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REGULAR MEETING

COMMUNITY, ECONOMIC AND HUMAN DEVELOPMENT COMMITTEE

Thursday, June 6, 2019
10:00 AM - 12:00 PM

SCAG MAIN OFFICE
900 Wilshire Blvd., Ste. 1700
Policy B Meeting Room
Los Angeles, CA 90017
(213) 236-1800

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Tess Rey-Chaput at (213) 236-1908 or via email at REY@scag.ca.gov. Agendas & Minutes for the CEHD - Community, Economic and Human Development Committee are also available at: www.scag.ca.gov/committees

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COMMUNITY, ECONOMIC AND HUMAN DEVELOPMENT COMMITTEE AGENDA

Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700 – Policy B Meeting Room
Los Angeles, California 90017
Thursday, June 6, 2019
10:00 AM

The Community, Economic and Human Development Committee may consider and act upon any of the items on the agenda regardless of whether they are listed as Information or Action items.

CALL TO ORDER AND PLEDGE OF ALLEGIANCE
(The Honorable Peggy Huang, Chair)

PUBLIC COMMENT PERIOD
Members of the public desiring to speak on items on the agenda, or items not on the agenda, but within the purview of the Committee, must fill out and present a Public Comment Card to the Assistant prior to speaking. Comments will be limited to three (3) minutes per speaker. The Chair has the discretion to reduce the time limit based upon the number of speakers and may limit the total time for all public comments to twenty (20) minutes.

REVIEW AND PRIORITIZE AGENDA ITEMS

ACTION/DISCUSSION ITEM

1. Regional Housing Needs Assessment (RHNA) Consultation Package to the State Department of Housing and Community Development (HCD) — Page 7
   (Councilmember Peggy Huang, RHNA Subcommittee Chair)

RECOMMENDED ACTION FOR CEHD:
Recommend approval of SCAG's RHNA Consultation Package to HCD by the Regional Council.

RECOMMENDED ACTION FOR RC:
Approve SCAG's RHNA Consultation Package to HCD.

CONSENT CALENDAR

Approval Items

2. Minutes of the April 4, 2019 Meeting — Page 24

Receive and File

3. S. 923 (Feinstein) - Fighting Homelessness through Services and Housing Act — Page 30

4. Connect SoCal Technical Methodology Submittal to California Air Resources Board — Page 33

5. Affordable Housing and Tax Increment Financing: A SCAG Whitepaper Page 80
6. Update on Local Economic Development Tools Page 106
7. SCS Update: Scenarios Page 134
8. Local Input Survey Results Page 137

INFORMATION ITEMS

CHAIR'S REPORT
(The Honorable Peggy Huang, Chair)

STAFF REPORT
(Ma'Ayn Johnson, SCAG Staff)

FUTURE AGENDA ITEMS

ANNOUNCEMENTS
SCAG will be dark for the month of July 2019. The next meeting of the CEHD Committee is scheduled for Thursday, August 1, 2019 at the SCAG main office, 900 Wilshire Boulevard, Suite 1700, Los Angeles, CA 90017.

ADJOURNMENT

AGENDA ITEM NO. 1

REPORT

Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
June 6, 2019

To: Community Economic & Human Development Committee (CEHD)
Regional Council (RC)

EXECUTIVE DIRECTOR'S APPROVAL

Kome Ajise

From: Kevin Kane, Senior Regional Planner, Planning Division, (213) 236-1828, kane@scag.ca.gov

Subject: Regional Housing Needs Assessment (RHNA) Consultation Package to the State Department of Housing and Community Development (HCD)

RECOMMENDED ACTION FOR CEHD:
Recommend approval of SCAG's RHNA Consultation Package to HCD by the Regional Council.

RECOMMENDED ACTION FOR RC:
Approve SCAG's RHNA Consultation Package to HCD.

STRATEGIC PLAN:
This item supports the following Strategic Plan Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians.

EXECUTIVE SUMMARY:
The RHNA process as prescribed by Government Code Section 65584 et seq. requires a consultation process between SCAG and the State Department of Housing and Community Development (HCD) before HCD issues its final determination of regional total housing need for the SCAG region. SCAG staff has developed a framework to guide this process, and a list of specific subject areas for HCD's consideration, including projections of household growth from SCAG's 2020 RTP/SCS bottom-up local review and input growth forecasting process as well as data, analysis, and assumptions related to existing housing needs.

BACKGROUND:
The RHNA process as prescribed by Government Code Section 65584 et seq., requires a consultation process between SCAG and HCD before HCD issues its final determination of regional total housing need for the SCAG region. Specifically, Government Code Section 65584.01(b)(1) requires SCAG to provide data, assumptions, and methodology to be used by HCD to determine the region's housing needs.

SCAG staff have previously presented a framework to guide the development of this consultation process which includes the following goals:

- Follow the SCAG 2020 RTP/SCS growth forecasting process, procedure, methodology, and results including bottom-up local review, comment, and input.
- Provide the best outcomes for the SCAG regional housing needs assessment and determination, meet the requirements of the law, and use the best available data and technical methodology.
- Research the appropriate factors and causes associated with "existing housing needs."
- Develop policy responses for a long-term robust, stable, supply of sites and zoning for housing construction.

SCAG proposes that a clear distinction be made between housing need due to projected regional population growth and those due to existing housing needs. Using the RTP/SCS growth forecast as a basis for projected housing need is a long-standing, credible approach which is consistent with Government Code Section 65584.01.

SCAG also recognizes regional housing supply and affordability challenges statewide and in the region and recognizes that legislative changes in 2017 and 2018 have added data elements to 65584.01(b)(1) which are closely related to "existing housing needs," or "housing production backlog." Separate estimates of existing need have not been included in RTP/SCS growth forecast development, so therefore an alternative means of assessing and allocating this need is required. Planning for this additional housing production through RHNA is an important concurrent and complementary planning process.

Staff presented a draft consultation package which was approved by the RHNA Subcommittee on May 6, 2019. This draft consultation package included:

- SCAG's 2020 RTP/SCS growth forecast and approach to need due to projected growth
- An interpretation of several new data elements which relate to existing housing need
- Eight specific technical and conceptual matters to discuss with HCD related to the regional determination

Subsequently on May 9th, SCAG staff met with HCD staff and shared this draft consultation package as a starting point for ongoing discussions. HCD reiterated their perspective that the legislative changes are intended to explicitly address housing production backlog ("existing need") which is distinct from prior cycles of RHNA which had primarily followed growth forecasts addressing projected need. While HCD did not conduct a full review of the draft consultation package, they provided additional insight into how they are likely to consider certain data elements.

This report builds on SCAG's Draft Consultation Package by incorporating insights and changes learned since meeting with HCD. Modifications of SCAG's estimate of housing need due to projected growth and existing housing need have been made to recognize aspects of HCD's established practice while maintaining SCAG's recommended data sources and addressing several key concerns. This report reiterates the same eight specific matters for HCD's consideration:

1. SCAG 2020 RTP/SCS growth forecast data and assumptions
2. Clarifying the distinction between housing need due to projected growth versus existing need
3. Use of a comparable region standard and household overcrowding
4. Use of cost burden as an input to determining housing needs
5. Use of historical comparison for understanding SCAG region demographic, economic, and housing characteristics
6. High correlation and double-counting possibility between measures of existing housing need
7. Phasing existing housing need beyond a single RHNA cycle
8. Issues related to sites, zoning, and COG efforts to promote housing

At its May 6th meeting, the RHNA Subcommittee reiterated the importance of points 6 and 7 above and also requested that staff seek clarification with HCD on various matters such as student or university housing.

Ultimately, this report presents a realistic estimate of the final regional determination of housing need taking into account SCAG's data sources, key concerns, and aspects of HCD's practice. HCD has final authority to issue a regional determination following the consultation with SCAG, which is expected in August 2019. Staff anticipates continued consultation with HCD on specific details until that time, building on the approach laid out here.

Technical Appendix

The RHNA process as prescribed by Government Code Section 65584 et. seq., requires a consultation process between SCAG and HCD/DOF before HCD issues its final determination of regional total housing need for the SCAG region.

Specifically, Government Code Section 65584.01(b)(1) requires SCAG to prepare this information packet:

> *"At least 26 months prior to the scheduled revision pursuant to Section 65588 and prior to developing the existing and projected housing need for a region, the department shall meet and consult with the council of governments regarding the assumptions and methodology to be used by the department to determine the region's housing needs. The council of governments shall provide data assumptions from the council's projections, including, if available, the following data for the region:*
> *(A) Anticipated household growth associated with projected population increases.*
> *(B) Household size data and trends in household size.*
> *(C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:*
> *(i) The term "overcrowded" means more than one resident per room in each room in a dwelling.*
> *(ii) The term "overcrowded rate for a comparable housing market" means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.*
> *(D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.*
> *(E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.*
> *(F) Other characteristics of the composition of the projected population.*
> *(G) The relationship between jobs and housing, including any imbalance between jobs and housing.*
> *(H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:*
> *(i) The term "cost burdened" means the share of very low-, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.*
> *(ii) The term "rate of housing cost burden for a healthy housing market" means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.*

(I) The loss of units during a state of emergency that was declared by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2), during the planning period immediately preceding the relevant revision pursuant to Section 65588 that have yet to be rebuilt or replaced at the time of the data request."

As specified in Government Code 65584 et seq., if the total regional population forecast for the projection year (10/1/2029) developed for SCAG's RTP/SCS is within a range of 1.5% of DOF's forecast of the same, then SCAG's forecast shall be the basis from which HCD determines existing and projected need for housing in the region.

Table 1 outlines the SCAG region's housing need due to projected growth. SCAG proposes a regional housing needs determination of 430,289 due to projected growth for SCAG and delegated subregions (if applicable) to distribute among local jurisdictions. SCAG projects total regional population to grow to 20,725,878 by October 1, 2029. SCAG's projection is 0.18% higher than DOF's projection of 20,689,591, thus SCAG's forecast shall be used.

	Table 1. Assessment of SCAG region housing need from Jan 1, 2018 to Oct 1, 2029				
1	**Population: Oct 1,** 2029 (SCAG 2020 RTP/SCS Forecast)				20,725,878
	- *Less Group Quarters Population (SCAG 2020 RTP/SCS Forecast)*				-327,879
	Household (HH) Population, Oct 1, 2029				20,397,998
2	**Household Formation Groups**	**SCAG Projected HH Population**	***Headship rate - see Table 2***	**Projected Households**	
		20,397,998		**6,668,498**	
	under 15 years	3,812,391		n/a	
	15 - 24 years	2,642,548		147,005	
	25 - 34 years	2,847,526		864,349	
	35 - 44 years	2,821,442		1,304,658	
	45 - 54 years	2,450,776		1,243,288	
	55 - 64 years	2,182,421		1,116,479	
	65 -74 years	1,883,181		1,015,576	
	75 - 84 years	1,167,232		637,415	
	85+	590,480		339,727	
3	**Projected Households, Oct 1, 2029**				**6,668,498**
4	***CA DOF Occupied housing units, Jan 1, 2018 (E-5)***				***6,073,761***

5	**Projected household growth, Jan 1, 2018 - Oct 1, 2029 (11.75 yrs)**				**594,737**
6	**+ Vacany Adjustment - Projected Need**	Owner	Renter		
	Tenure Percentage (2017 1-year ACS)	52.43%	47.57%		
	Projected HH Growth by Tenure	311,821	282,916		
	Healthy market vacancy rate	1.50%	5.00%		
	SCAG vacancy rate	1.10%	3.28%		
	Difference; multiply by projected HH growth by tenure	*0.40%*	*1.72%*		
	Vacancy Adjustment - Projected Need	1,247	4,866		6,113
7	**+ Replacement Adjustment - Projected Need**				
	Estimate of share of housing stock demolished (DOF/HCD)			0.41%	
	Replacement Adjustment - Projected Need				2,438
8	**+ Overcrowding Adjustment - Projected Need**				
	SCAG total overcrowding rate (2017 1-year ACS, >1.0/room)			9.82%	
	Comparable region overcrowding rate			7.49%	
	Difference; multiply by projected HH growth			*2.33%*	
	Overcrowding Adjustment - Projected Need				13,857
9	**- Less: HH growth on tribal lands (SCAG estimate, Table 3)**				-4,310
10	Regional housing need due to projected growth, Jan 1, 2018 - Oct 1, 2029				612,836
	Regional housing need due to growth over the 8.25-year RHNA projection period (Jul 1, 2021 - Oct 1, 2029)				**430,289**

	Estimate of additional housing need existing at the beginning of the RHNA projection period				
11	**+ Vacancy Adjustment - Existing Need**	Owner	Renter	Total	
	Tenure Percentage (2017 1-year ACS)	52.43%	47.57%		
	Existing occupied housing units by tenure on Jan 1, 2018 (CA DOF)	3,184,473	2,889,288		
	SCAG Region Vacancy Rate, 2017 1-year ACS	1.10%	3.28%		
	Healthy market vacancy rate	1.50%	5.00%		
	Difference; multiply by existing occupied units by tenure	*0.40%*	*1.72%*		
	Existing Vacancy Adjustment - New Unit Need	12,738	49,696		62,434
12	**+ Replacement Adjustment - Existing Need**				
	Existing housing units on January 1, 2018			6,073,761	
	Estimate of share of housing stock demolished (DOF/HCD)			0.41%	
	Replacement Adjustment - Existing Need				24,902
13	**+ Overcrowding Adjustment**				
	Existing housing units on Jan 1, 2018			6,073,761	
	SCAG Total Overcrowding Rate (2017 1-year ACS, >1.0/room)			9.82%	
	Comparable region overcrowding rate			7.49%	
	Difference; multiply by existing occupied units			*2.33%*	
	Overcrowding Adjustment - Existing Need				141,519
14	*Cost Burden. Not recommended as an adjustment to new unit need. See footnote, and report section 4.*				
15	**Estimate of additional housing need existing at the beginning of the projection period**				**228,855**

TABLE 1 NOTES

1 Population. Total population, group quarters population, and household reflect SCAG's October 1, 2029 projection consistent with the 2020 RTP/SCS growth forecast and reflect the most recent socioeconomic data and statstics from the Decennial Census & American Community Survey.

2 Household formation groups: Headship rates, also referred to as household formation rates, are applied to the household population from (1) and are broken down by age, sex, and race/ethnicity as is standard demographic practice. Total headship rates in the SCAG region have declined consistently since 1980 and have been roughly stable since 2014. While SCAG's previous forecasts such as the 2012 and 2016 RTP/SCS typically forecasted a continuation of this long-term downward trend, SCAG's 2020 RTP/SCS forecast has been revised to use a constant headship rate based on the most available American Community Survey (ACS) data. At the time of this analysis, the most recently available data are ACS 2017 1-year samples.

