 applicants for 13 Fellow positions. The application process included a three-part interview, including a phone interview, in-person interview, and an interview with the candidate's prospective host agency.

Out of the applicant pool, 13 Fellows were selected to participate in the Program and were placed throughout WRCOG member agencies for the 2019/2020 Fiscal Year. The agencies that received a Fellow this round include the Cities of Banning, Calimesa, Canyon Lake, Jurupa Valley, Lake Elsinore, Norco, Riverside, and Wildomar. Additionally, Fellows were also placed at the Western Municipal Water District, the County of Riverside District 2, the County of Riverside District 5, WRCOG, and an additional Fellow was placed in the Riverside County Executive Office to specifically assist efforts addressing homelessness in Western Riverside County.

Round IV Fellows have been invited to present a project they are working on in their host agency to one of WRCOG's policy committees. Presentations are tentatively scheduled to take place in late 2019 / early 2020. Following the completion of the current round, WRCOG will host a completion celebration for Fellows in April 2020.

Round V Planning

Planning and preparation for the next round of the Fellowship Program is currently underway with recruitment scheduled for fall 2019 through early 2020. To discuss future options of the Program, staff would like to convene a Fellowship Ad Hoc Committee to vet any recommended programmatic adjustments. It is anticipated that this Committee would meet two to three times via conference call or in-person. This Ad Hoc Committee met previously, prior to the initiation of Round IV of the Fellowship. Previous participants in this Ad Hoc Committee were as follows:

- Todd Parton, City of Beaumont
- Grant Yates, City of Lake Elsinore
- Tom DeSantis, City of Moreno Valley
- Kim Summers, City of Murrieta

- Aaron Adams, City of Temecula
- Danielle Coats, Eastern Municipal Water District

Staff encourages other TAC members to join the discussion as preparations and plans are made for future cohorts of Fellows.

Prior Action:

None.

Fiscal Impact:

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

Attachment:

1. Fellowship Experience Booklet.

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Item 7.C

Public Service Fellowship Activities Update

Attachment 1

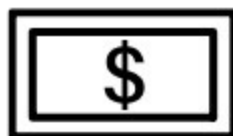
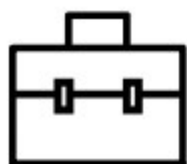
Fellowship Experience Booklet

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

THE FELLOWSHIP EXPERIENCE

PUBLIC SERVICE FELLOWSHIP PROGRAM



WRCOG Public Service Fellowship

In 2016 the Western Riverside Council of Governments (WRCOG) in partnership with 23 member agencies, launched the Public Service Fellowship Program as a means to invest in young professionals interested in a public sector career. Since its inception, the Program has hosted 49 Fellows contributing 47,040 hours of service to member agencies on a variety of projects. Graduates of the Program are equipped to launch their career, and 64% of alumni are now working throughout western Riverside County.

Check out the following featured Fellows to learn about what they did in the Fellowship Program and how their work catalyzed their career moving forward.

ALUMNI SPOTLIGHT

- 01** Alma Ramirez, EMWD
- 02** Ani Dhruva, City of Lake Elsinore
- 03** Chika Ojukwu, County of Riverside
- 04** Edgar Castelan, City of Banning
- 05** Eduardo Sida, City of Perris

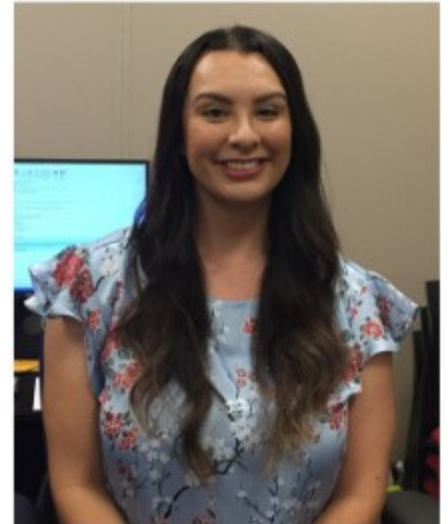


01 Alma Ramirez

Alma Ramirez served at Eastern Municipal Water District (EMWD) during the third round of the Fellowship Program. As a part of her Fellow duties, she had the opportunity to take part in the State Water Project Tour hosted by Metropolitan Water District of Southern California.

During the tour, Alma experienced firsthand the history behind the State Water Project by visiting the Oroville Dam, which provides drinking and irrigation water to central and southern California; and the Banks Pumping Plant, which is the starting point for the California Aqueduct.

"The Fellowship Program has paved the way for my career in public service. I have gotten the chance to grow my network and learn about water policy on a broader spectrum through opportunities that do not come across very often."



Alma at the State Water Project Tour

02 Ani Dhruva

Ani Dhruva, a round three Fellow, completed his Fellowship at the City of Lake Elsinore. He is a graduate from the University of California Riverside (UCR) with a bachelor's degree in Public Policy and is continuing his studies at UCR towards a Master of Public Policy. During his time at the City, he helped develop a regional funding proposal and updated the City's Municipal codes, applying knowledge learned in the classroom to his Fellow duties. Altogether, the Program prepared Ani for a future career in public service by providing unique and meaningful experiences while learning how municipalities operate and make decisions.



Q & A with Ani

1. What has the Fellowship Program meant for you?

For me, the WRCOG Fellowship meant a stable employment opportunity in a relevant field of interest. The WRCOG Fellowship was vital in my exploration of the field of Public Service in an exciting, rewarding manner. As a Fellow, I was able to apply my skills and knowledge in a lasting, impactful manner.

2. Has it changed or encouraged your career path or job considerations?

The WRCOG Fellowship really opened my eyes to the possibility of working at the municipal or local government level. WRCOG definitely encouraged me to stay and work in local government and exposed me to key policymakers in the region, affording me as a student a day-to-day glimpse of what public service is all about.

3. How has the Program impacted your networking circles and abilities?

The program allowed me to greatly improve my professional and networking abilities. I was regularly able to interact, network and work with key city staff on timely, relevant issues. My networking circles grew significantly due to the opportunities afforded by the WRCOG Fellowship and this was a large factor for my satisfaction with the program.

03 Chika Ojukwu

Chika Ojukwu served as a Fellow in the second round of the Program and was placed at the County Board of Supervisors' First District office. She focused on legislative matters and homelessness. Chika also engaged with local businesses through grand openings and public outreach events on behalf of Supervisor Kevin Jeffries.

"My Fellowship has really provided an upfront and hands-on experience to look into how things are achieved within local government. I am thankful for the opportunity to see how public policy affects the lives of the community."