3 Projected households: Projected households at the end of the RHNA projection period using the above methodology.

4 Existing occupied housing units: From the most recently available DOF occupied housing unit estimate as of April 2019.

5 Projected household growth: Increase in the number of households expected from DOF's most recently available housing unit estimate until the end of the RHNA projection period.

6 Vacancy adjustment - projected need: While Gov't Code 65584.01 specifies a 5% minimum for renter vacancy, 1.5% is used as an acceptable vacancy rate for for-sale housing. This is roughly equivalent to the statewide average vacancy rate between 1998-2018 and is also equal to the 1.5% owner vacancy used during the 5th cycle of RHNA. The fair market rate is compared against ACS 2017 1-year estimates for for-sale and for-rent housing (ACS series DP04), and the difference is multiplied by the projected growth in housing units.

7 Replacement adjustment - projected need: A rate is applied to projected growth (and applied separately to existing occupied units in line 12) in order to approximate housing units demolished but not yet replaced during the projection period. HCD staff provided SCAG staff with DOF's estimate of annual demolitions for the SCAG region (0.41%) which is used in this calculation. At the time of this writing, estimates of units lost due to natural disaster have not yet been received from local jurisdictions or DOF. A modified estimate based on these data, or other data sources which may become available, may be included in order to refine this estimate prior to a final regional determination.

8 Overcrowding adjustment - projected need: The difference in overcrowding rate between the SCAG region and a comparable region is multiplied by the projected growth in housing units. Data used are from the 2017 1-year American Community Survey estimates (series B25014) and compare the SCAG region with a set of consolidated statistical areas (CSAs) described in section 3 of this report.

9 Household growth on tribal lands: Household growth identified on the tribal lands which are not subject to General Plan housing element update/planning. As discussed durnig the 5th cycle RHNA determination process, these households are both excluded in determining regional needs, and units constructed will not count toward satisfying a jurisdiction's RHNA total.

10 Regional housing need due to projected growth: Estimate of housing need due to projected growth over the 8.25-year RHNA projection period, which is a proportional share using the above analysis of the 11.75-year period for which data are fully available (Jan 1, 2018 - Oct 1, 2029).

11 Vacancy adjustment - existing need: This adjustment accounts for observed vacancy rates which are below a fair market vacancy rate. This adjustment multiplies this difference by the number of existing occupied housing units, split by tenure.

12 Replacement adjustment - existing need: See footnote 7. This rate is multiplied by the number of existing occupied housing units.

13 Overcrowding adjustment - existing need: See footnote 8. This difference is multiplied by the number of existing occupied housing untis.

14 Cost burden - While 65584.01 indicates that rates of cost burdened housholds can be considered in determining reginoal housing need, as indicated in section 4 of this report, indicators of cost burden may be more effectively captured elsewhere in the RHNA process, and may not require a separate adjustment to new unit need.

15 Existing housing need: Estimate of housing need existing at the beginning of the projection period to be addressed by the state's new approach to RHNA.

Table 2: Household Projection Using Population Projection for 10/1/2029

Race/Ethnicity	Sex/Age	2029 Residential Population	2017 Headship Rate	2029 Households
White				
NH White	Male			
NH White	15-24	254,422	7.54%	19,172
NH White	25-34	319,764	40.04%	128,049
NH White	35-44	384,282	52.30%	200,981
NH White	45-54	349,480	56.73%	198,277
NH White	55-64	322,373	62.46%	201,365
NH White	65-74	341,125	70.32%	239,893
NH White	75-84	230,154	72.29%	166,382
NH White	85+	109,909	72.98%	80,209
NH White	Male Total	2,311,510		1,234,328
NH White	Female			
NH White	15-24	249,619	9.02%	22,512
NH White	25-34	309,532	37.37%	115,687
NH White	35-44	353,394	49.76%	175,863
NH White	45-54	320,634	52.92%	169,680
NH White	55-64	318,582	53.52%	170,516
NH White	65-74	362,387	55.78%	202,122
NH White	75-84	276,412	59.19%	163,602
NH White	85+	174,354	67.10%	116,999
NH White	Female Total	2,364,914		1,136,981
Black				
NH Black	Male			
NH Black	15-24	73,225	7.11%	5,210
NH Black	25-34	70,067	26.73%	18,730
NH Black	35-44	82,547	44.14%	36,433
NH Black	45-54	66,592	51.75%	34,459
NH Black	55-64	56,756	57.66%	32,723
NH Black	65-74	51,207	68.20%	34,924
NH Black	75-84	26,746	59.50%	15,913
NH Black	85+	10,431	61.83%	6,450
NH Black	Male Total	437,571		184,841
NH Black	Female			
NH Black	15-24	71,673	6.19%	4,436
NH Black	25-34	74,503	40.06%	29,847
NH Black	35-44	85,856	58.23%	49,994
NH Black	45-54	72,269	62.58%	45,223
NH Black	55-64	68,812	58.51%	40,262
NH Black	65-74	66,201	67.35%	44,586
NH Black	75-84	37,571	68.36%	25,683
NH Black	85+	19,255	68.98%	13,282
NH Black	Female Total	496,141		253,313

Table 2 (cont'd): Household Projection Using Population Projection for 10/1/2029

Race/Ethnicity	Sex/Age	2029 Residential Population	2017 Headship Rate	2029 Households
NH Asian & Oth.				
NH Asian & Oth.	Male			
NH Asian & Oth.	15-24	223,296	7.04%	15,714
NH Asian & Oth.	25-34	233,920	34.39%	80,455
NH Asian & Oth.	35-44	234,858	53.38%	125,378
NH Asian & Oth.	45-54	220,539	57.53%	126,886
NH Asian & Oth.	55-64	201,374	58.51%	117,827
NH Asian & Oth.	65-74	171,696	57.73%	99,118
NH Asian & Oth.	75-84	111,302	52.64%	58,585
NH Asian & Oth.	85+	52,225	47.78%	24,956
NH Asian & Oth.	Male Total	1,449,210		648,919
NH Asian & Oth.	Female	0		
NH Asian & Oth.	15-24	222,291	7.05%	15,673
NH Asian & Oth.	25-34	242,953	29.01%	70,493
NH Asian & Oth.	35-44	256,035	39.72%	101,702
NH Asian & Oth.	45-54	250,454	41.03%	102,750
NH Asian & Oth.	55-64	228,414	37.12%	84,786
NH Asian & Oth.	65-74	204,846	33.72%	69,067
NH Asian & Oth.	75-84	146,686	37.99%	55,724
NH Asian & Oth.	85+	82,280	41.67%	34,288
NH Asian & Oth.	Female Total	1,633,959		534,481
Hispanic				
Hispanic	Male			
Hispanic	15-24	793,538	4.01%	31,828
Hispanic	25-34	813,915	24.60%	200,196
Hispanic	35-44	723,165	42.26%	305,592
Hispanic	45-54	592,224	51.04%	302,243
Hispanic	55-64	485,958	53.93%	262,072
Hispanic	65-74	323,946	56.16%	181,924
Hispanic	75-84	147,756	48.86%	72,199
Hispanic	85+	59,000	45.12%	26,620
Hispanic	Male Total	3,939,502		1,382,674
Hispanic	Female			
Hispanic	15-24	754,483	4.30%	32,461
Hispanic	25-34	782,872	28.22%	220,893
Hispanic	35-44	701,304	44.02%	308,715
Hispanic	45-54	578,583	45.59%	263,771
Hispanic	55-64	500,152	41.37%	206,928
Hispanic	65-74	361,773	39.79%	143,942
Hispanic	75-84	190,606	41.62%	79,327
Hispanic	85+	83,027	44.47%	36,924
Hispanic	Female Total	3,952,799		1,292,962
Total				
Total				
Total	15-24	2,642,548		147,005
Total	25-34	2,847,526		864,349
Total	35-44	2,821,442		1,304,658
Total	45-54	2,450,776		1,243,288
Total	55-64	2,182,421		1,116,479
Total	65-74	1,883,181		1,015,576
Total	75-84	1,167,232		637,415
Total	85+	590,480		339,727
Total	**Grand Total**	16,585,607		6,668,498

Table 3: Analysis of SCAG region households on tribal land

		HOUSEHOLDS			
COUNTY	TRIBE	2013-2017 ACS Estimate	2016 SCAG Estimate	2030 SCAG Projection	Growth estimate, 1/2018-10/2029
Riverside	Agua Caliente Reservation	13,777	13,891	17,263	2,830
Riverside	Augustine Reservation	0	0	0	-
Riverside	Cabazon Reservation	206	206	670	389
Riverside	Cahuilla Reservation	34	53	64	9
San Bernardino	Chemehuevi Indian Reservation	124	295	295	-
Riverside	Colorado River Indian Tribes Reservation	719	944	1,089	122
San Bernardino	Fort Mohave Reservation	113	73	75	2
Imperial	Fort Yuma Reservation (Quechan Tribe)	405	615	773	133
Riverside	Morongo Reservation	273	278	338	50
Riverside	Pechanga Reservation	101	93	122	24
Riverside	Ramona Reservation	0	2	2	-
San Bernardino	San Manuel Reservation	24	58	59	1
Riverside	Santa Rosa Reservation	24	16	89	61
Riverside	Soboba Reservation	387	182	229	39
Riverside	Torres Martinez Reservation	840	1,148	1,919	647
San Bernardino	Twenty-nine Palms Reservation	4	11	13	2
Source: Draft SCAG 2020 RTP/SCS Growth Forecast		17,031	17,864	23,000	4,310

1. SCAG 2020 RTP/SCS growth forecast data and assumptions

SCAG's growth forecast is the foundation for the 2020 RTP/SCS development and housing planning efforts. SCAG initiated the current growth forecasting process in July 2017. Through the 24-month process, the methodology, assumptions, and results of SCAG's growth forecast reflected the information of the most recently available socioeconomic data and statistics, including expert panel opinions, and American Community Survey (ACS) information. Additionally, as preparation for both the 2020 RTP/SCS and the 6th cycle of RHNA, SCAG staff met one-on-one with all 197 local jurisdictions and provided an opportunity to review the draft growth forecast. Additional detail can be found in the notes of Table 1.

2. Clarifying the distinction between housing need due to projected growth versus existing need

SCAG proposes that a clear distinction be made between housing need due to projected regional growth and that due to existing housing need following Government Code 65584.01(b)(1). In this context, projected need refers to housing need due to expected growth during the 6th cycle RHNA projection period, which is from 7/1/2021 through 10/1/2029. This approach was followed during SCAG's 5th cycle regional determination, which used *projected growth in households* as a starting point and arrived at a determination of regional need by making adjustments to this value.

While using a growth forecast as a basis for projected housing need is a credible, established approach for regional targeting, understanding existing housing need is less precise and is a less established practice. On March 27, 2019, SCAG convened a panel of fifteen housing, demographic, and economic experts to assist SCAG staff with understanding how to measure and assess existing

housing need. Several approaches informed by their insights are discussed throughout this memo and SCAG staff's estimates of existing housing need.[1]

As preparation for the 2020 RTP/SCS and 6th cycle of RHNA, staff met one-on-one with all 197 local jurisdictions and provided an opportunity to review the draft growth forecast. Since this process began, new legislation has added specific measures of *existing housing need* to the planning process.

SCAG has reviewed SANDAG's 6th cycle regional determination from HCD which applied adjustment factors to *total households* rather than *projected growth in households*. Government Code 65584(b)(2) specifically enables this, stating *"The methodology submitted by the department may make adjustments based on the region's total projected households, which includes existing households as well as projected households."*

SCAG believes that the nature of each adjustment must be considered carefully as to whether it is appropriate to apply it to *projected growth in households* or to *households existing at the beginning of the projection period* (henceforth "existing households"). The approach outlined in Table 1 splits adjustments based on whether they are attributable to projected growth or existing need. As previously noted, because local input resulting in the draft growth forecast did not address existing need specifically, separate estimates of existing need must be addressed and an alternative means of assessing and allocating this need is required.

1. Use of a comparable region standard and household overcrowding

Perhaps recognizing that Census-derived data on household conditions is reflective of myriad factors in addition to housing market conditions e.g. demographic composition, unique geography, and cultural and regional preferences, SB 828 added Section 65584.01 (b)(C)(ii): *"The term 'overcrowded rate for a comparable housing market' means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments."*

However, due to SCAG's sheer size and unique demographic characteristics, this is a greater challenge than other regions in the state. Specifically, using 2017 American Community Survey data for consolidated statistical areas (CSAs), the combined, five-county area of Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties leads the nation in the share of households with above 1.0 resident per room in a dwelling, at 9.8%.[2]

[1] A staff report to the May 6, 2019 SCAG RHNA Subcommittee meeting contains a recap of this Panel of Experts meeting.

[2] The most common delineation of a region is the Metropolitan Statistical Area (MSA) defined by the US Office of Management and Budget based on contiguity and labor market connectivity. However, the SCAG region is an aggregation of multiple MSAs. The Census Bureau's definition of a CSA is roughly analogous and provides a basis of comparing the SCAG region to other areas (although Imperial County is omitted).

Government Code Section 65584.01(b)(1) defines overcrowding as "more than 1.0 per room," analogous to the ACS' measure. However, several concerns are raised by the use of this measure.

- Multiple definitions of overcrowding exist including a 1.5 persons/room standard ("severe overcrowding") and measures which use occupants per unit size. Despite this variety, state law defines overcrowding as the 1.0/room standard.
- SCAG's interpretation of existing statute is that overcrowding is being suggested as a measure of housing need in order to capture "unrealized" housing demand, e.g. doubling or tripling up, bundling, adult children living excessively with parents, etc. While the 1.0 occupants/room standard may capture some of this behavior it is not a precise reflection of it.
- Definitions of a "room" may not be universally applied and may vary based on the housing design characteristics, the character of a region's housing stock, ACS guidelines, and ultimately the opinion of what constitutes a "room" by the sample of householders responding to the American Community Survey.
- While housing overcrowding can be associated with substandard living conditions, a planning target seeking to entirely eliminate overcrowding would remove a form of housing safety net—that is, the ability to occasionally have additional person such as a family member or friend in a housing unit in order to guard against further housing insecurity, up to and including homelessness.
- Measures of overcrowding may consider the same living conditions overcrowded or not overcrowded. For example, a family of two adults and two children living in a standard two-bedroom apartment (which likely contains three bona-fide rooms according to ACS guidelines) live in overcrowded conditions according to the 1.0 occupants/room standard. However, according to the California residential occupancy of standard of "two-persons-per-bedroom-plus-one" would not.[3]
- There are strong cultural and demographic drivers of living arrangements. Research on residential occupancy standards emphasizes the extent to which a class-specific standard of individual space can prevent higher-density housing in an area.[4]
- Prior research on housing overcrowding demonstrates that demographic characteristics show stronger observed relationships with overcrowding measures than housing market characteristics. A region's foreign-born population share is amongst the strongest predictors of a region's household overcrowding measure.[5]
- Much of the uniqueness of the SCAG region from a demographic and housing perspective is due to its historical and current role as a key immigrant gateway which fosters the social and economic integration of recent immigrant arrivals to promote positive social outcomes.

Rather than choosing a single CSA as a comparable region, we propose using a set of CSAs based on their share of recently-arrived (since 2000) foreign-born population as a crude mechanism for

[3] Tim Iglesias, *Moving Beyond Two-Person-Per-Bedroom: Revitalizing Application of the Federal Fair Housing Act to Private Residential Occupancy Standards*, 28 Ga. St. U. L. Rev. (2013). Available at: https://readingroom.law.gsu.edu/gsulr/vol28/iss3/11

[4] *Ibid. 3*

[5] Myers, D., Baer, W.C., and Choi, S-Y. 1996. The changing problem of overcrowded housing. *Journal of the American Planning Association* 62:1, 66-84, DOI: 10.1080/01944369608975671.

isolating non-demographic drivers of housing issues, including overcrowding. Thus, a comparable set of regions is the above list which have an average overcrowding rate of 7.49%. The list consists of large areas, plus mid-sized areas in Texas and California which are also immigrant gateways (Table 4).

Table 4: Ten largest CSAs by recently-arrived foreign-born population* (2017 ACS 1-yr.)

	Region/Consolidated Statistical Area (CSA)	Total Population	Percent Foreign-born, arrived since 2000	Percent Overcrowded (1.0/room)	Percent Overcrowded (1.5/room)	Percent cost-burdened (30% standard), low/very low-income renters
1	Los Angeles-Long Beach, CA	18,788,800	19.7%	9.83%	3.79%	88.1%
2	Miami-Fort Lauderdale-Port St. Lucie, FL	6,832,588	19.7%	4.63%	1.60%	86.7%
3	San Jose-San Francisco-Oakland, CA	8,837,789	16.8%	6.99%	2.52%	85.9%
4	McAllen-Edinburg, TX	925,115	15.8%	11.25%	3.85%	68.8%
5	Brownsville-Harlingen-Raymondville, TX	448,358	15.1%	9.67%	3.17%	67.8%
6	El Paso-Las Cruces, TX-NM	1,058,256	15.1%	5.59%	1.82%	65.5%
7	New York-Newark, NY-NJ-CT-PA	23,876,155	14.8%	5.26%	1.92%	83.5%
8	Visalia-Porterville-Hanford, CA	614,594	14.6%	10.63%	1.99%	73.9%
9	Modesto-Merced, CA	820,572	14.4%	7.09%	1.68%	79.0%
10	Fresno-Madera, CA	1,146,145	13.1%	9.35%	3.48%	78.1%
11	Las Vegas-Henderson, NV-AZ	2,455,481	12.0%	4.43%	1.45%	77.6%
	***(1) is the SCAG region, excluding Imperial County*		AVERAGE:	7.49%	2.35%	76.7%

2. Use of cost burden as an input to determining housing needs

SCAG staff's understanding is that cost burden is a newly added data element for 2018 for which a comprehensive approach is yet to be developed. In particular, which (if any) income category breakdowns to use is left unspecified.

There are several challenges in using a measure of cost burden to estimate housing unit need, including but not limited to:

- Owner and renter experiences of cost burden – and housing security – differ substantially.
- Expenditure on housing represents a bundle of goods including the physical aspects of the home itself, its location within a metropolitan area, and the labor market in which it lies.
- The 30 percent-of-income standard, while used by the US Department of Housing and Urban Development (HUD) and benefiting from historical precedent, may not be an effective measure of overpayment and housing affordability challenges. In particular, cost burden shares have been rising nationwide. A "severe cost burdened" indicator which measures the share of households paying more than 50 percent of income on housing may be a better indicator, though the 30 percent standard is included in state legislation.
- Using housing cost (or housing cost relative to income, which is effectively equivalent to the cost burden measure) to estimate a number of units needed requires an analysis of *the elasticity of housing demand*. Put differently, how many units would need to be added such that prices would decrease? This is an especially challenging empirical and methodological

task due to the multi-faceted behavioral nature of housing consumption. By way of an analogy, in the same way that adding freeway lane-miles is not likely to alleviate traffic congestion in the long-run, there is not a one-to-one (i.e., linear) relationship between increases in housing supply and decreases in rates of housing cost burden.

Reports by the state legislative analyst's office (LAO)[6] and the McKinsey Global Institute[7] both seek to measure the elasticity of housing demand and estimate the number of housing units needed to stabilize housing costs. However both reports are careful to acknowledge a number of substantial modeling limitations. A high level of trust must be placed in (generally linear) modeling assumptions, e.g. the choice to use 1980 as a basis for rent growth in the LAO report's case. Given inherent modeling uncertainties and the need to robustly and effectively communicate drivers of housing need to a wide range of local jurisdictions and stakeholders, we do not recommend an overreliance on either report's conclusions. Furthermore, SCAG's share of state level housing needs remains unexplored. While roughly 49% of the state resides in the SCAG region, a strong rationale would be needed in order to justify allocating 49% of a state housing target to the SCAG region—particularly given the especially acute affordability and supply issues in the state's second-largest urbanized region.

Based on our analysis of the cost-burden measure, review of similar approaches, and discussion amongst a panel of experts, it's clear that cost burden is an income-based social condition rather than a specific measure of housing undersupply. As such, SCAG recommends caution in using a cost-burden measure to generate an estimate of new housing unit need. Instead, SCAG proposes continued research and discussion regarding how cost burden can be considered when allocating the regional determination across income categories.

One potential approach to using cost burden measures to inform estimates of housing unit need, which is provided for discussion but is not SCAG staff's recommendation, is to focus on renter households earning under $50,000/year. These households face the lowest levels of housing security. In the SCAG region, 88.9% of renter households earning under $50,000/year are cost-burdened, while the share amongst the set of comparable regions in Table 4 is 76.7%. Following HCD's practice of adding one housing unit for each *overcrowded household* in excess of a comparable region overcrowding rate, a potential approach using cost burden data could be to add one housing unit for each *cost-burdened low-income renter household* above 76.7%.[8]

3. Use of historical comparison for understanding external drivers of housing need in the SCAG region

[6] Talor, Mic. 2015. California's high housing costs: Causes and consequences. *California Legislative Analyst's Office*. March 17.
[7] Woetzel, J., Mischke, J., Peloquin, S., and Weisfield, D. 2016. A tool kit to close California's housing gap: 3.5 million homes by 2025. *McKinsey Global Institute.* October.
[8] See the SANDAG 6th cycle RHNA determination. Additionally, per the 2017 1-year ACS estimates, the SCAG region has 1,348,193 low-income renter households as defined above.

An approach to estimating existing need that has been discussed at various points, including the 2015 LAO report,[9] is to compare current socioeconomic indicators in a region to a historical point in time when housing supply and affordability issues in the region were less pronounced. We recommend that the relevance of decades-old data should not be overstated given the myriad economic, demographic, and social changes that have occurred regionally and nationally. For comparison, the above-referenced LAO report compares regional to national rent growth since 1980, while a common reference point has also been the year 2000—prior to the housing bubble, great recession, and housing collapse of the mid and late 2000s.

Table 6 presents several key indicators to illustrate some differences in social and economic conditions since 2000 which can also bear a strong relationship to measures of existing housing need. Fertility rates have dropped substantially and median ages have increased. Importantly, labor force participation – particularly amongst younger residents of the SCAG region – has declined substantially. This severely impacts the ability to build sufficient wealth to form households or purchase homes. More broadly, inflation-adjusted median household incomes have barely risen since 2000 despite substantial overall economic growth, making affording housing an increasing challenge. Manufacturing jobs, long a pillar of middle-class stability, have declined dramatically. While employment has grown at high and low wage levels, substantial middle-wage job losses during the recovery from the financial crisis of the late 2000s have resulted in virtually no middle-wage employment growth since the beginning of the millennium—again impacting the ability to form households purchase homes.

Table 6: Historical comparison of select social and economic conditions in the SCAG region

Indicator	2000	Current	Year	Change
Total Fertility Rate	2.17	1.75	2016	-19.6%
Labor force participation, ages 16 and above	67.1%	62.0%	2018	-5.1%
Labor force participation, ages 16-24	65.4%	52.8%	2018	-12.6%
Median household income, 2017 constant dollars	67,726	67,943	2017	0.3%
Median age	32.30	36.50	2020	13.0%
Manufacturing employment	1,004,000	634,000	2018	-36.9%
Growth in low-wage (< $18/hr) employment				344,320
Growth in middle-wage ($18-30/hr) employment				45,460
Growth in high-wage (> $30/hr) employment				252,840

Sources: SCAG 2020 RTP/SCS growth forecast, US Bureau of Labor Statistics, California Employment Development Department ES202

4. High correlation and double-counting possibility between measures of existing housing need

Table 1 suggests that adjustments to regional housing need should be split between those related to projected growth and existing need. Furthermore, this report discusses several measures of existing housing need, namely overcrowding, cost burden, and the extent to which vacancy rates

[9] Ibid. 6

are currently below healthy market levels. However, as acknowledged during informal discussions with HCD, these measures are not distinct and likely contain substantial overlap.

In addition, household formation (headship) rates can be considered measures of existing housing need. Headship rates have been consistently decreasing in the region for decades due to a combination of economic, demographic, and housing drivers. SCAG's 2020 RTP/SCS growth forecast projects future population, households, and employment based on past trends, expert-backed assumptions, and local input and as indicated in Table 2 makes use of the most recently observed headship rates to model future behavior, since evidence of future increases in this measure is not present.

While the higher household formation rates of past periods may be desirable from a perspective of housing planning and social outcomes, we stress that if used these should also be considered measures of existing housing need which address the same existing housing need as adjustments based on overcrowding, cost burden, or especially low vacancy.

5. Phasing existing need beyond a single RHNA cycle

As discussed previously, given that the state's housing affordability and supply challenges have accumulated over decades, it may be particularly challenging to address the entire "backlog" of housing needs during a single 8.25-year period. SCAG proposes discussing the possibility of spreading the existing need component of the region's determined housing needs over multiple RHNA cycles in order to incentivize jurisdictions to make realistic, good-faith efforts to accommodate and foster sustainable, long-term housing development.

This approach would have several advantages over the current approach, which is to include all elements of projected and existing need into a short timeframe. The current approach largely "expires" after the planning period and provides minimal incentive for long-range housing planning. In past RHNA cycles, housing construction typically lags far behind RHNA targets with market rate construction largely following market trends and affordable housing persistently in short supply. A 2019 LAO report[10] discusses the benefits of a lengthened planning period, noting that it would help communities from becoming locked-in to land use patterns that could prevent the accommodation of future growth while encouraging local thinking about the connection between development patterns and long-range infrastructure and climate adaptation goals.

While there are many details which would need to be discussed further with HCD, one approach would be to spread an estimate of existing housing need across the 6th, 7th, and 8th cycles of RHNA for the region (roughly 25 years total) and allocate 1/3 to each cycle. 2/3 would be "carried over" into the 7th and 8th cycles and, at the beginning of those planning periods, would be added to the need due to projected growth based on more recent economic and demographic information. Data related to existing need could be reviewed at that time as well.

[10] Petek, G. 2019. The 2019-20 budget: What can be done to improve local planning for housing? *California Legislative Analyst's Office publication.* February.

We recognize that such an approach would not be without challenges and many details would need to be worked out; however, we believe this may be an effective mechanism for incentivizing local participation in fulfilling long-range housing needs.

6. Issues related to sites, zoning, and COG efforts to promote housing

Furthermore, we recognize that RHNA is a planning target and does not require jurisdictions or COGs to build housing. Following the determination of regional need and its allocation to local jurisdictions, the main policy tool of RHNA is the identification of available sites and ensuring that zoning sufficiently allows for development which can achieve regional targets. However, broader housing affordability and supply challenges are the result of numerous issues including limited state and federal availability of affordable housing funding, poor middle-income job growth, high construction labor costs, and other issues which RHNA's main policy tool is not able to facilitate. As such, we suggest that a RHNA existing need target should strive to isolate the share of existing housing need attributable to the unavailability of appropriately designated sites—a component of housing need attributable to jurisdiction-level planning—in order to increase the robustness of the request being made of local jurisdictions.

We believe there are some approaches which could alleviate concerns over the need to identify sites for which relate to an existing need which is driven by myriad factors beyond the control of a local jurisdiction. First, the use of a comparable region as already called for in the 2018 housing legislation as a planning target can help to net out other, exogenous drivers of housing demand. Secondly, ensuring that multiple measures of the same source of existing housing need are not "doubled up" is an important technique which realizes that a single, credible estimate of "existing need" is not necessarily feasible using the measures referenced in state law.

Finally, SCAG is committed to successfully meeting the region's housing needs. While ultimately additional state policy and financial assistance will be necessary to further promote additional housing development—particularly affordable housing—SCAG staff are in various stages of developing supportive programs which assist local jurisdictions in achieving long-range housing targets including the following:

1) SCAG's Data Map Books, produced for the aforementioned Bottom-up local input and envisioning process, proposed a methodology for identifying potential infill land and solicited input from local jurisdictions. It is likely that some of this potentially developable land inventory could fill future housing need and fulfill RHNA allocations.

2) SCAG's Regional Data Platform and General Plan Update Tool. A part of SCAG's Future Communities Initiative, our recent investment in GIS and data aims to provide additional technical assistance to jurisdictions during the next housing element update process and aims to help in the identification of sites and zoning characteristics that would fulfill housing need.

3) SCAG's tax increment financing pilot program. In particular, SCAG has funded pilot programs to help jurisdictions navigate the state economic development incentive landscape with a focus on Enhanced Infrastructure Finance Districts (EIFDs), Community Revitalization and Improvement Areas (CRIAs), and federal Opportunity Zones (OZs). Each of these represent mechanisms which have the potential to fund future housing construction. EIFDs offer particular promise to replenish some of the funding for affordable housing which became unavailable following the 2012 dissolution of Redevelopment Authorities (RDAs). Importantly, they are not restricted to designated disadvantaged areas. SCAG's pilot program has assisted several cities in studying and eventually adopting EIFDs, in addition to leveraging our relationships with county governments who are also able to contribute tax increment to priority projects. A specific focus of SCAG's upcoming round of pilots is for project areas with an affordable housing component which could have substantial impacts on the ability of jurisdictional own-source funding for this goal.

FISCAL IMPACT: Work associated with this item is included in the current FY 18-19 General Fund Budget (800.0160.03:RHNA).