From the Supervisor's Perspective

"Chika has been a very valuable addition to our office. We have treated her as a full-time staff member, assigning her policy research, and attending a variety of meetings on the Supervisor's behalf, working as part of the team on a number of special events. I think she would agree that this has been far beyond the stereotypical filing, copying, and letter opening experience so many interns and fellows encounter in other programs."



Chika with the County of Riverside District 1 Staff

04 Edgar Castelan

As a Fellow for the City of Banning during the second round of the Program, Edgar worked in the Planning Department supporting the first phase of Downtown Revitalization efforts. As part of the Program, Edgar primarily conducted business and resident outreach. For example, Edgar devised a survey and conducted a workshop to develop the vision and mission of the project. His research on municipal codes also gave him a deeper understanding of the inner mechanisms that make a city function. Edgar's experience through the Fellowship exposed him to an administrative setting that allowed him to develop transferable skills while strengthening interpersonal abilities.



Edgar Castelan with Senator Leyva's staff

Following the completion of the WRCOG Fellowship Program in 2018, Edgar completed his Master's in Public Policy at University California Riverside and then joined the office of State Senator Connie M. Leyva shortly after as a district representative. Senator Leyva represents the 20th Senate District and Edgar covers the cities of Colton and Grand Terrace, as well as the unincorporated areas of Bloomington and Muscoy, attending to legislative and state issues on the Senator's behalf.

05 Eduardo Sida

Eduardo Sida was part of the inaugural Fellowship Cohort and served at the City of Perris in the Administrative Services Department working on public health initiatives under the Live Well Perris Campaign. During his tenure at the City of Perris, Eduardo was completing his Master's degree in public health from California Baptist University. The Fellowship Program provided a hands on opportunity to practice what he was learning in his graduate program.

Serving at a local government, he was able to intersect public health goals with the core services that the City of Perris provided for its residents. During the program, Eduardo worked on the Grow Perris initiative, which has received local, regional, and national attention and recognition. Following the Fellowship Program, Eduardo was hired by the City as a Temporary Program Assistant and later as a permanent Program coordinator. Eduardo continues to work as a public servant and hopes to grow as a leader in the realm of the public sector.



Eduardo at the opening of one of 14 gardens under the Grow Perris initiative.

From the Supervisor's Perspective

"Eduardo came to the City of Perris as a Fellow under the WRCOG Fellowship Program. Immediately, he showed leadership potential, passion and commitment to every project he was assigned. Years later, he continues to serve the City of Perris, now as a full-time employee, facilitating health policy, advocacy, education and interventions to making our City a healthy thriving community."

Additional information on the Fellowship Program can be found at www.wrcog.us/169/Fellowship.

Questions can be directed to Rachel Singer at rsinger@wrcog.us or at (951) 405-6754.



Western Riverside Council of Governments

Technical Advisory Committee

Staff Report

Subject: Regional Housing Needs Assessment Methodology Update

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

Date: September 19, 2019

The purpose of this item is to provide an update on the Regional Housing Needs Assessment (RHNA) Cycle 6 process occurring at the Southern California Association of Governments (SCAG).

Requested Action:

1. Receive and file.

Background

The state-wide housing crisis is creating challenges locally in housing the subregion's growing population, complying with changing legislation, meeting RHNA targets, and avoiding growing risks that might come with findings of non-compliance. New bills are anticipated to continue to emerge in a variety of areas aimed at increasing housing production throughout California. In response to this, WRCOG's 2019/2020 Legislative Platform established Housing as a Priority Issue Area, recognizing the acute impact of the state-wide housing shortage and housing-related legislative activity to the WRCOG subregion. For this Priority Issue Area, WRCOG committed, to the extent possible, to having staff lead more targeted efforts, including engaging state agency staff in solutions-oriented discussions regarding the housing crisis and related activities. One of the leading topics in housing-related issues is RHNA.

Each local jurisdiction 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 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)."

SCAG is currently preparing for its 6th RHNA Cycle, which will cover the planning period of October 2021 through October 2029. Between February and June 2019, SCAG staff presented to its RHNA Subcommittee on different factors that could be used to develop a proposed RHNA methodology. Based on the feedback received from the Subcommittee members and public comment, SCAG staff has developed three options for consideration. In August, SCAG held four public hearings to obtain input from stakeholders on the methodologies. The deadline to submit comments was September 13, 2019.

RHNA Methodology Options

Per State housing law, the RHNA distribution methodology must distribute existing and projected housing needs to all jurisdictions. The following section provides information on the three options for distributing

existing and projected needs to jurisdictions from the regional RHNA determinations provided by the California Department of Housing and Community Development (HCD).

Option 1 separates existing need and projected need from the regional determination and uses different mechanisms to assign need to jurisdictions. Seventy percent of existing need is assigned to jurisdictions based on regional population share and 20% is assigned to jurisdictions based on its share of regional population within the high-quality transit areas (HQTAs). The remaining 10% of existing need is assigned to jurisdictions based on its share of expected residential building permit activity.

Option 2 does not separate existing need and projected need. Instead, 80% of the regional need as determined by HCD is assigned based on regional population share and 20% is assigned based on a jurisdiction's share of regional population within an HQTAs. A social equity adjustment is then applied.

Option 3 considers local input as the main factor for RHNA distribution. Once total housing need is calculated, a 150% social equity adjustment is used to determine the four income categories.

In terms of the three Options, staff's perspective is as follows:

- Option 3 is most likely the current approach used in past cycles with several adjustments.
- Option 2 represents a more top-down approach in which an allocation is made by SCAG based on the regional population share rather than local input.
- Option 1 is a significant departure from how RHNA allocations have been done in previous years and introduces several complexities into the process, taking into account factors like current vacancy rates, recent building activity, and other factors.

SCAG staff will review all comments received and make a proposal to its RHNA Subcommittee to recommend one distribution methodology as a "draft RHNA methodology" at a special meeting, tentatively scheduled for September 23, 2019. The recommendation from the RHNA Subcommittee will be further reviewed and considered for approval by SCAG's CEHD Committee at a specially scheduled meeting in late September 2019 and thereafter, by SCAG's Regional Council in October 2019. Staff anticipates that there will be further opportunities for representatives of the WRCOG subregion to comment on whichever methodology SCAG selects through our participation on the RHNA Subcommittee or other SCAG Committees.