AGENDA ITEM NO. 2

REPORT

Southern California Association of Governments
900 Wilshire Blvd., Suite 1700, Los Angeles, CA 90017

COMMUNITY, ECONOMIC AND HUMAN DEVELOPMENT (CEHD) COMMITTEE
MINUTES OF THE MEETING
THURSDAY, April 4, 2019

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE CEHD COMMITTEE. A DIGITAL RECORDING OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING IN SCAG'S OFFICE.

The CEHD Committee met at SCAG, 900 Wilshire Blvd., 17th Floor, Los Angeles, CA 90017. The meeting was called to order by Chair Peggy Huang. A quorum was present.

Members Present:

Hon. Peggy Huang, Chair	***Yorba Linda***	***TCA***
Hon. James Mulvihill, Vice Chair	***San Bernardino***	***District 7***
Hon. David Avila	*Yucaipa*	SBCTA
Hon. Megan Beaman Jacinto		District 66
Hon. Stacy Berry	*Cypress*	OCCOG
Hon. Wendy Bucknum	*Mission Viejo*	District 13
Hon. Steve De Ruse	*La Mirada*	GCCOG
Hon. Margaret E. Finlay	*Duarte*	District 35
Hon. Vartan Gharpetian	Glendale	Member at Large
Hon. Bill Hodge	*Calexico*	ICTC
Hon. Tim Holmgren	*Fillmore*	District 47
Hon. Cecilia Hupp	*Brea*	OCCOG
Hon. Bill Jahn	*Big Bear Lake*	District 11
Hon. Robert "Bob" Joe	*South Pasadena*	AVCJPA
Hon. Kathleen Kelly	*Palm Desert*	District 2
Hon. Jed Leano	*Claremont*	SGVCOG
Hon. Jorge Marquez	*Covina*	District 33
Hon. Anni Marshall	*Avalon*	GCCOG
Hon. Lauren Meister	*West Hollywood*	WSCCOG
Hon. Bill Miranda	*Santa Clarita*	SFVCOG
Hon. John Mirisch	*Beverly Hills*	Member at Large
Hon. Edward Paget	*Needles*	SANBAG
Hon. Michael Posey	*Huntington Beach*	OCCOG
Hon. Jim Predmore	*Holtville*	ICTC
Hon. Jan Pye	*Desert Hot Springs*	CVAG

Attachment: Minutes of the Meeting (Minutes of the April 4, 2019 Meeting)

Hon. Rita Ramirez	*Victorville*	District 65
Hon. Rex Richardson	*Long Beach*	District 29
Hon. Paul Rodriguez	*Chino*	Member-at-Large
Hon. Sonny R. Santa Ines	*Bellflower*	District 24
Hon. Lyn Semeta	*Huntington Beach*	District 64
Hon. David Shapiro	*Calabasas*	LVMCOG
Hon. Christina Shea	*Irvine*	District 14
Hon. Becky Shevlin	*Monrovia*	SGVCOG
Hon. Tri Ta	*Westminster*	District 20
Hon. Mark Waronek	*Lomita*	SBCCOG
Hon. Frank Zerunyan	*Rolling Hills Estates*	SBCCOG

Members Not Present

Hon. Al Austin, II	*Long Beach*	GCCOG
Hon. Maria Bernal	*South Gate*	GCCOG
Hon. Rose Espinoza	*La Habra*	OCCOG
Hon. Juan Carrillo	*Palmdale*	North L.A. County
Hon. Julie Hackbarth-McIntyre	*Barstow*	SANBAG
Hon. Cecilia Iglesias	*Santa Ana*	District 16
Hon. Marisela Magana	*Perris*	District 69
Hon. Trevor O'Neil	*Anaheim*	District 19
Hon. Steve Nagel	*Fountain Valley*	District 15
Hon. Joseph Tessari	*Westminster*	WRCOG

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Chair Peggy Huang, called the meeting to order at 11:06 a.m. and asked Councilmember David Shapiro (Calabasas) to lead the Pledge of Allegiance.

PUBLIC COMMENT PERIOD

There were no public comments.

REVIEW AND PRIORITIZE AGENDA ITEM/S

There were no reprioritizations made.

ACTION/DISCUSSION ITEM

1. Election of 2019-20 CEHD Committee Chair and Vice Chair

Joann Africa, Chief Counsel, announced the names of the nominated candidates: Hon. Peggy Huang for Chair, and Hon. James Mulvihill and Hon. Stacy Berry for Vice Chair. Ms. Africa asked the Committee to name any additional nominations from the floor. Hearing none, Ms. Africa closed the nominations and each candidate provided a brief statement. The Committee members thereafter completed their paper ballots. After ballots were collected and tallied, Ms. Africa announced that Hon. Peggy Huang and Hon. Stacy Berry were elected as the 2019-20 CEHD Committee Chair and Vice Chair, respectively, based on the following votes.

Attachment: Minutes of the Meeting (Minutes of the April 4, 2019 Meeting)

The election of Hon. Peggy Huang and Hon. Stacy Berry for the positions of Chair and Vice Chair were confirmed by the following votes:

For Huang: Avila, Beaman Jacinto**,** Berry, Bucknum, De Ruse, Finlay, Gharpetian, Hodge, Holmgren, Huang, Hupp, Jahn, Joe, Kelly, Leano, Marquez, Marshall, Meister, Miranda, Mirisch, Posey, Predmore, Ramirez, Richardson, Rodriquez, Santa Ines, Shapiro, Shea, Shevlin, Ta, Waronek and Zerunyan (33).

For Berry: Beaman Jacinto**,** Berry, Bucknum, De Ruse, Finlay, Gharpetian, Holmgren, Hupp, Jahn, Meister, Miranda, Posey, Predmore, Ramirez, Santa Ines, Shapiro, Shea, Shevlin, Ta, Waronek and Zerunyan (21).

FOR Mulvihill: Avila, Hodge, Huang, Kelly, Joe, Leano, Marquez, Marshall, Mirisch, Mulvihill, Richardson and Rodriguez (12)

CONSENT CALENDAR

Approval Item

2. Minutes of the CEHD Committee Meeting – March 7, 2019

Receive & File

3. 2019 SCAG Regional Active Transportation Program

4. May is National Bike Month

A MOTION was made (Finlay) to approve the Consent Calendar. Motion was SECONDED (Bucknum) and passed by the following votes:

FOR: Avila, Beaman Jacinto, Berry, Bucknum, De Ruse, Finlay, Gharpetian, Hodge, Holmgren, Huang, Hupp, Jahn, Joe, Kelly, Leano, Marquez, Marshall, Meister, Miranda, Mirisch, Mulvihill, Paget, Posey, Predmore, Pye, Ramirez, Richardson, Rodriguez, Santa Ines, Semeta, Shapiro, Shevlin, Ta, Waronek, Zerunyan (35).

AGAINST: (0).

ABSTAIN: Ta (in regards to the Minutes only); Shea (2).

INFORMATION ITEMS

5. Connect SoCal: How Will We Connect

Chair Huang, introduced Austin Heyworth, Public Affairs Manager for Uber Technologies in California. He was asked to continue the conversation from today's Joint Policy Committee meeting which focused on how Uber is transitioning to be a multi-modal platform company. Due to time constraints, Chair Huang asked Mr. Heyworth to provide a brief presentation in order to allow for more questions from the Committee. Mr. Heyworth discussed Uber's introduction of ride-hailing and shared-mobility services on the Uber App, as well as shared opportunities for communities to partner with Uber.

Attachment: Minutes of the Meeting (Minutes of the April 4, 2019 Meeting)

Mr. Heyworth responded on the comments and questions expressed by the Councilmembers including questions regarding data sharing, transit integration, autonomous vehicles, safety concerns/standards, and what collaborative effort is being made with utilities to invest and provide fast charging or alternative batteries.

The Committee thanked Mr. Heyworth for his presentation. Chair Huang asked the Committee to reach out to Mr. Heyworth after the meeting for any additional questions or discussions.

6. Sustainable Communities Strategy Framework Update

Sarah Dominguez, SCAG staff provided an update of the Connect SoCal plan. Ms. Dominguez provided a brief overview of the SCS development progress and the steps outlined in the SCS Framework which was previously approved by the Regional Council in October 2018. Ms. Dominguez' presentation included highlights of three key areas: the Stakeholder Outreach, Scenario Development Principles and Growth Priority Areas.

Ms. Dominguez concluded her presentation with next steps and planned activities that staff will be working on and will be released at the May 1-3, General Assembly; followed by public workshops held throughout the region.

Ms. Dominguez responded on the comments and questions expressed by the Councilmembers including questions and concerns regarding sharing maps of the growth priority areas, growth scenarios that are unsustainable, and, finding that equilibrium, or moving equilibrium that is sustainable.

Chair Huang requested staff to collaborate and share data with the RHNA Subcommittee and noted that the Committee can have further discussions on growth as it relates to jobs, congestion and the aging population.

The full SCS Framework and Development Process was included in the agenda packet.

7. RHNA Methodology Survey Packet

Ma'Ayn Johnson, SCAG Staff, provided a brief overview of the RHNA Methodology Survey Packet that was previously distributed to SCAG jurisdictions on March 19, 2019. She explained that as part of the development of the proposed RHNA methodology, the surveys included 14 specific planning factors. She noted that the survey can be accessed by county using the links provided in the CEHD agenda. Ms. Johnson commented that the deadline for completing and returning the survey is April 30, 2019 and to contact staff for any assistance.

The full sample survey packet was included in the agenda packet

8. Update on Local Economic Development Tools & SCAG's Recommendations for Improvements

Due to time constraints, Chair Huang asked Larry Kosmont, Chairman and CEO, Kosmont Companies to come back and present to the CEHD at its June 6, 2019 meeting.

CHAIR'S REPORT

Chair Huang provided highlights of the RHNA Subcommittee which was held on Monday, April 1. She noted that the next RHNA Subcommittee meeting will be held on Monday, May 6, 2019 and encouraged everyone to participate in the process. She asked the Committee to reach out to their local jurisdictions for input and to send any comments, questions or suggestions in advance to: housing@scag.ca.gov.

Attachment: Minutes of the Meeting (Minutes of the April 4, 2019 Meeting)

FUTURE AGENDA ITEM

Update on Local Economic Development Tools & SCAG's Recommendations for Improvements.

ANNOUNCEMENTS

Chair Huang announced details of the upcoming SCAG Regional Conference and General Assembly, which is set to take place at the J.W. Marriott Desert Springs Resort and Spa on May 1-3, 2019. She encouraged all to register and to invite their fellow city councilmembers to attend.

Chair Huang announced details of the upcoming 30th Annual Demographic Workshop, which will be held on June 11, 2019 at the USC Trojan Grand Ballroom.

ADJOURNMENT

There being no further business, Chair Huang adjourned the CEHD Committee meeting at 11:56 a.m.

Respectfully submitted by:

Carmen Summers
Community, Economic and Human Development Committee Clerk

[MINUTES ARE UNOFFICIAL UNTIL APPROVED BY THE CEHD COMMITTEE]
//

Attachment: Minutes of the Meeting (Minutes of the April 4, 2019 Meeting)

CEHD Members

2019															
MEMBERS	CITY	Representing	JAN (dark)	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	Total M Attend To Dat
Austin, Al	Long Beach	GCCOG													0
Avila, David	Yucaipa	SBCTA		1	1	1									3
Bernal, Maria	South Gate	GCCOG													0
Berry, Stacy	Cypress	District 18		1	1	1									3
Bucknum, Wendy	Mission Viejo	District 13		1	1	1									3
Carrillo, Juan	Palmdale	North LA County													0
DeRuse, Steve	La Mirada	District 31		1	1	1									3
Espinoza, Rose	La Habra	OCCOG		1	1										2
Finlay, Margaret	Duarte	District 35		1	1	1									3
Gharpetian, Vartan	Glendale	President's Appointment		1	1	1									3
Hackbarth-McIntyre, Julie	Barstow	SBCTA													0
Hodge, Bill	Calexico	ICTC		1	1	1									3
Holmgren, Tim	Fillmore	District 47		1	1	1									3
Huang, Peggy, Chair	Yorba Linda	TCA		1	1	1									3
Hupp, Cecilia	Brea	OCCOG		1	1	1									3
Iglesias, Cecilia	Santa Ana	District 16		1	1										2
Beaman Jacinto, Megan	Coachella	District 66			1	1									2
Jahn, Bill	Big Bear Lake	District 11		1	1	1									3
Joe, Robert	So. Pasadena	AVCJPA		1	1	1									3
Kelly, Kathleen	Palm Desert	District 2			1	1									2
Leano, Jed	Claremont	SGVCOG			1	1									2
Magana, Marisela	Perris	District 69		1	1										2
Marquez, Jorge	Covina	District 33			1	1									2
Marshall, Ann	Avalon	GCCOG		1	1	1									3
Meister, Lauren	West Hollywood	WSCCOG		1	1	1									3
Miranda, Bill	Santa Clarita	SFVCOG		1	1	1									3
Mirisch, John	Beverly Hills	President's Appointment		1	1	1									3
Mulvihill, James, V-Chair	San Bernardino	District 7		1	1	1									3
Nagel, Steve	Fountain Valley	District 15		1	1										2
O'Neil, Trevor	Anaheim	District 19		1	1										2
Paget, Ed	Needles	SBCTA		1		1									2
Posey, Michael	Huntington Beach	OCCOG			1	1									2
Predmore, Jim		ICTC		1	1	1									3
Pye, Jan	Desert Hot Springs	CVAG				1									1
Ramirez, Rita	Victorville	District 65			1	1									2
Richardson, Rex	Long Beach	District 29			1	1									2
Rodriguez, Paul	Chino	President's Appointment		1	1	1									3
Santa Ines, Sonny	Bellflower	District 24			1	1									2
Semeta, Lyn	Huntington Beach	District 64			1	1									2
Shapiro, David	Calabasas	LVMCOG		1	1	1									3
Shea, Christina	Irvine	District 14				1									
Shevlin, Becky	Monrovia	SGVCOG		1		1									2
Ta, Tri	Westminster	District 20		1		1									2
Tessari, Joseph	Eastvale	WRCOG													0
Waronek, Mark	Lomita	SBCCOG		1	1	1									3
Zerunyan, Frank	Rolling Hills Estates	SBCCOG		1		1									2

Attachment: Minutes of the Meeting (Minutes of the April 4, 2019 Meeting)

AGENDA ITEM NO. 3

REPORT

Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
June 6, 2019

To: Executive/Administration Committee (EAC)
Community Economic & Human Development Committee (CEHD)
Regional Council (RC)

From: Art Yoon, Director of Policy and Public Affairs, Legislation, (213) 236-1840, ArtYoon@scag.ca.gov

Subject: S. 923 (Feinstein) - Fighting Homelessness through Services and Housing Act

EXECUTIVE DIRECTOR'S APPROVAL

Kome Ajise

RECOMMENDED ACTION FOR EAC AND RC:
Support

RECOMMENDED ACTION FOR CEHD:
Receive and File

STRATEGIC PLAN:
This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

EXECUTIVE SUMMARY:
Senate (S.) bill 923 would authorize a grant program within the Health Resources and Services Administration for housing programs that offer comprehensive services and intensive case management for homeless individuals and families. S. 923 would authorize $750 million annually for five years to fund five-year implementation grants to cities, counties, tribal governments, or regional collaborations to assist with paying for capital building costs associated with the provision of housing and services to homeless individuals and families, including homeless children and youths. Of this $750 million, $5 million would be made available for one-year planning grants to cities, counties, tribal governments, or regional collaborations to develop comprehensive plans to address homelessness in their communities. At its May 21, 2019 meeting, the Legislative/Communications and Membership Committee (LCMC) recommended a support position on S. 923. In addition, the LCMC members asked that S. 923 be forwarded to the Community, Economic, and Human Development (CEHD) Committee as a "Receive and File" item.

BACKGROUND:
Since 1970, California has experienced a housing shortage causing a decrease in housing affordability for the past three decades. This has greatly contributed to increased poverty across the state. Higher poverty levels, as well as mental illness and drug addiction are some of the root causes for homelessness.

As of last year, the United States Department of Housing and Urban Development (HUD) reported that there were a total of 552,830 total homeless persons throughout the country, and California has an estimated homeless population of 129,972 people. There are 52,765 homeless people in Los Angeles County; 2,165 homeless people in Riverside County; 2,607 homeless people in San Bernardino County; 6,860 homeless people in Orange County; 1,669 homeless people in Ventura County; and 1,100 homeless people in Imperial County.

S. 923

Introduced by Senators Dianne Feinstein (D-California) and Lisa Murkowski (R-Alaska) and Representatives Ted Lieu (D-California) and Steve Stivers (R-Ohio), S. 923 would authorize a new grant program that would provide cities, counties, tribal governments, or regional collaborations with a funding stream for supportive housing models that could also provide comprehensive services and intensive case management to homeless individuals and families, including homeless children and youths.

S. 923 would allocate $750 million per year subject to annual appropriations. Up to $5 million would be available for planning grants (not to exceed $100,000 per grant), and the remainder would be available for housing and services. Grants for housing and services would require a 25 percent match from non-federal funds, though the planning grants would not be subject to any matching requirement.

The bill allows grants to be used for any combination of operations and capital building costs, as long as housing and services requirements are fulfilled. S. 923 would require grantees to track outcomes and report on housing stability and improvements in health and wellbeing, including the education of children. Grants may go to local government entities consisting of cities, counties, regional collaborations, and tribal organizations that provide supportive housing services.

The supportive housing services must address issues including mental substance use disorders; disabling or other chronic health conditions; educational and job training/employment outcomes; and life skills classes. Intensive case management must be provided with a ratio of no greater than one case manager to every 20 people served.

S. 923 was introduced in the United States Senate on March 28, 2019, and was referred to the Committee on Health, Education, Labor, and Pensions. A hearing has not yet been scheduled.

Support:

- Bay Area Rapid Transit
- California Association of Housing Authorities
- California State Association of Counties
- Ceres Community Project (Sebastopol)
- Community Clinic Association of Los Angeles County
- County of San Bernardino
- County of Santa Barbara

Opposition

- None on file

- County of Monterey
- County Welfare Directors Association of California
- Hillsides (Los Angeles)
- Hope of the Valley Rescue Mission (Los Angeles)
- Larkin Street Youth Services (San Francisco)
- LA Family Housing
- LA LGBT Center
- League of California Cities
- Mama's Kitchen (San Diego)
- San Diego Mayor Kevin Faulconer
- San Francisco Mayor London Breed
- Sacramento Mayor Darrell Steinberg
- Los Angeles Mayor Eric Garcetti
- Santa Monica Mayor Gleam Davis
- Santa Ana Mayor Miguel Pulido
- Oakland Mayor Libby Schaaf
- Supervisors
- Orange County Business Council
- Project Angelfood (Los Angeles)
- Project Open Hand (San Francisco)
- Radiant Healthcare (Orange County)
- San Bernardino County Sheriff's Office
- Los Angeles County Supervisor Mark Ridley-Thomas
- Los Angeles County Supervisor Sheila Kuehl
- The Health Trust (San Jose)
- Venice Family Clinic
- VOICES | Youth Center (Napa/Sonoma)

Prior Committee Action

Staff presented S. 923 at the May 21, 2019 LCMC meeting consistent with SCAG's legislative principles and advocacy work to support efforts that provide voluntary funding opportunities for local government agencies to build or finance new housing units. The LCMC unanimously voted to forward a support recommendation on S. 923 to the Regional Council. In addition, the LCMC members asked that S. 923 be forwarded to the Community, Economic, and Human Development (CEHD) Committee as a "Receive and File" item.

FISCAL IMPACT:

None

AGENDA ITEM NO. 4

REPORT

Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
June 6, 2019

To: Community Economic & Human Development Committee (CEHD)
Energy & Environment Committee (EEC)
Transportation Committee (TC)
Regional Council (RC)

EXECUTIVE DIRECTOR'S APPROVAL

Kome Ajise

From: Rongsheng Luo, Program Manager II, Compliance & Performance Monitoring, (213) 236-1994, LUO@scag.ca.gov

Subject: Connect SoCal Technical Methodology Submittal to California Air Resources Board

RECOMMENDED ACTION FOR EEC:
For Information Only – No Action Required

RECOMMENDED ACTION FOR CEHD, TC AND RC:
Receive and File

STRATEGIC PLAN:
This item supports the following Strategic Plan Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians.

EXECUTIVE SUMMARY:
As required by California law, SCAG has submitted to the California Air Resources Board (ARB) for its approval the Technical Methodology that SCAG intends to quantify the greenhouse gas emissions from Connect SoCal, the 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy for the SCAG region. Staff will present EEC with a brief summary of the statutory requirements, the development process, the content, and the next steps of the Technical Methodology.

BACKGROUND:
Pursuant to California Government Code Section 65080(b)(2)(J)(i), prior to starting the formal public participation process required by state planning law, a Metropolitan Planning Organization (MPO) must develop and submit to the California Air Resources Board (ARB) for its approval the technical methodology it intends to use to estimate the greenhouse gas (GHG) emissions from its Sustainable Communities Strategy (SCS) (or, if necessary, Alternative Planning Strategy).

SCAG is developing Connect SoCal, its mandated 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), and has initiated the required formal public participation process by holding the first public workshop on May 14, 2019. SCAG submitted its Technical Methodology to ARB on May 13, 2019, before the first public workshop was held.

In late March 2019, ARB released the Final Draft Sustainable Communities Strategy Program and Evaluation Guidelines (Final Draft Guidelines). The Final Draft Guidelines includes a technical methodology template prescribing what should be included in the technical methodology. In accordance with the ARB's guidance template, staff from every planning department at SCAG prepared their respective portions of the Technical Methodology, organized into the following nine sections:

Section I. Introduction describes the purpose of the Technical Methodology, identifies the applicable per capita GHG emissions reduction targets set by ARB, provides an overview of the analysis years, outlines the SCS schedule, and summarizes the organization of the Technical Methodology document.

Section II. Overview of Existing Conditions describes significant changes in existing regional and local planning contexts since the adoption of the last 2016 RTP/SCS and presents key regional issues that may influence the Connect SoCal policy framework and discussions.

Section III. Population, Household, and Employment Growth Forecast includes a description of the updated regional growth forecast as compared to the last SCS as well as major changes to the regional growth forecast methodology.

Section IV. Quantification Approaches lists quantification approaches, to the extent known and available by the completion date of this Technical Methodology, for each of the potential SCS strategies under consideration, details assumptions and method for estimating interregional travel, and specifies which version of ARB's EMFAC model was used for estimating GHG emissions from the 2016 RTP/SCS and which version will be used for Connect SoCal.

Section V. Travel Demand Modeling summarizes improvements made to the regional travel demand model, describes model inputs used in the activity-based regional travel demand model, includes SCAG's commitments to provide model sensitivity tests for SCS strategies under consideration, and explains whether and how travel model accounts for short- and long-run effects of induced demand for new roadway capacity projects.

Section VI. List of Exogenous Variables and Assumptions for Use in Proposed SCS presents assumptions for exogenous variables to travel demand modeling, to the extent known and available by the completion date of this Technical Methodology, as well as assumptions to derive cost of travel.

Section VII. Per Capita GHG Emissions from Prior SCS includes SCAG's commitment to working with ARB staff to conduct analysis for reporting on Incremental Progress

Section VIII. Off-Model Strategies details the off-model analysis methodology and assumptions to estimate GHG emission reduction from each of the potential SCS strategies under consideration that are not captured by the enhanced regional travel demand model.

Section IX. Other Data Collection Efforts document SCAG's 2020 Local Input Survey to collect information from local jurisdictions related to the implementation of the 2012 and 2016 RTP/SCS as well as to assist in the development of Connect SoCal.

The draft Technical Methodology was presented to SCAG's Transportation Working Group (TWG) on April 18, 2019. All TWG comments have been addressed as appropriate in the Final Technical Methodology.

Pursuant to California Government Code Section 65080(b)(2)(J)(i), ARB is required to respond to SCAG with timely written comments, including a specific description of any aspect of the technical methodology that it concludes will not yield accurate estimates of the GHG emissions and remedies. SCAG staff has worked closely with ARB staff in the development of the Technical Methodology and we will continue our close collaboration in refining as necessary and implementing the Technical Methodology in quantifying the GHG emissions from Connect SoCal.

FISCAL IMPACT:
Work associated with this item is included in the FY 2018-19 Overall Work Program under project number 025.0164.01: Air Quality Planning and Conformity.

ATTACHMENT(S):
1. SCAG Technical Methodology Cover Letter
2. Final SCAG GHG Technical Methodology

SCAG
INNOVATING FOR A BETTER TOMORROW

SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS
900 Wilshire Blvd., Ste. 1700
Los Angeles, CA 90017
T: (213) 236-1800
www.scag.ca.gov

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Human Development
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Corridor Agencies

Energy & Environment
Linda Parks, Ventura County

Transportation
Cheryl Viegas-Walker, El Centro

May 13, 2019

Mr. Richard Corey
Executive Officer
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Subject: Technical Methodology to Estimate Greenhouse Gas Emissions for Connect SoCal, the 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy, from the Southern California Association of Governments

Dear Mr. Corey:

I am pleased to submit for ARB approval the attached Technical Methodology that SCAG intends to use to estimate the greenhouse gas (GHG) emissions for *Connect SoCal*, the 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) for the SCAG region. Embodying a collective vision for the region's future, *Connect SoCal* is being developed with input from local governments, county transportation commissions, tribal governments, non-profit organizations, business and local stakeholders within the six-county SCAG region. *Connect SoCal* will outline how the region can better integrate land use with transportation in order to achieve SCAG's regional GHG emissions reduction targets set by ARB.

In accordance with California Government Code Section 65080(b)(2)(J)(i), SCAG is required to submit the Technical Methodology prior to starting the formal public participation process required by SB 375. SCAG will conduct the formal *Connect SoCal* public process starting with the first public workshop on May 14, 2019.

The Technical Technology is prepared and organized based on *Appendix A. Technical Methodology Submission Template and Guidance* to the ARB's *Final Draft Sustainable Communities Strategy Program Evaluation Guidelines*. At the heart of the Technical Methodology is the activity-based regional travel demand model that SCAG has enhanced significantly since the 2016 RTP/SCS.

Also pursuant to California Government Code Section 65080(b)(2)(J)(i), upon receipt of the Technical Methodology, ARB is required to respond to SCAG with written comments timely, including specific description about any aspects of the methodology that ARB concludes will not yield accurate estimates of the GHG emissions and remedies.

Attachment: SCAG Technical Methodology Cover Letter (Connect SoCal Technical Methodology Submittal to California Air Resources Board)

I look forward to continuing our agencies' collaboration and partnership in air quality, transportation, and land use planning to reduce GHG emissions, improve air quality, and increase mobility for 19 million residents in the Southern California region. If you have any questions, please contact Mr. Rongsheng Luo, Air Quality and Conformity Program Manager, at (213) 236-1994 or luo@scag.ca.gov.

Sincerely,

KOME AJISE
Executive Director

Enclosure

cc via Email: Ms. Nicole Dolney, ARB
Mr. Nesamani Kalandiyur, ARB
Ms. Lezlie Kimura Szeto, ARB
Ms. Lana Wong, ARB

Technical Methodology to Estimate Greenhouse Gas Emissions for Connect SoCal (2020-2045 Regional Transportation Plan/Sustainable Communities Strategy)

Southern California Association of Governments

May 13, 2019

I. Introduction

1. Purpose of Technical Methodology

Pursuant to California Government Code Section 65080(b)(2)(J)(i), prior to starting the formal public participation process required by SB 375, a Metropolitan Planning Organization (MPO) must develop and submit to the California Air Resources Board (ARB) for its approval the technical methodology it intends to use to estimate the greenhouse gas (GHG) emissions from its Sustainable Communities Strategy (SCS) (or, if necessary, Alternative Planning Strategy). Upon receipt of the technical methodology, ARB is required to respond to the MPO with timely written comments, including a specific description of any aspect of the technical methodology that it concludes will not yield accurate estimates of the GHG emissions and remedies.

The Southern California Association of Governments (SCAG) is developing 'Connect SoCal', its mandated 2020-2045 RTP/SCS, and plans to initiate the SB 375 required formal public participation process by holding the first public workshop on May 14, 2019. SCAG plans to submit its Technical Methodology to ARB by May 9, 2019.

2. Applicable per capita GHG Emissions Reduction Targets Set by CARB

On March 22, 2018, the ARB Board adopted the following new, more stringent, per capita GHG emissions reduction targets from 2005 levels for the SCAG region effective October 1, 2018[1]:

2020 Target: -8%
2035 Target: -19%

3. Overview of Analysis Years

Pursuant to current regional transportation planning regulations and consistent with past practices, 2016 has been chosen as the base year for 'Connect SoCal', 2020 as the first year, and 2045 as the planning horizon year. To fulfill various federal and state planning requirements, SCAG will perform analysis including modeling for multiple years in addition to the base year and the planning horizon year.

Table 1 (below) provides a summary of the applicable analysis years, including their respective purposes, for the Technical Methodology to estimate GHG emissions for 'Connect SoCal'.