RHNA Regional Determination

The HCD has given SCAG a regional determination number of 1,344,740, a significant increase from the regional determination from the 5th Cycle and the number that SCAG staff was anticipating. On September 5, 2019, SCAG's Regional Council voted to direct its staff to appeal the regional determination to HCD on the basis that the process for obtaining the number was not properly followed. SCAG staff believe the regional determination should be within the range of 821,000 to 924,000 housing units instead of 1.3 million. Upon receiving the appeal, HCD will have 45 days to respond. While SCAG's appeal is being considered by HCD, SCAG has indicated that it will move forward on deciding on an allocation methodology to assign whatever units are assigned to the Region by HCD.

WRCOG Actions

Staff has been providing its Planning Directors with updates on RHNA 6th Cycle developments as they occur. Staff has also collected input on member agencies' RHNA methodology preferences. Based on the direction from the Executive Committee, staff submitted a comment letter to SCAG outlining our concerns with the RHNA allocation process and negative impacts associated with any significant allocation of units to the WRCOG subregion. This comment letter was also provided to the WRCOG Planning Directors Committee on September 12, 2019, prior to its submittal to SCAG on September 13, 2019. WRCOG's Executive Committee specifically requested that WRCOG not take a position on any RHNA allocation methodology at this time.

Prior Actions:

September 9, 2019: The Executive Committee directed staff to submit a comment letter to SCAG on behalf of the subregion regarding the RHNA process but not to recommend the use of a particular methodology.

August 8, 2019: The Planning Directors Committee received and filed.

Fiscal Impact:

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

Attachments:

1. Presentation slides from SCAG RHNA Subcommittee meeting of July 22, 2019.
2. 6th Cycle SCAG HCD Determination Letter.

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Item 7.D

Regional Housing Needs
Assessment Methodology Update

Attachment 1

Presentation slides from SCAG
RHNA Subcommittee meeting of July
22, 2019

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6th Cycle Proposed RHNA Methodology

Ma'Ayn Johnson, AICP
Compliance and Performance
Monitoring

RHNA Milestones and Outlook

	Subcommittee Completion	
RHNA Subcommittee Charter	October 2018	✓
Regional determination	June 2019	✓
Proposed RHNA Methodology for public comment period	July 2019	
Draft RHNA Methodology for HCD review	October 2019	
Draft RHNA allocation	February 2020	
RHNA appeals hearings	July 2020	
Final RHNA allocation	August 2020	

Objectives of RHNA

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



Objectives of RHNA

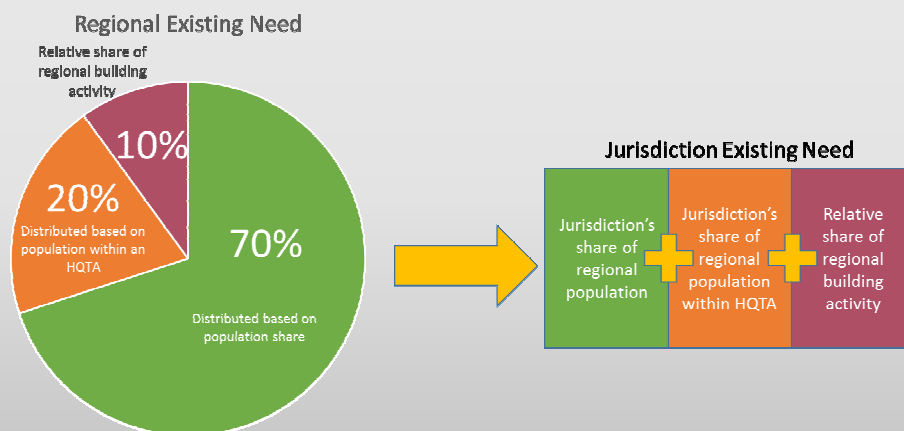
- 3) Promoting an improved intraregional relationship between jobs and housing
- 4) Allocating a lower proportion of housing need in income categories in jurisdictions that have a disproportionately high share in comparison to the county distribution
- 5) Affirmatively furthering fair housing



Proposed RHNA Methodology: Options

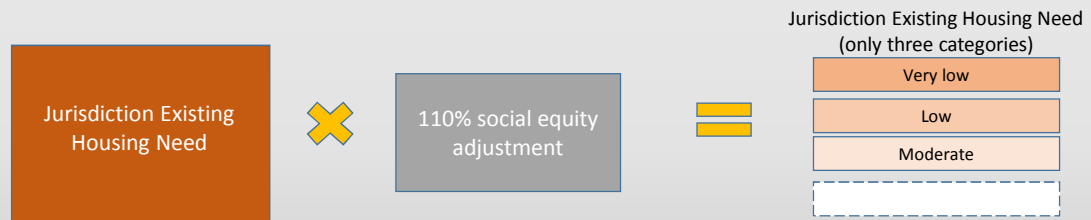
- Three options developed based on feedback from RHNA Subcommittee and stakeholders
- Each option applies different components
- Recommendation to release for public comment period
- One option will be recommended in late September 2019 for submittal to HCD

Option 1 Step 1 Determining Existing Need



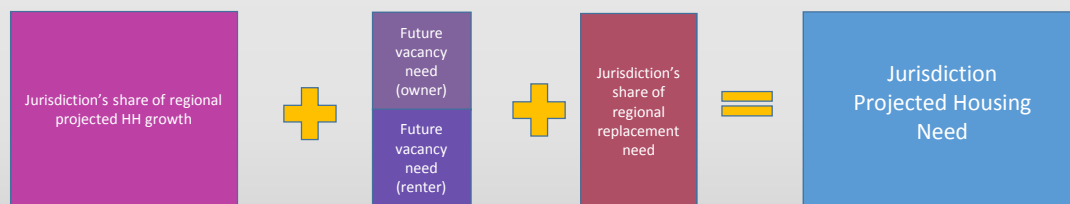
Option 1

Step 1: Determining Existing Need



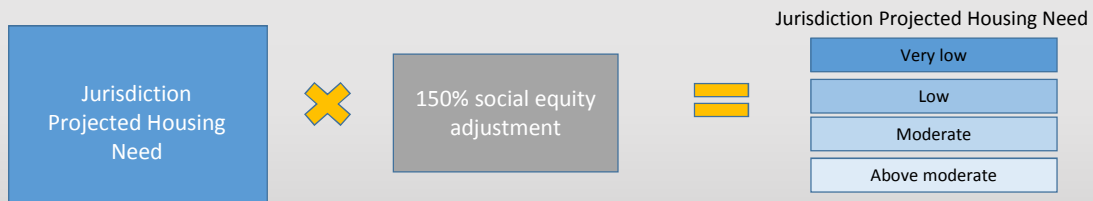
Option 1

Step 2: Determining Projected Housing Need



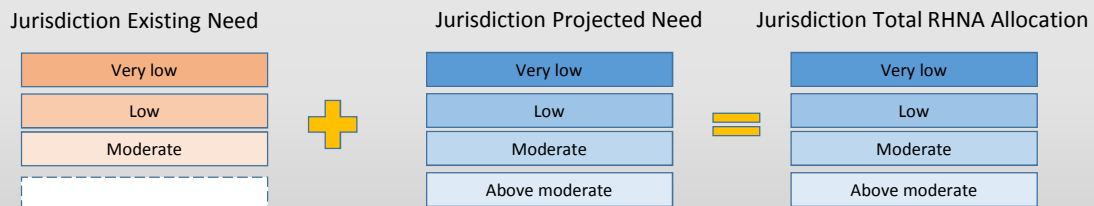
Option 1

Step 2: Determining Projected Housing Need

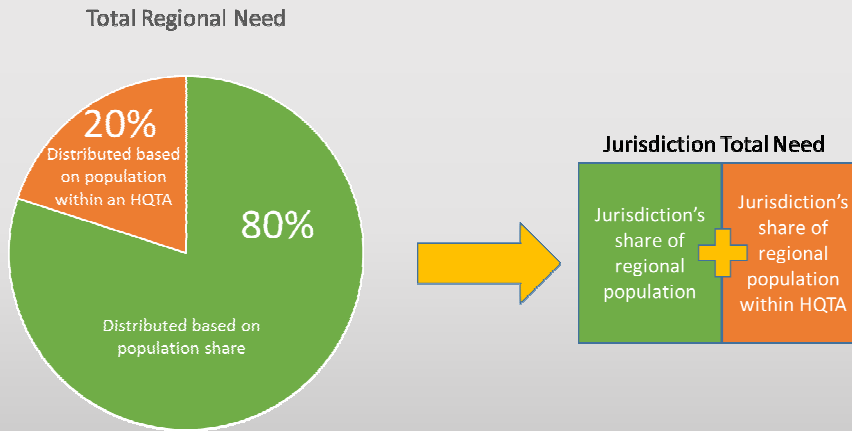


Option 1

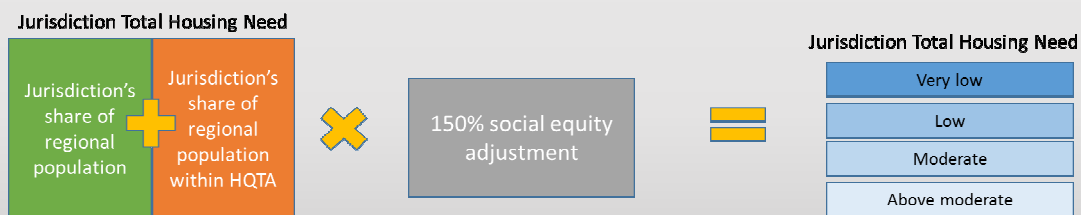
Step 3: Total RHNA Allocation



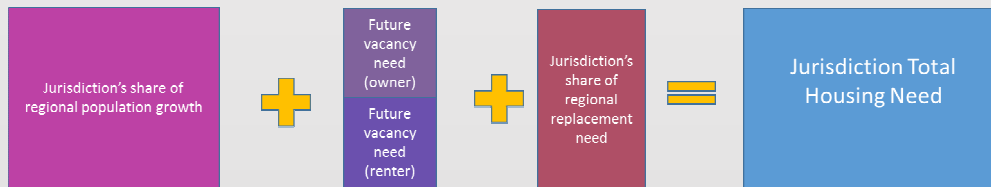
Option 2 Step 1



Option 2 Step 2

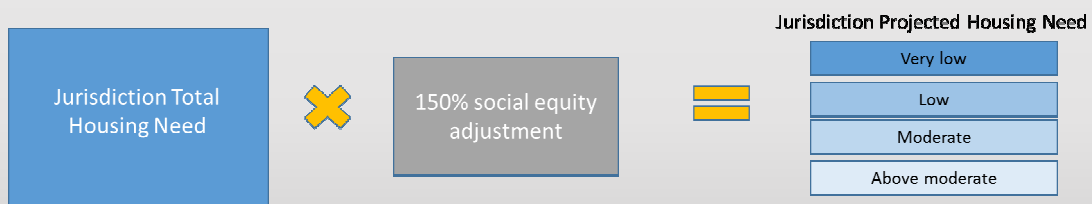


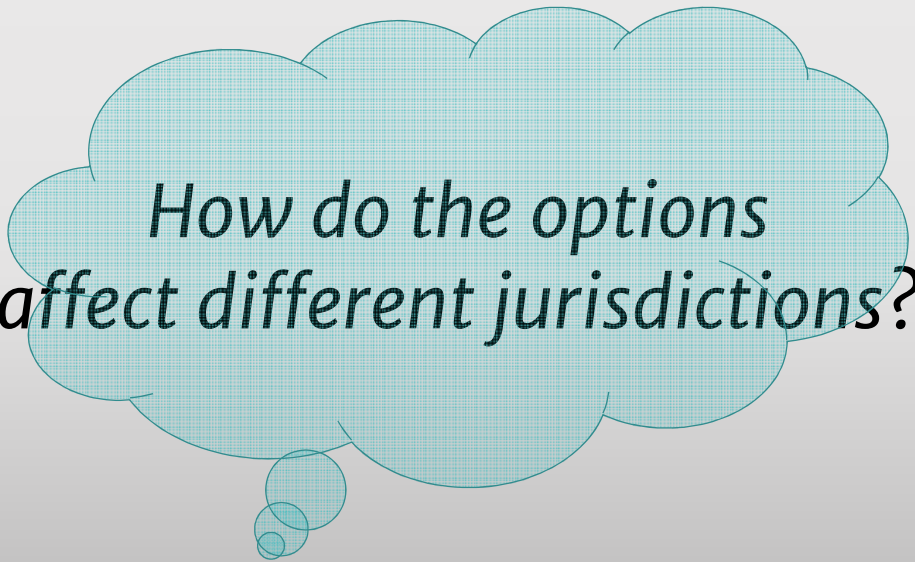
Option 3 Step 1



- Similar to projected need from Option 1
- Share of regional population growth instead of household growth
- Horizon year based on closest household growth to regional determination from HCD

Option 3 Step 2





*How do the options
affect different jurisdictions?*

City A and City B

- City A
 - Urbanized
 - Within County X
 - Most of population is within an HQTAs
 - Population: Appx. 65,000
 - Higher concentration of lower income households than other parts of the county