[1] https://ww2.arb.ca.gov/our-work/programs/sustainable-communities-program/regional-plan-targets

Attachment: Final SCAG GHG Technical Methodology (Connect SoCal Technical Methodology Submittal to California Air Resources Board)

Table 1. Analysis Years Considered in SCAG's 'Connect SoCal'

Analysis Year	Purpose
2005	Base Year for SB 375 GHG emissions reduction target setting
2016	Base Year for 'Connect SoCal'
2020	SB 375 GHG emissions reduction target
2035	SB 375 GHG emissions reduction target
2045	Planning horizon year for 'Connect SoCal'

4. Overview of SCS Schedule

SCAG's Sustainable Communities Strategy (SCS) process kicked off with one-on-one meetings with each local jurisdiction in the region to update and verify our datasets for plan development. In May of 2018, SCAG launched a new working group, Sustainable Communities, to convene stakeholders from local jurisdictions and other organizations to solicit feedback on initial SCS development and other related issues.

The overall outreach timeline is provided below (future dates in *italics*):

October 2017: Launched Local Input Process

May 2018: Sustainable Communities Working Group Kickoff

August 2018: Sustainable Communities Working Group Meeting

September 2018: Concluded Local Input Process

October 2018: Regional Council Approved Sustainable Communities Strategy Framework

November 2018: Sustainable Communities Working Group Meeting

November 2018: Deadline for County Transportation Commissions to provide initial input on transportation projects, strategies, and programs

November-December 2018: Selected Planning and COG Director interview feedback on initial scenario concepts

April 2019: *Launched partnerships with local Community-Based Organizations throughout the region*

April 2019: *Public 'pop-up' events to solicit input on to-be-developed draft scenarios and/or strategies*

May 9, 2019: *Submittal of Technical Methodology to Estimate GHG Emissions to ARB*

May 14 - June 2019: *SB 375 Workshops (scenario development)*

October 2019: *Release of Draft 'Connect SoCal'*

Late 2019: *SB 375 Public Hearings*

January-March 2020: *SB 375 Elected Official Briefings*

April 2020: *Adoption of Final 'Connect SoCal'*

Attachment: Final SCAG GHG Technical Methodology (Connect SoCal Technical Methodology Submittal to California Air Resources Board)

5. Outline of the Technical Methodology

ARB staff released the Final Draft Sustainable Communities Strategy Program and Evaluation Guidelines (https://ww2.arb.ca.gov/sites/default/files/2019-03/Draft_SCS_Evaluation_Guidelines_Report.pdf; and https://ww2.arb.ca.gov/sites/default/files/2019-03/Draft_SCS_Evaluation_Guidelines_Appendices.pdf) in late March and held a public workshop on the Final Draft Guidelines on April 3, 2019. The Final Draft Guidelines prescribes what should be included in the technical methodology. In accordance with the ARB's Guidelines, SCAG's Technical Methodology consists of the following nine sections:

Section I. Introduction describes the purpose of the Technical Methodology, identifies the applicable per capita GHG emissions reduction targets set by ARB, provides an overview of the analysis years, outlines the SCS schedule, and summarizes the organization of the Technical Methodology document.

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Section IX. Other Data Collection Efforts documents SCAG's 2020 Local Input Survey to collect information from local jurisdictions related to the implementation of the 2012 and 2016 RTP/SCS as well as to assist in the development of 'Connect SoCal'.

Attachment: Final SCAG GHG Technical Methodology (Connect SoCal Technical Methodology Submittal to California Air Resources Board)

II. Overview of Existing Conditions

1. Notable Changes to Existing Regional or Local Planning Contexts

Since the 2016 RTP/SCS was adopted, there have been changes in the regional planning context for integrating the transportation network, measures, and policies with land use strategies to achieve reduced greenhouse gas (GHG) emissions. For 'Connect SoCal', SCAG will initiate a deliberative, collaborative scenario development process to engage the public on a range of regional planning topics and forecast a regional development pattern that will reduce GHG emissions from automobiles and light trucks to meet the ambitious 2035 target of a 19 percent reduction in per capita GHG emissions set forth by CARB. Although the issues listed below are not necessarily new, associated assumptions may change and will need to be addressed in a nuanced way in the scenario process and SCS.

- New sources of revenue have started to impact transportation funding allocation priorities (e.g. SB 1, Los Angeles County Measure M)
- Attracting and retaining transit system riders has proven to be a challenge, and ridership decline has been exacerbated by a variety of exogenous factors [e.g. increased vehicle efficiency and affordability and thus vehicle access, TNC (ride-hailing service) expansion, and gentrification]. (Link to https://www.scag.ca.gov/Documents/ITS_SCAG_Transit_Ridership.pdf)
- New and updated general plans and specific plans across several jurisdictions. At least 58 jurisdictions have updated one or more elements of their general plan since 2012.

2. Key Regional Issues Influencing RTP/SCS Policy Framework and Discussions

Key Regional Issues that may influence RTP/SCS policy framework and discussion may include but are not limited to the following:

- Development of innovative mobility options (e.g. micromobility), technology, and Mobility as a Service (which combines options from different transport providers into a single mobile service) are influencing travel behavior in ways that remain unpredictable.
- There are increased challenges for producing sufficient housing at multiple price ranges to serve very-low, low, and moderate income households in locations that do not induce SOV travel and/or adversely impact essential resources (e.g. water supply, agricultural lands, and critical habitats). Challenges include, but are not limited to, material and labor costs of housing construction, high land prices, as well as public opposition to new development in certain urbanized locations.
- Previous assumptions about shared mobility adoption rates and deployment strategies have not yet been borne out in reality. For example, whereas previously SCAG has assumed that increased adoption of transportation network company services (like Uber and Lyft) would lead to decreased VMT - recent studies have not proven that assumption to be true.
- Transit oriented development, associated densities, and active transportation infrastructure have not been implemented reliably region-wide to encourage significant mode shift.
- The challenges of facing a rapidly changing climate have become more apparent with numerous extreme events including wildfires, floods, and heat events impacting transportation, housing and the regional economy.
- Public resistance to Complete Streets design implementation sometimes results in piecemeal improvements that lack regional connectivity benefits.

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- Changing consumer patterns and technology are impacting the acquisition, delivery, and overall movement of goods into and through the region.
- Work at home and telecommuting rates have continued to increase, while the percentage of those who have opted to take public transportation to work has decreased.

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III. Population, Household, and Employment Growth Forecasts

1. Updated Regional Growth Forecast Compared to Last SCS

SCAG's integrated growth forecast methodology for 'Connect SoCal' is largely similar to the process established and followed during the 2012 RTP/SCS and the 2016 RTP/SCS. The development of forecasts for employment, population, and household growth between 2016 and 2045 includes:

- Convening a panel of regional economic and demographic experts to provide technical and advisory assistance (June 2017).
- Producing a set of draft growth forecasts using dynamically-coupled regional and county-level models.
- Conducting one-on-one meetings with all 197 local jurisdictions to solicit input on the draft growth forecast and other data elements required by the SCS (meetings completed in July 2018).
- Provided additional in-person technical assistance to 80 local jurisdictions to complete their review, input and comments.
- Developing several growth scenarios based on a set of land use development principles and priority development areas and policy objectives (beginning Spring 2019)
  - Conduct additional local, subregional, and stakeholder review as well as soliciting comments and input in order to refine the growth scenarios (May-September 2019).
  - Release the draft growth forecast along with the draft RTP/SCS (October 2019) and PEIR (November 2019) for public review and comment.
- Adopting final jurisdictional growth forecasts as part of the RTP/SCS process (April 2020).

2. Explanation of Changes to Regional Growth Forecast Methodology

a. Regional/County Growth Forecast

SCAG's Regional Growth Forecast is the basis for developing the Regional Transportation Plan (RTP), Sustainable Communities Strategy (SCS), Program Environmental Impact Report (PEIR), and the Regional Housing Needs Assessment (RHNA). SCAG's 'Connect SoCal' growth forecast includes six counties' jurisdictional level population, household, and employment for years 2016, 2020, 2030, 2035, and 2045.

The following major data sources are considered and used in the development of the growth forecast:

- U.S. Bureau of Labor Statistics (BLS) historical and projected labor force and employment by industry
- California Department of Finance (DOF) population and household estimates
- California Employment Development Department (EDD) jobs report by industry (ES202)
- Base Year (2016) existing land use and General Plans from local jurisdictions
- 2010 Census and 2015, 2016, and 2017 American Community Survey (ACS) data
- 2015 business establishment data from InfoGroup

SCAG's Regional Growth Forecast includes three major indicators: employment, population, and households which are dynamically coupled, meaning that changes in one indicator affect the forecast of the others. SCAG computes regional employment based on the region's share of national employment using a shift-share approach. A cohort-component model is used to project future population in which births, deaths, and gross migration are considered over the projection period. Households are projected

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by using separate headship rates by age, sex, and racial/ethnic subgroups and applying them to the residential population.

The county growth forecast is also developed using the shift-share method, cohort-component model, and headship rate method, similar to the regional growth forecast method. The main difference is that the initial county population and employment forecasts are further adjusted using the county level population-employment ratio, with the consideration of labor supply and demand of each county and inter-county commuting patterns. The county growth forecast for 'Connect SoCal' is derived reflecting the new draft regional growth forecast and each county's share from the 2016 RTP/SCS growth forecast.

This regional/county forecast was reviewed by a panel of experts in June 2017 and subsequently presented to SCAG's Community, Economic, and Human Development (CEHD) Committee in July 2017 for their consideration and endorsement.

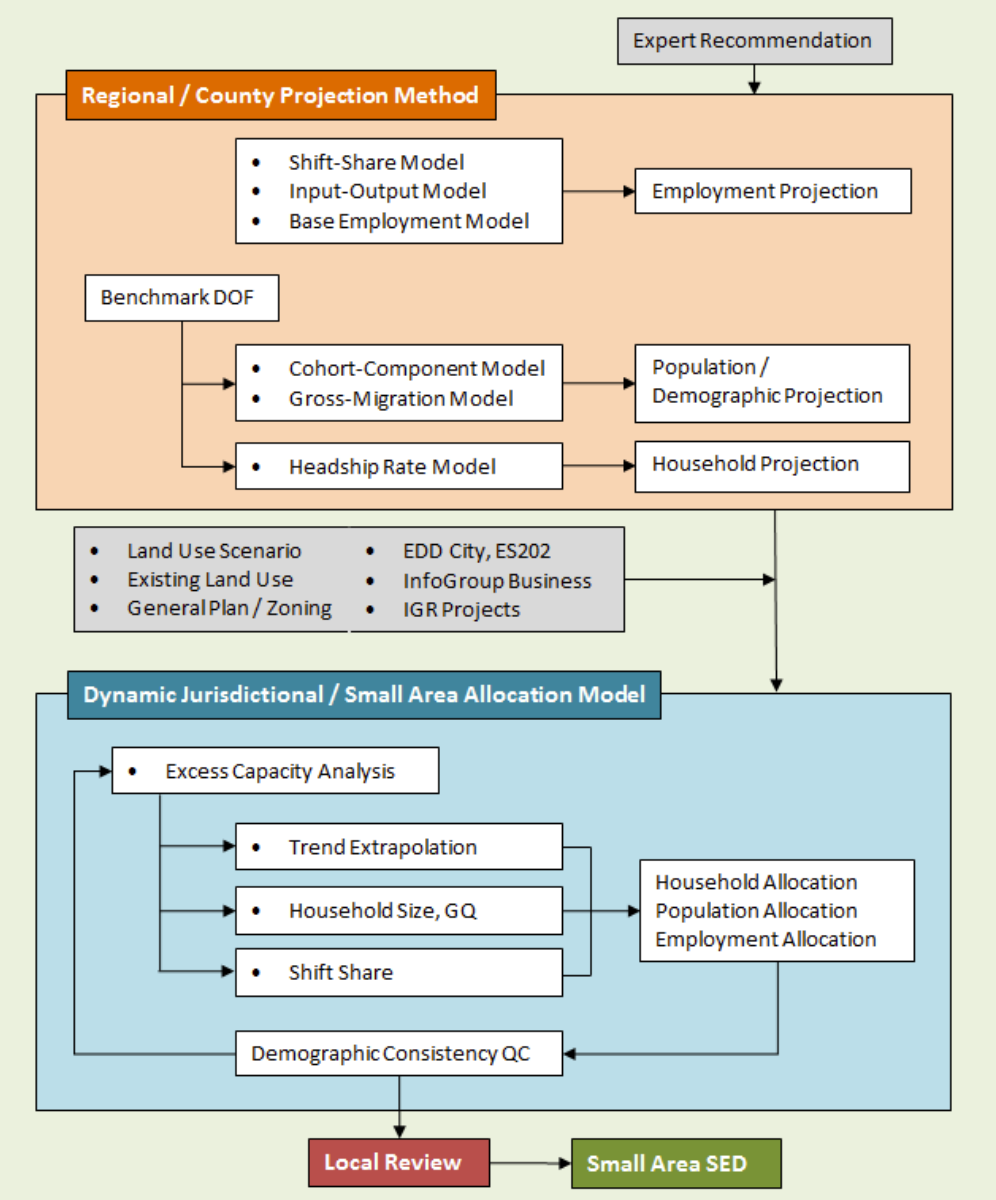

Figure 1: SCAG's Connect SoCal Integrated Growth Forecast Framework

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b. *Jurisdictional/Small Area Growth Forecast*

Based on the county growth forecast, SCAG then projects jurisdictional level population, households, and employment using the jurisdictions' most recent existing and general plan land use data as the basis for future year allocations. Household growth rates and household size are estimated based on historical trends and developable capacity. Population projections are calculated based on household growth and household size. Future employment is estimated based on the jurisdiction's employment share of the county's employment by sector and incorporation of local input.

The goal of the small area growth forecasting methodology is to allocate jurisdictional level population, household, and employment into the smaller Transportation Analysis Zones (TAZs) utilized by SCAG's Transportation Model. Jurisdictional level household and employment forecasts are developed using an independent projection methodology and review process with SCAG's cities and counties. Population projections are tied to household growth. The city's forecast and the projection year are often referred to as the 'control total' and the 'target year', respectively.

The geographic levels utilized in the growth forecasting process range from the SCAG region as a whole to Tier 2 (T2) Transportation Analysis Zones. Each lower level is consistent with higher aggregation levels (i.e., the values of cities when collectively summed for their respective county will equal the county projection). Similarly, the combination of city boundaries and Tier 2 zones when summed to their respective city total must be consistent with their city's projections.