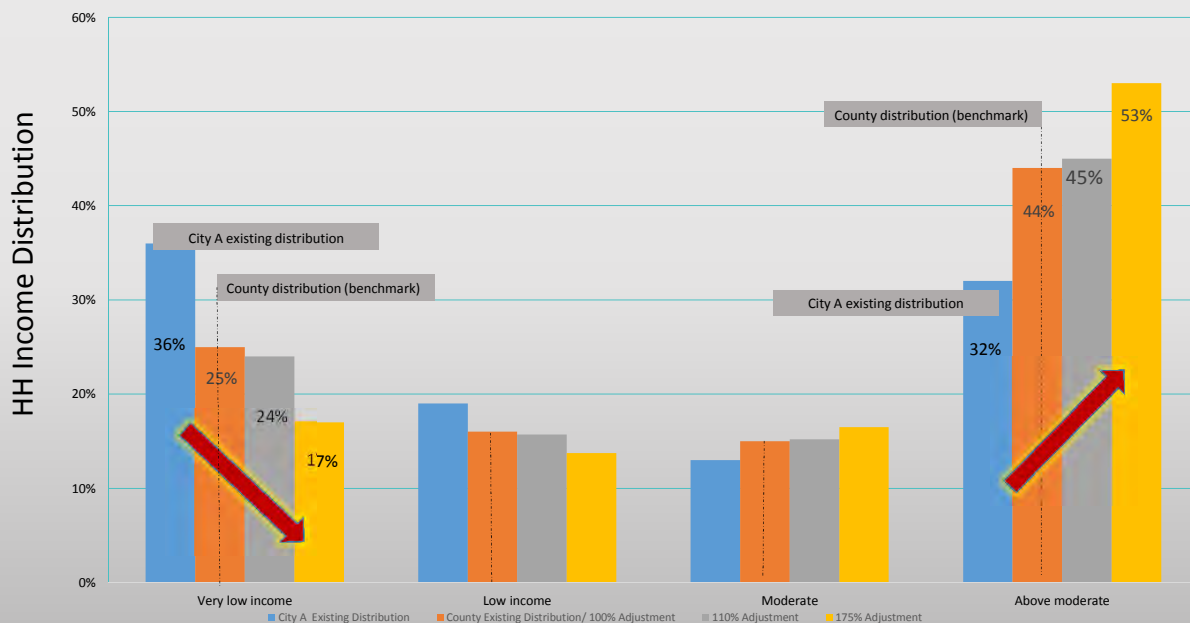
- City B
 - Suburban community
 - Within County Y
 - No HQTAs within jurisdiction
 - Population: Appx 65,000
 - Higher concentration of high income households than other parts of the county

Option 1: Step 1 Existing Need

- Example assumption: Regional existing need of 250,000
 - 175,000 (70%) will be assigned based on population share
 - 50,000 (20%) will be assigned based on population share within HQTAs
 - 25,000 (10%) will be assigned based on share of recent regional permit activity in comparison to population

City A	Existing need	City B	Existing need
+Share of regional population (0.35%)	606	+Share of regional population (0.35%)	606
+Share of regional population within HQTAs (0.37%)	183	+Share of regional population within HQTAs (0%)	0
+Share of permit activity in comparison to population (1.10%)	280	+Share of permit activity in comparison to population (0.30%)	88
=Total existing need	1,069	=Total existing need	694

Social Equity Adjustment



Option 1: Step 1 Existing Need

City A	Income Category	Very low	Low	Moderate	Above moderate	Total
	Current Distribution	30.1%	23.2%	17.6%	29.1%	100%
	After 110% adjustment	24.8%	14.8%	16.7%	43.6%	100%
	After 110% adjustment into 3 categories	44%	26.3%	29.7%	--	100%

City B	Income Category	Very low	Low	Moderate	Above moderate	Total
	Current Distribution	15.8%	12.2%	16.8%	55.2%	100%
	After 110% adjustment	24.5%	16.9%	18.5%	40.1%	100%
	After 110% adjustment into 3 categories	40.9%	28.3%	30.8%	--	100%

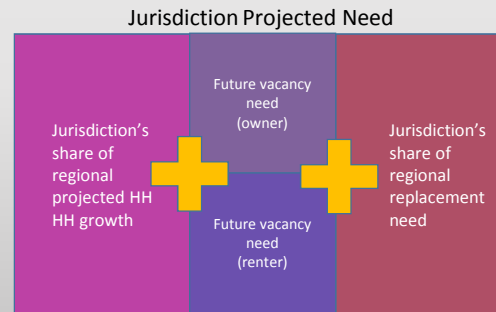
Option 1: Step 1 Existing Need

Existing housing need	City A	City B
Very low	459	318
Low	296	178
Moderate	315	198
Above moderate	--	--
Total	1,069	694

Option 1: Step 2 Projected Need

- Projected need will be determined by three factors:

- Household growth
- Future vacancy need
 - By owner and renter
- Replacement need



Option 1: Step 2a Household Growth

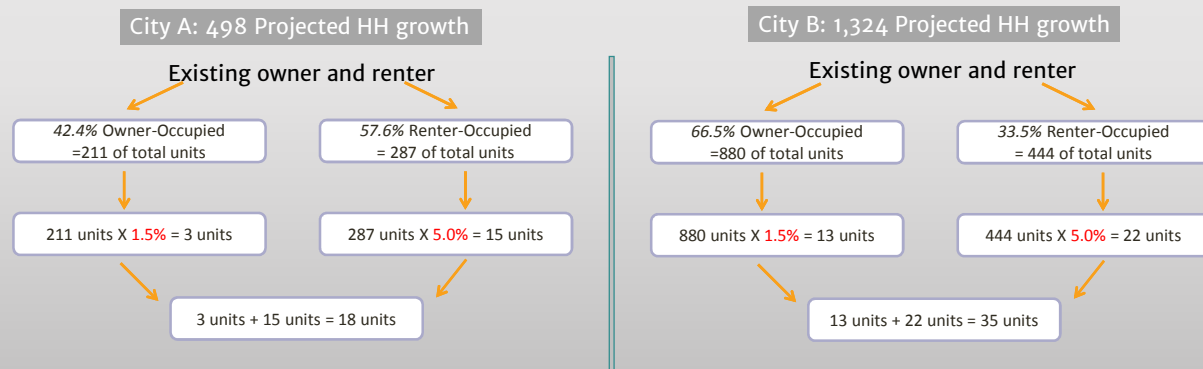
- A jurisdiction's share of regional household growth using local input as the basis

City A	
+Household growth (based on local input)	498

City B	
+Household growth (based on local input)	1,324

Option 1: Step 2b Future Vacancy Need

- Future vacancy need uses the breakdown of owner and renter households in each jurisdiction
- A 1.5% vacancy rate is applied to projected owner households
- A 5.0% vacancy rate is applied to projected renter households



Option 1: Step 2c Replacement Need

- Jurisdictions will be assigned a replacement need based on their share of regional replacement need
- Share of regional replacement need was adjusted by replacement need survey results
- The final regional replacement need will be assigned after the regional determination process with HCD
- Some jurisdictions replaced all demolished units and have 0 replacement need.

City A		City B	
+Replacement need (based on adjustment from survey)	24	+Replacement need (based on adjustment from survey)	0

Option 1: Step 2 Projected Need

City A		City B	
+Projected household growth	498	+Projected household growth	1,324
+Future Vacancy Need	18	+Future Vacancy Need	35
+Replacement Need	24	+Replacement Need	0
=Projected housing need	540	=Projected housing need	1,359

Option 1: Step 2

City A	Income category	City A existing HH income distribution	County X existing housing distribution	150% adjustment
	Very low	30.1%	25.3%	22.9%
	Low	23.2%	15.6%	11.8%
	Moderate	17.6%	16.8%	16.4%
	Above moderate	29.1%	42.3%	48.9%
City B	Income category	City B existing HH income distribution	County Y existing housing distribution	150% adjustment
	Very low	15.8%	23.7%	27.7%
	Low	12.2%	16.5%	18.6%
	Moderate	16.8%	18.3%	19.1%
	Above moderate	55.2%	41.5%	34.6%

Option 1: Step 3 Total RHNA Allocation

		Very low	Low	Moderate	Above moderate	Total
City A	Existing need	459	296	315	--	1,069
	Projected need	130	60	83	266	540
	Total RHNA	589	356	398	266	1,608

		Very low	Low	Moderate	Above moderate	Total
City B	Existing need	318	178	198	--	694
	Projected need	396	245	242	477	1,359
	Total RHNA	713	423	440	477	2,053

Option 2

- Example assumption: Regional need of 675,000
 - 540,000 (80%) will be assigned based on population share
 - 135,000
 - (20%) will be assigned based on population share within HQT

City A	Existing need	City B	Existing need
+Share of regional population (0.35%)	1,870	+Share of regional population (0.35%)	1,870
+Share of regional population within HQT (0.37%)	493	+Share of regional population within HQT (0%)	0
=Total need	2,363	=Total existing need	1,870

- Social equity adjustment: 150%

Option 3

- Based on population growth for selected horizon year
- Horizon year is selected based on horizon growth closest to HCD determination
- Example assumption: HCD provides a total of 800,000

City A	Existing need
+Share of regional population growth (0.14%)	910
+Future vacancy need	32
+Share of replacement need	24
=Total existing need	966

City B	Existing need
+Share of regional population growth (0.76%)	4,950
+Future vacancy need	132
+Share of replacement need	0
=Total existing need	5,082

- Social equity adjustment: 150%

A Comparison of Options

	Option 1	Option 2	Option 3
Existing need separate from projected need	Yes	No	No
Higher total of lower income categories	Yes	No	No
Emphasis on HQTAs from regional total	On existing need only, 20%	On total allocation, 20%	No
Accounts for recent building activity	Yes	No	No
Social equity adjustment	110% for existing need 150% for projected need	150% for total need	150% for total need
Local input as a component	Yes	No	Yes

Full Proposed RHNA Methodology

- Step by step guide to calculate a draft RHNA allocation in proposed methodology packet
- Full survey responses available at www.scag.ca.gov/rhna

Next Steps

- Recommendation of RHNA methodology options for public review
 - Today, July 22 RHNA Subcommittee
 - August 1, CEHD and Regional Council
- Proposed RHNA methodology public hearings
 - *Tentative:* August 20, 10–12pm, 1–3pm Los Angeles
 - *Tentative:* August 27, 5–7pm, Inland Empire
 - *Tentative:* September 3, 5–7pm, Los Angeles

Next Steps

- Special RHNA Subcommittee Meeting to select a RHNA methodology
 - Late September 2019
- Draft RHNA Methodology Review by HCD
 - Fall 2019

For more information

www.scag.ca.gov

Email: housing@scag.ca.gov

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Item 7.D

Regional Housing Needs
Assessment Methodology Update

Attachment 2

6th Cycle SCAG HCD Determination
Letter

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

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



August 22, 2019

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

Dear Executive Director Ajise:

RE: Regional Housing Need Determination

This letter provides the Southern California Association of Governments (SCAG) its determination of the Regional Housing Need Determination. Pursuant to Government Code (Gov. Code) section 65584.01, the Department of Housing and Community Development (HCD) is required to provide the determination of SCAG's existing and projected housing need.

In assessing SCAG's regional housing need, HCD and SCAG staff completed an extensive consultation process starting in March 2017 through August 2019 covering the methodology, data sources, and timeline. HCD also consulted with Walter Schwarm of the California Department of Finance (DOF) Demographic Research Unit.

Attachment 1 displays the minimum regional housing need determination of **1,344,740** total units among four income categories for SCAG to distribute among its local governments. Attachment 2 explains the methodology applied pursuant to Gov. Code section 65584.01.

As you know, SCAG is responsible for adopting a RHNA allocation methodology for the *projection* period beginning June 30, 2021 and ending October 15, 2029. Pursuant to Gov. Code section 65584(d), SCAG's RHNA allocation methodology must further the following objectives:

- (1) Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households.
- (2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.
- (3) Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.

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

Pursuant to Gov. Code section 65584.04(e), to the extent data is available, SCAG shall include the factors listed in Gov. Code section 65584.04(e)(1-12) to develop its RHNA allocation methodology, and pursuant to Gov. Code section 65584.04(f), SCAG must explain in writing how each of these factors was incorporated into the RHNA allocation methodology and how the methodology furthers the statutory objectives described above. Pursuant to Government Code section 65584.04(h), SCAG must consult with HCD and submit its draft allocation methodology to HCD for review.

HCD appreciates the active role of SCAG staff in providing data and input throughout the consultation period. Pursuant to Government Code section 65584.01(c)(1), HCD may accept or reject the information provided by the council of governments or modify its own assumptions based on this information.

The Department especially thanks Ping Chang, Ma'Ayn Johnson, Kevin Kane, and Sarah Jepson. The Department looks forward to its continued partnership with SCAG and its member jurisdictions and assisting SCAG in its planning efforts to accommodate the region's share of housing need.