SCAG's small area growth forecasting process is applied to develop base year and future year socio-economic data at the Tier 2 zone level. Below is a list of the data sources incorporated in the process:

- SCAG's existing land use data
- SCAG's general plan database, processed based on the most recently available jurisdictional general plans
- SCAG's 2016 RTP/SCS growth forecast
- SCAG's draft 'Connect SoCal' jurisdictional-level employment, population, and households
- 2015 Longitudinal Employer-Household Dynamics (LEHD) and Origin-Destination Employment Statistics (LODES) from the US Census Bureau
- 2016 QCEW firm location data from California Employment Development Department (EDD)
- 2015 business establishment data from InfoGroup
- SCAG Intergovernmental Review (IGR) data
- Digital Mapping Product (DMP) parcel-level land use data and new construction data (2014)
- 2010 Decennial Census and American Community Survey (ACS) data (2012-2016 5-year sample)

The above approach distributes jurisdictional level population, household, and employment into city/T2 level zones (15,000+ city/T2 zones), which work with SCAG's current databases and zonal systems. It creates the first cut of the small area forecast. The draft Tier 2 level forecast is then shared with SCAG jurisdictions for further review and comment.

c. Local Input

After the initial growth forecast was developed, SCAG staff conducted the 'Connect SoCal' Bottom-Up Local Input and Envisioning Process. Data/Map Books were prepared for each local jurisdiction (http://scagrtpscs.net/Pages/DataMapBooks.aspx) and one-on-one meetings with all 197 local jurisdictions to review and provide input on the jurisdictional growth forecast between October 2017

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and July 2018. In addition to growth forecasts, the Data/Map Book also contains extensive GIS data—20 maps covering each jurisdiction's General Plan, zoning, existing land use, farmland, resource areas, jurisdictional boundaries, truck lanes, bike lanes, and high quality transit areas (HQTAs), which were provided for local review and input. Moreover, a map of potential infill parcels was also produced for each jurisdiction to identify potential available sites for future housing and other development.

This local input process provided an opportunity for jurisdictions to offer their local knowledge and input to inform SCAG's regional datasets. SCAG evaluated the comments and incorporated the adjustments into the population, household, and employment growth forecasts/distributions. The resulting Draft 'Connect SoCal' growth forecast will serve as the basis for the initial 'Connect SoCal' scenario assessment. Additional refinements may be made through the scenario planning process in the development of the final 'Connect SoCal' growth alternative.

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IV. Quantification Approaches

1. Quantification Approaches for Each of Potential SCS Strategies under Consideration

SCAG is considering a wide variety of potential SCS strategies for 'Connect SoCal'. Table 2 below provides a summary list of these potential strategies and the anticipated approaches to quantify their respective GHG emission reductions. Many of these strategies were included in the 2016 RTP/SCS and have been updated and refined with current data or research. New strategies have been added, such as changing workplace and micromobility, to reflect emerging trends and new services within the region.

Table 2. Quantification Approach by SCS Strategy

SCS Strategy	Quantification Approach
1) Congestion Pricing*	Travel Demand Model
2) Express Lane Pricing*	Travel Demand Model
3) Improved Bike Infrastructure*	Travel Demand Model
4) Infill development and increased density near transit infrastructure* This strategy is embedded within several growth priority areas such as 'Transit Priority Areas', 'High Quality Transit Areas', and 'Livable Corridors' to reflect the benefits gained when development occurs near transit infrastructure.	Travel Demand Model
5) Mileage-Based User Fee*	Travel Demand Model
6) New transit capital projects*	Travel Demand Model
7) Shorter trips through land use strategies such as jobs/housing balance and complete communities*	Travel Demand Model
8) Telecommute program / Work from Home*	Travel Demand Model
9) Transportation Demand Management Alternatives to single occupancy vehicle travel, including but not limited to: ridesharing, carpooling and vanpooling, parking subsidies for carpoolers and others	Travel Demand Model
10) Safe Routes to School*	Off-Model
11) Bike Share and Micromobility Docked and dock-less bike sharing programs allow temporary and short-term bicycle rentals and increase share of bicycle trips. Policy development to support shared micromobility such as e-scooters for short trips and first/last mile connections	Off-Model
12) Car Share*	Off-Model

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SCS Strategy	Quantification Approach
13) Changing Workplace: Automation, Co-working Broad policy support to steer workplace changes towards a lower VMT outcome. Future automation of tasks could enable adaptive re-use potential of building stock and related reduction in commuting in certain industries. Co-working full or part time when used to work remotely can decrease commute distances.	Off-Model
14) Electric Vehicle Charging Infrastructure Increasing the number of EV charging stations to encourage adoption of EV and extend the range of hybrid PEVs	Off-Model
15) First/Last Mile Improvements Increasing safety, improving infrastructure, and reducing the time it takes to access transit stations for pedestrians and cyclists	Off-Model
16) Improved Pedestrian Infrastructure*	Off-Model
17) Parking Management Both navigation and pricing tools to decrease cruising and incentivize mode shift (pricing). This includes real-time identification of open spaces and adaptive pricing.	Off-Model
18) Multimodal Dedicated Lanes Conversion of traffic lanes to prioritize transit or active transportation modes.	Off-Model

* General descriptions of these strategies can be found in the Air Resources Board Policy Briefs at: https://arb.ca.gov/cc/sb375/policies/policies.htm

2. Assumptions and Methods for Estimating Inter-regional Travel

In the SCAG model, 40 cordon locations are defined to estimate external trips. The interregional or external trips for base year 2016 light-and medium duty vehicle cordon volumes are estimated by first obtained traffic counts from each cordon location. Then previous cordon surveys were used to split total external trip into: 1) Internal-External (I-E) trips, External-Internal (E-I) trips, and External-External (E-E) trips. Finally, the population growth rates were applied to base year volumes to estimate future years cordon volumes. SCAG includes 100 percent of the VMT associated with the Internal-Internal (I-I), X-I and I-X trips and exclude all VMT associated with X-X trips when estimating the VMT used in SB 375 GHG emissions reduction target achievement.

3. CARB's Mobile-Source Emission Factor Model for Estimating GHG Emissions

EMFAC2014 was used for estimating GHG emissions from the last 2016 RTP/SCS. SCAG will use this same model for estimating GHG emissions for 'Connect SoCal'.

SCAG staff will use the outputs from the Regional Travel Demand Model to determine regional and air basin GHG emissions. The estimate passenger vehicle VMT and speed profiles will be converted into EMFC 2014 inputs. After running EMFAC 2014, GHG emissions per capita will be calculated based on residential population, then compared with 2005 GHG emissions per capita to derive the 2020 and 2035 plan reduction in GHG emissions per capita. In order to provide an equivalent comparison to the first

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RTP/SCS, where emissions were established with EMFAC2007, the same adjustment factors from the 2016 RTP/SCS (2.2% and 1.9% for 2020 and 2035, respectively) will be added to the percentage reduction in GHG per capita calculated with EMFAC 2014. The final GHG emissions per capita will then be used to determine whether 'Connect SoCal' meets the respective 2020 and 2035 regional GHG emission reduction targets for the SCAG region.

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V. Travel Demand Modeling

1. Travel Demand Models

A. Improvement of Travel Demand Model – SCAG Activity-Based Model

SCAG is currently working on the transition of its regional travel demand model to an activity-based model (ABM) from the trip-based model (TBM) that SCAG had been using over previous decades. SCAG plans to use the newly developed and validated ABM for modeling analysis of SCAG's 'Connect SoCal'.

SCAG ABM is composed of three main components: 1) CT-RAMP2 (Coordinated Travel-Regional Activity Modeling Platform – 2nd version) which simulates daily activity participation and scheduling for each individual, with travel being viewed as a derivative of out-of-home activity participation and scheduling decisions, 2) a network assignment model that estimates traffic data of all vehicle modes, using O-D (Origin-Destination) input matrices generated by CT-RAMP2 (passenger vehicles), and 3) other pre-calculated OD input matrices (airport, seaport, inter-regional; by passenger vehicles and heavy-duty trucks).

Regarding model software, CT-RAMP2 is written in Java programming, and is based on Object-Oriented Programming modular design. TransCAD version 8 is used for assignment modeling and skim calculation. SCAG ABM user interface along with scenario manager is built with the Geographic Information System Developer's Kit (GISDK), which is the script language of TransCAD.

SCAG ABM covers the entire SCAG region which encompasses 6 counties and 11,267 Tier 2 Transportation Analysis Zones (TAZs). The network assignment uses static assignment model developed for SCAG TBM. The SCAG ABM contains 8 main model components and 39 sub-models that were estimated from the 2011-12 California Household Travel Survey. Below is a description of the main SCAG ABM components and model flow chart:

1) Population Synthesis - creates a list of synthetic households and persons for the entire model area for each horizon year. It serves as the primary input to SCAG ABM.
2) Accessibility Calculator - generates zonal accessibility measures that are used for different components of SCAG ABM.
3) Long Term Choice - estimates choices of work arrangements as well as usual location of the mandatory activity for each worker and student.
4) Mobility Choice - estimates individual decision of holding a driver's license and estimates the number of cars owned by each household.
5) Day-level models for activity generation, tour formation, and time allocation
    a. Coordinated daily activity travel pattern: Generates daily travel pattern for each household member, including daily travel with mandatory activities, without mandatory activities (non-mandatory activities only), and no travel.
    b. Individual mandatory activities/tours for each household member: Predicts frequency and scheduling of mandatory activities and tours, and decisions of escorting children to school.
    c. Fully joint activity generation and scheduling: Predicts joint activity frequency, joint travel party, tour formation, stop frequency, and location of each joint tour.
    d. Maintenance activity generation: Simulates the number of maintenance activities generated by each household and allocates to household members.

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e. Individual discretionary activity generation: Predicts the frequency of discretionary activities for each person.
f. Individual tour formation: (1) Allocates individual non-mandatory activities by day segments; (2) Predicts tour frequency and location of each activity/stop.

6) Tour-level models - Estimates travel details related to each tour, including primary destination, stop location, time of day, and tour mode.
7) Trip-level models - Estimates travel details of each trip, including trip mode, trip departure time, activity duration, and trip model.
8) Assignment – Static assignment for both traffic and transit assignment

B. Description of SCAG model components

1) Population Synthesizer

SCAG Population Synthesizer, pyPopSyn, is a module that generates a list of households (including GQ), and its associated household members within entire model area for each horizon year. The pyPopSyn is formed using the detailed household and person data from the American Community Survey Public Use Microdata Sample (ACS PUMS Year 2012-2016). The household sample weights from the PUMS are adjusted under the theory of the Entropy Maximization formulation to match the various controls externally provided for TAZ, county, and the entire region simultaneously. Comparing to other synthetic population models based on iterative proportional fitting (IPF) methods that focus on few selected variables, pyPopSyn draws the samples from PUMS via its adjusted weights that the vast array of PUMS variables can be utilized for modeling their travel behavior.

2) Accessibility Calculator

Accessibility measures are important behavioral components of the ABM that express closeness of the modeled individual to potential locations where the activity 'supply' (employment of the corresponding type) is present. Accessibility has a strong impact on individual activity patterns and travel behavior. Multiple sets of accessibility measures are used across different parts of the SCAG ABM. Each set corresponds to a given activity purpose and are sometimes further segmented by travel arrangement type, user class, and/or mode. The accessibilities are computed in a module that precedes the core demand components of the SCAG ABM, and known as the Accessibility Calculator.

3) Long Term Choices

Long-term choices include 4 models: work arrangement, work flexibility, work location, and school location.

Usual work arrangement model: The model simultaneously predicts three job characteristics of each worker – (i) the weekly work hours for the primary job, (ii) the number of jobs, and (iii) the primary workplace location type.

Usual work schedule flexibility model: The model simultaneously predicts three work schedule characteristics of each worker – (i) number of days per week working at primary job, (ii) work flexibility at primary job, and (iii) the availability of compressed week option at primary job.

Usual workplace location choice: The model assigns a workplace TAZ to each worker who does not work from home.

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Usual school location model: The model predicts a school TAZ for every student in the population. The model is fully segmented by type of student, as follows: pre-school students, grade school students, and college/university students.

4) Mobility Choices

Driver license model: The model predicts whether an individual holds a valid driver's license or not. It applies to all persons 16 years and over.

Auto ownership model: The model predicts the number of households by auto ownership level (0, 1, 2, 3, and 4 or more). It applies to all households in the synthetic population.

5) Day-Level Models for Activity Generation, Tour Formation, and Time Allocation

Coordinated daily activity travel pattern: Generates daily travel pattern for each household member, including daily travel with mandatory activities, without mandatory activities, and no travel.

Mandatory activity generation and tour skeleton formation: This model includes decisions that relate to the least flexible activities - work, university, school, or any other business-related activity. Many of these activities are pre-planned before a person builds his or her daily activity pattern and schedule around them.

School escorting: The escorting model can be thought of as a matching model that predicts whether escorting occurs, and if so which adult household members are chauffeurs and which children are escorted to school.

Fully joint activity generation and scheduling: Shared intra-household non-mandatory activities are generated and are also considered prioritized activities. These activities are organized into fully-joint tours when all members of the travel party travel together and participate in all activities included in the tour.

Non-mandatory activity generation: The maintenance task generation model is a simultaneous choice of household task frequency by three maintenance activity types (escorting, shopping, and other maintenance). The discretionary activity generation model estimates frequency of individual discretionary activity episodes for each person by five discretionary activity types (eating out/breakfast, eating out/lunch, eating out/dinner, visiting relatives and friends, and other discretionary activity).

Preliminary tour formation: Combines the outcomes of all prior sub-models into tours. These prior model outcomes include mandatory tour skeletons, fully joint tours, and non-mandatory activities, as well as the corresponding activity locations.

6) Tour and Trip Level Models

Combinatorial mode choice: Mode choice in most ABMs in practice is implemented in two steps. The first step relates to the entire tour mode and it is frequently solely based on the tour primary destination ignoring stop locations. The second step relates to trip mode choice conditional upon tour mode choice. The innovative mode choice structure implemented in the SCAG ABM is based on a different principle, where the tour-level and trip-level mode choices are fully integrated. The tour-level and trip-level mode choices are integrated in a network combinatorial representation. The tour mode is dependent on the modes observed in all trips that comprise the tour, and is defined using predetermined priority rules.

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Tour time of day: Tour time is a hybrid discrete-choice and duration construct that operates with tour departure-from-home and arrival-back-home time combinations as alternatives. The model utilizes direct availability rules for each subsequently scheduled tour, to be placed in the residual time window left after scheduling tours of higher priority. This conditionality ensures a full consistency for the individual entire-day activity and travel schedule as an outcome of the model.

Individual schedule consolidation with simulated travel times: Individual schedule consolidation process applied to each household and person with a special consideration of joint activities and trips that create intra-household linkages between schedules of different household members.

7) Network Assignment
Network assignment is the process of loading vehicle trips onto the appropriate networks. For highway assignment, SCAG ABM consists of series of multi-class simultaneous equilibrium assignments for seven classes vehicles (drive alone, 2-person carpool, 3-person carpool, 4 or more-person carpool, light HDT, medium HDT, and heavy HDT) and by five time periods. During this assignment process, trucks are converted to Passenger Car Equivalent (PCE) for each link and each truck type is based on: 1) percentage of trucks, 2) percentage of grade, 3) length of the link, and 4) level of congestion (v/c ratios). Transit vehicles are also included in the highway assignment. In transit trip assignment, the final transit trips that are formed in the last loop of model choice model are aggregated by access model and time period, and then assigned to transit networks for each time period. The vehicle trip tables obtained from airports and Heavy-Duty Truck models are aggregated into the 4,109 zone system (Tier-1 zones) prior to network assignment.