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

Sincerely,



Megan Kirkeby
Assistant Deputy Director for Fair Housing

ATTACHMENT 1

HCD REGIONAL HOUSING NEED DETERMINATION

SCAG: June 30, 2021 – October 15, 2029 (8.3 years)

<u>Income Category</u>	<u>Percent</u>	<u>Housing Unit Need</u>
Very-Low*	26.1%	350,998
Low	15.3%	206,338
Moderate	16.7%	225,152
Above-Moderate	41.8%	562,252
Total	100.0%	1,344,740
* Extremely-Low	14.5%	Included in Very-Low Category

Notes:

Income Distribution:

Income categories are prescribed by California Health and Safety Code (Section 50093, et.seq.). Percents are derived based on ACS reported household income brackets and regional median income, then adjusted based on the percent of cost-burdened households in the region compared with the percent of cost burdened households nationally.

ATTACHMENT 2

HCD REGIONAL HOUSING NEED DETERMINATION SCAG: June 30, 2021 – October 15, 2029 (8.3 years)

Methodology

SCAG: June 30, 2021-October 15, 2029 (8.3 Years) HCD Determined Population, Households, & Housing Need					
1.	Population: DOF 6/30/2029 projection adjusted +3.5 months to 10/15/2029				20,455,355
2.	<i>- Group Quarters Population: DOF 6/30/2029 projection adjusted +3.5 months to 10/15/2029</i>				-363,635
3.	Household (HH) Population: October 15, 2029				20,079,930
	Household Formation Groups	HCD Adjusted DOF Projected HH Population	DOF HH Formation Rates	HCD Adjusted DOF Projected Households	
		20,079,930		6,801,760	
	under 15 years	3,292,955	n/a	n/a	
	15 – 24 years	2,735,490	6.45%	176,500	
	25 – 34 years	2,526,620	32.54%	822,045	
	35 – 44 years	2,460,805	44.23%	1,088,305	
	45 – 54 years	2,502,190	47.16%	1,180,075	
	55 – 64 years	2,399,180	50.82%	1,219,180	
	65 – 74 years	2,238,605	52.54%	1,176,130	
	75 – 84 years	1,379,335	57.96%	799,455	
	85+	544,750	62.43%	340,070	
4.	Projected Households (Occupied Unit Stock)				6,801,760
5.	+ Vacancy Adjustment (2.63%)				178,896
6.	+ Overcrowding Adjustment (6.76%)				459,917
7.	+ Replacement Adjustment (.50%)				34,010
8.	<i>- Occupied Units (HHs) estimated (June 30, 2021)</i>				-6,250,261
9.	+ Cost Burden Adjustment (Lower Income: 10.63%, Moderate and Above Moderate Income: 9.28%)				120,418
6th Cycle Regional Housing Need Assessment (RHNA)					1,344,740

Explanation and Data Sources

- 1-4. Population, Group Quarters, Household Population, & Projected Households: Pursuant to Government Code Section 65584.01, projections were extrapolated from Department of Finance (DOF) projections. Population reflects total persons. Group Quarter Population reflects persons in a dormitory, group home, institution, military, etc. that do not require residential housing. Household Population reflects persons requiring residential housing. Projected Households reflect the propensity of persons, by age-groups, to form households at different rates based on Census trends.
5. Vacancy Adjustment: HCD applies a vacancy adjustment based on the difference between a standard 5% vacancy rate and the region's current "for rent and sale" vacancy percentage to provide healthy market vacancies to facilitate housing availability and resident mobility. The adjustment is the difference between standard 5% and region's current vacancy rate (2.37%) based on the 2013-2017 5-year American Community Survey (ACS) data. For SCAG that difference is 2.63%.
6. Overcrowding Adjustment: In region's where overcrowding is greater than the U.S overcrowding rate of 3.35%, HCD applies an adjustment based on the amount the region's overcrowding rate (10.11%) exceeds the U.S. overcrowding rate (3.35%) based on the 2013-2017 5-year ACS data. For SCAG that difference is 6.76%.

Continued on next page

7. Replacement Adjustment: HCD applies a replacement adjustment between .5% & 5% to total housing stock based on the current 10-year average of demolitions in the region's local government annual reports to Department of Finance (DOF). For SCAG, the 10-year average is .14%, and SCAG's consultation package provided additional data on this input indicating it may be closer to .41%; in either data source the estimate is below the minimum replacement adjustment so the minimum adjustment factor of .5% is applied.
8. Occupied Units: Reflects DOF's estimate of occupied units at the start of the projection period (June 30, 2021).
9. Cost Burden Adjustment: HCD applies an adjustment to the projected need by comparing the difference in cost-burden by income group for the region to the cost-burden by income group for the nation. The very-low and low income RHNA is increased by the percent difference ($70.83\% - 60.20\% = 10.63\%$) between the region and the national average cost burden rate for households earning 80% of area median income and below, then this difference is applied to very low- and low-income RHNA proportionate to the share of the population these groups currently represent. The moderate and above-moderate income RHNA is increased by the percent difference ($20.48\% - 11.20\% = 9.28\%$) between the region and the national average cost burden rate for households earning above 80% Area Median Income, then this difference is applied to moderate and above moderate income RHNA proportionate to the share of the population these groups currently represent. Data is from 2011-2015 Comprehensive Housing Affordability Strategy (CHAS).

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Western Riverside Council of Governments Technical Advisory Committee

Staff Report

Subject: Grant Writing Assistance Program Update

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

Date: September 19, 2019

The purpose of this item is to provide an update on the Grant Writing Assistance Program.

Requested Action:

1. Receive and file.
-

WRCOG provides assistance to member jurisdictions to fund local projects through the Grant Writing Assistance Program. This Program assists member jurisdictions on an as-needed basis as funding is available and covers the cost of hiring professional grant writers to develop proposals for competitive external funding.

WRCOG Grant Writing Assistance Program – Summary and Update

WRCOG commenced the Grant Writing Assistance Program to assist member jurisdictions in grant writing assistance on an as-needed basis as funding is available. The Program Guidelines were approved by the Executive Committee in September 2017, and WRCOG immediately received several requests to assist member jurisdictions with grant opportunities allowed in the Program. Based on the volume of requests, staff requested additional funding for the Program to enable more assistance to member jurisdictions. The Executive Committee approved an additional \$500,000 in funding to this Program in December 2017 for a total of \$700,000.

To date, \$400,000 has been utilized on the following tasks:

- Advisory services to WRCOG member agencies
- Direct grant assistance for applications
- Grant opportunity tables sent to staff on bi-weekly basis
- Grant program fact sheets

The Program is structured to focus on a few select grant opportunities to allow growth in the future based on success rates, feedback from users and funding availability. Eligible grants are as follows:

- [Active Transportation Program](#)
- [Caltrans Sustainable Transportation Planning Grant Program](#) (Transportation Planning Grants & Adaptation Planning Grants)
- [Affordable Housing and Sustainable Communities Program](#)
- [Clean Cities](#)-related grants
- New planning grant opportunities

The focus of the opportunities is on areas WRCOG provides assistance to its member agencies. To maintain flexibility with the Program, “new planning grant opportunities” are included so that other grant opportunities

related to planning may be considered. This category enables members to request assistance if any grant opportunities that focus on planning grants become available – such as those that help fund General Plans, Specific Plans, or Community Plans. The Program is **not** intended to assist infrastructure grant opportunities, i.e., TIGER, HSIP, FASTLANE, etc.

In addition to direct assistance, the Program has provided member agencies the ability to discuss potential projects or ideas in order to align with the Grant Program that fits best. This has been an aspect of the Program not quantifiable but has proved beneficial in ensuring the efficient use of a jurisdiction's resources.

Direct Assistance Provided

The Program has provided assistance to jurisdictions in developing almost 20 grant applications with 11 successful applications; one has not received a result, and one was not submitted. The Program has secured over \$15 million in funding, with a majority of the funding attained from the statewide Active Transportation Program (ATP).

The Program also partially assisted the City of Riverside and Wakeland Housing and Development Corporation in a successful Affordable Housing and Sustainable Community grant application that attained \$16.8 million for the Mission Heritage Plaza project that will build affordable housing, green transportation / transit improvements, and neighborhood-driven beautification projects in downtown Riverside.

The following is a listing of projects that have utilized the Grant Writing Assistance Program and status:

Grant Program	Project	Jurisdiction/Agency	Award Amount/Status
2018 Caltrans Sustainable Transportation Planning Grant - Sustainable Communities	City-wide Active Transportation Plan	Lake Elsinore	\$175,000
2018 Caltrans Sustainable Transportation Planning Grant - Sustainable Communities	SR-74/Winchester Land Use/Transportation Study	County of Riverside	\$133,000
2018 Urban Greening Grant	City of Hemet Downtown Area/Mobility Hub	Hemet	Not awarded
2018 ATP Cycle IV	City of Eastvale	Eastvale	\$6.5 million
2017 Bureau of Reclamation Watersmart Water and Energy Efficiency Grant	City of Banning	Banning	Not awarded
2018 ATP Cycle IV	City of Temecula San Gertrudis Street Project	Temecula	\$1.5 million
2018 ATP Cycle IV	City of Wildomar Bundy Canyon Road Implementation Project	Wildomar	Not awarded
2018 ATP Cycle IV	City of Jurupa Valley Safe Routes to School Applications - three applications	Jurupa Valley	\$2.9 million
2018 AHSC Grant Application Development	City of Riverside – Mission Heritage Development	Riverside	*\$16 million (partial assistance provided to application development)

2018 Caltrans Sustainable Transportation Planning Grant - Sustainable Communities	WRCOG Climate Action Plan	WRCOG	\$344,900
Caltrans Sustainable Transportation Planning Grant - Adaptation Planning	Regional Climate Adaptation Toolkit for Transportation Infrastructure Phase I	WRCOG	\$683,431
Caltrans Sustainable Transportation Planning Grant - Adaptation Planning	Regional Climate Adaptation Toolkit for Transportation Infrastructure Phase II	WRCOG	\$409,894
2018 Caltrans Sustainable Transportation Planning Grant - Sustainable Communities	Western Riverside County ITS Strategic Plan	WRCOG	Not awarded
2018 SCAG Sustainable Communities Program	Calimesa SRTS	Calimesa	Not awarded
2018 SCAG Sustainable Communities Program	City-wide Trails Master Plan	Norco	Not awarded
2018 Housing Assistance and Homeless Services – HEAP Grant Application	City of Lake Elsinore HEAP Grant Application	Lake Elsinore	\$1.5 million
2018 Bureau of Reclamation Watersmart Water and Energy Efficiency Grant Application Development Project Resubmission	Advanced Metering Infrastructure Project - City of Banning	Banning	\$300,000
2018 CALRECYCLE Household Hazardous Waste Application	WRCOG	WRCOG	\$60,000
SCAQMD Surplus Off-Road Opt-in for Nox (SOON) Carl Moyer Air Quality Standards Attainment	County of Riverside	County of Riverside	Not submitted

Grant Writing Consultants – Assistance Not Covered by WRCOG Program

The WRCOG on-call planning bench was formed in July 2017 with a group of consultants to serve the Grant Writing Assistance Program. In addition to requesting direct assistance and advisory services on grant opportunities, member jurisdictions have occasionally reached out for assistance on grants that do not meet the criteria of the Program and are not eligible for direct assistance on grant application development. In these instances, WRCOG has been able to connect the jurisdiction with an appropriate consultant to ensure the proposed project fits with the identified grant opportunity. If the member jurisdiction has sought to develop a grant application, and the jurisdiction and consultant agree upon a cost for services, WRCOG establishes an understanding with the jurisdiction that the cost for assistance is the jurisdiction's responsibility. WRCOG then establishes a contract with the consultant through the on-call planning bench. WRCOG invoices the jurisdiction when invoices from the consultant are submitted to WRCOG. This is beneficial because the jurisdiction does not have to go through a procurement process for grant application development or to administer a contract.

Below is a list of the consultants on the WRCOG on-call planning bench and the areas each firm focuses on.

Consultant	Grant Areas of Focus
Alta Planning + Design	Active Transportation, Highway Safety Improvement Program, Transportation Infrastructure, Transportation Planning, Regional Planning, Transit, Capital Improvement, Sustainability
Blais & Associates	Full-service
KTUA	Active Transportation, Highway Safety Improvement Program, Transportation Infrastructure, Transportation Planning, Regional Planning, Transit, Urban Greening, Parks and Recreation, Capital Improvement, Sustainability
National Community Renaissance	Transportation, Land Use Planning, Housing, Water, Wastewater, Storm Water, Capital Improvement, Parks & Recreation, Cultural, Education, Public Safety, Economic Development, Sustainability, Environmental Protection Grants
WSP	Transportation, Land Use Planning, Housing, Capital Improvement, Economic Development, Sustainability

Prior Action:

None.

Fiscal Impact:

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

Attachment:

None.