C. SCAG Travel Demand Modeling Flow Chart

The flow chart on the next page illustrates SCAG's travel demand modeling process.

2. Model Inputs used in Activity Based Model

A. Synthetic Population/Household

SCAG ABM uses synthetic population and household as main input to the model. Below describes main variables used in SCAG ABM.

1) For each synthesized household: household size, household income, housing type
2) For each synthesized person:
   a. Basic Variables: age, sex
   b. Worker/Student: worker's status (worker or not a worker), worker's industry, student's grade
   c. Person Type: SCAG ABM processes eight person types as primary input to the model, including (1) full-time worker, (2) part-time worker, (3) college student, (4) non-working adult, (5) non-working senior, (6) driving age child, (7) pre-driving age child, and (8) pre-school child
3) Group Quarter Population: same as residential population

B. Zonal Variables

A set of zonal variables by SCAG TAZ are created for size term calculation and Accessibility Calculator:

1) Population: total/residential population
2) Households: total households, multiple-family dwelling households
3) Employment: total employment, employment by 13 industries (aggregated 2-digit NAICS)
4) School Enrollment: K-8, 9-12, college
5) Median household income

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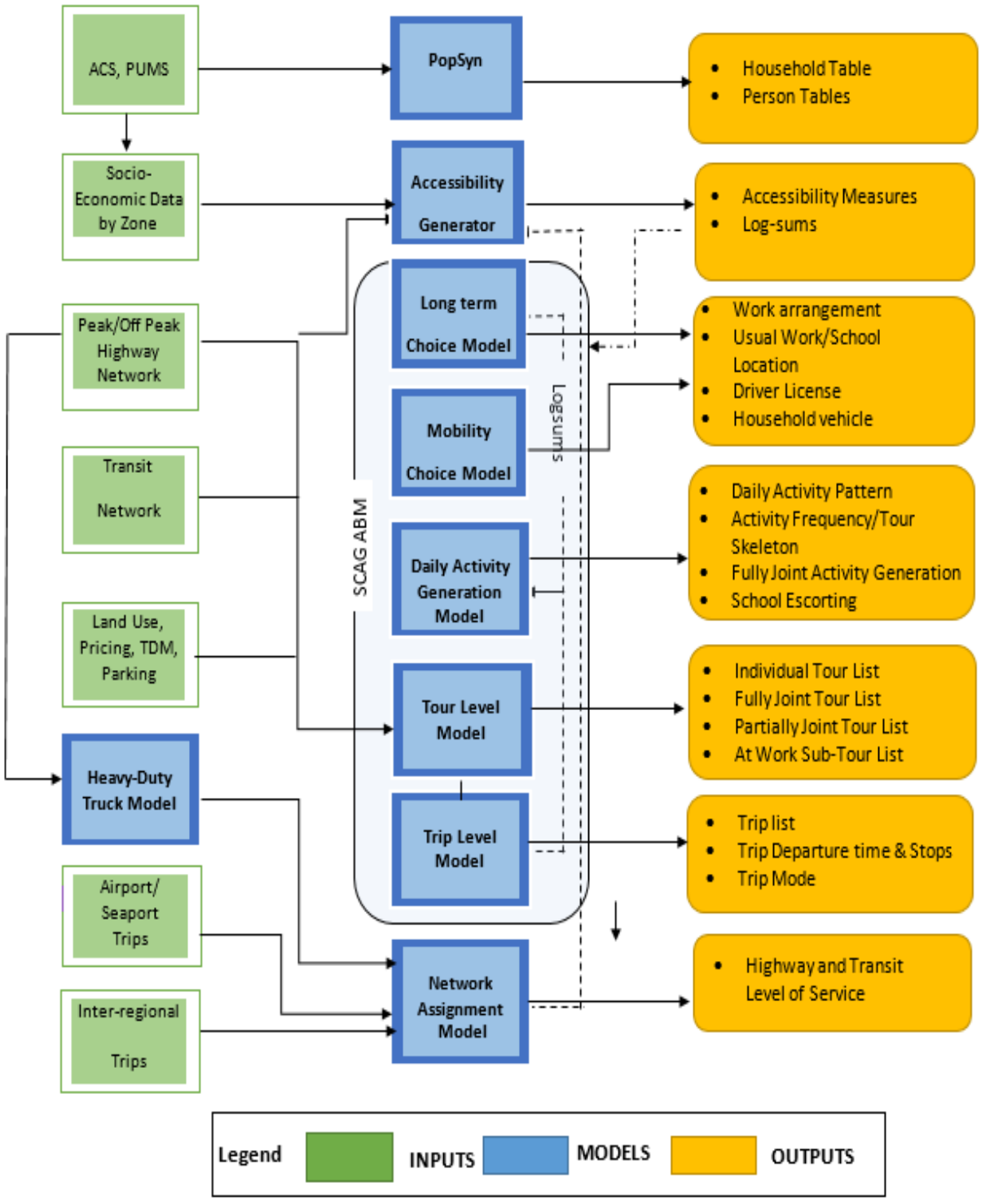
SCAG Travel Demand Modeling Process



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C. Land Use & Built Environment (LUBE) Variables

A set of land use and built environment variables by TAZs are calculated in SCAG ABM.

1) Land use variables (calculated from zonal SED):
   a. Density: By residential population, household, and employment density
   b. Diversity: Land use mix indicator (population, commercial/industrial jobs, other jobs), jobs to households ratio
   c. Multiple Housing: Percentage of multiple-unit dwelling households
2) Built Environment (calculated from network):
   a. Transit Access: Transit stop density
   b. Street Density: By higher-speed density (MPH>=35); lower-speed density (otherwise)
   c. Bike Lane Density (pre-processed)

D. Network

1) Highway network
2) Transit network

E. Travel Cost:

1) Auto Operating Cost
2) Parking Cost: In 2013, SCAG purchased parking cost data from Parkme.com which has on and off-street parking locations, prices (hourly, daily, and monthly) information in the Southern California region. Off-street parking data has 2,548 entities and on-street parking data has 2,102 entities in it. In March 2017, SCAG staff manually collected data from Parkme.com. About 2,500 records were collected. SCAG staff combined the collected data and processed parking cost data by TAZs, including 1) daily average for commuter (early bird), 2) one hour parking, 3) extra hour parking, and 4) daily maximum.

F. Work from Home (WfH): Percent of Work-from-Home Workers

SCAG ABM developed a new function to incorporate the assumptions for percent of workers who work from home, including telecommuting, home office, or other strategies. Inputs can be either WfH workers as percent of total workers, or by eight different household income segments: <$25K, $25k-$50k, $50k-$75k, $75k-$100k, $100k-$125k, $125k-$150k, $150k-$200k and >$200k. It is noted that the rebound effect is included in the SCAG ABM. While a WfH worker saves commuting trip to/from work place, the SCAG ABM does not exclude additional non-work travel or business (work-related) travel by the worker.

G. Travel Demand Management (TDM)

SCAG ABM developed an add-on function to incorporate the assumptions for percent of workers who change commuting modes from driving a car to other modes. Inputs are based on the CAPCOA Quantifying Greenhouse Gas Mitigation Measures report fact sheets regarding effectiveness of commute trip reduction programs, the City of Los Angeles VMT Calculator tool, and mode split data from the South Coast AQMD Rule 2202 Employee Commute Reduction Program. The input will apply to

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tour mode choice output for work tour. The reduction of vehicle-driving modes will be converted to other modes.

3. Commitments to Provide Model Sensitivity Tests for SCS Strategies under Consideration

SCAG commits to conducting model sensitivity tests with the enhanced SCAG Regional Travel Demand Model for SCS Strategies.

4. Whether and How Travel Model Accounts for Short- and Long-run Effects of Induced Demand for New Roadway Capacity Projects

According to the 'Technical Advisory on Evaluating Transportation Impacts in CEQA' report released in 2018 by the Governor's Office of Planning and Research (OPR), induced travel occurs where roadway capacity is expanded in an area of existing or projected future congestion. The report describes that proper use of a travel demand model may capture the effects of induced travel, including the number of trips, trip length or VMT, and change in mode share for automobiles. The SCAG travel demand model does incorporate short-term induced demand, which will be shown in the model sensitivity test results with increasing roadway capacity. For long-term induced travel, SCAG staff will work with ARB to develop a reasonable approach to examine long-term travel effects, such as applying long-term elasticity to policy input.

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VI. List of Exogenous Variables and Assumptions for Use in Proposed SCS

1. Assumptions for Exogenous Variables to Travel Demand Modeling

Table 3 below is a list of exogenous variables to SCAG regional travel demand model. Assumptions for year 2035 will be provided when data is available.

Table 3. List of Exogenous Variables for Incremental Progress Analysis

Category of Variables[2]	Variables Specification in Model[3]	Assumption in 2035
Auto Operating Cost (2011 dollar value)	Fuel and non-fuel related costs (maintenance, repair, and tire wear)	Fuel: $0.1132 Non-Fuel: $0.0692
Vehicle fleet efficiency	EMFAC model	37.61 miles/gallon
Demographics	Population and employment	Will be provided when it is available
Household income	Median or distribution	Will be provided when it is available
Household demographics	Household size, workers per household, age	Will be provided when it is available
Inter-regional travel	Share of external inter-regional VMT	Will be provided when it is available
Travel demand model version	Newly developed Activity-Based Model	SCAG Activity-Based Model

2. Assumptions to Derive Cost of Travel

The assumptions and methods for auto operating cost calculation are described below:

A. Fuel Price (FP)

SCAG calculated average fuel price based on price of four different types of fuels.

1) Gasoline: Annual average price data is based on EIA (U.S. Energy Information Administration). Data between 2002 and 2018 for California and the U.S. was downloaded from the EIA website.
2) Diesel: Annual average price data is based on EIA (U.S. Energy Information Administration). Data between 2002 and 2018 for California and the U.S. was downloaded from the EIA website.

[2] As applicable.
[3] Cross-walking the relationship of certain variables back to the modeling conducted for the previous SCS may require MPO staff discretion and interpretation. For example, updated household demographic variables (such as household size) may result in a change to the regional population compared to the previous SCS. CARB staff expects a good-faith effort to construct a reasonable approximation. Exact accounting is not necessary.

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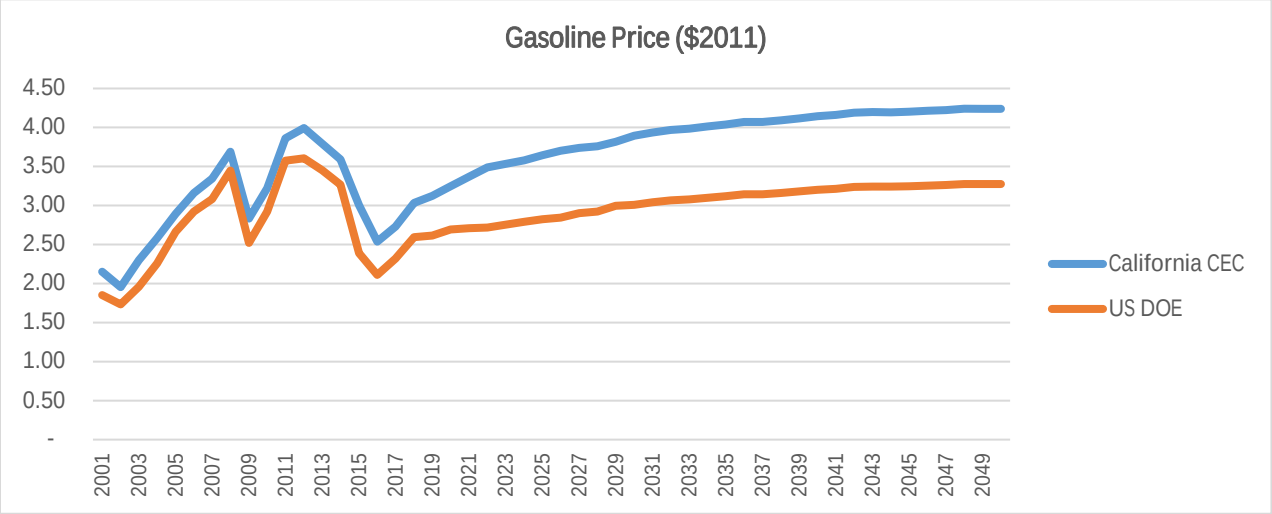
3) Gasoline and Diesel Projection (2019-2030): Data based on CEC (California Energy Commission) - using ARB AOC Calculator to retrieve the data.
4) Gasoline and Diesel Projection (2031-2045): Using growth pattern based on data from Annual Energy Outlook 2019 (EIA)

Assumptions and Methods:

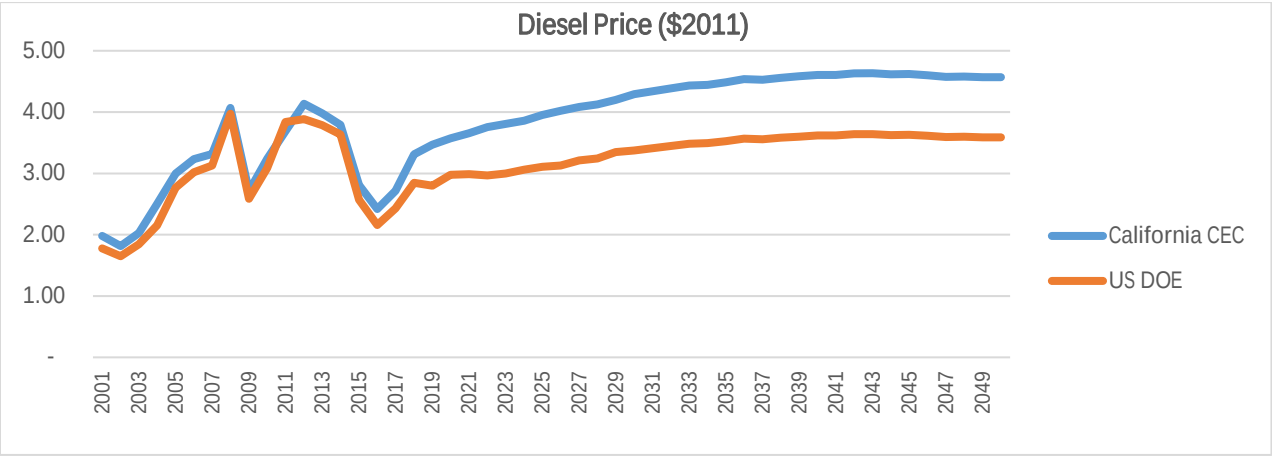
1) To be consistent with SCAG model assumptions, all price data are converted to 2011 dollar value.
2) Gasoline and Diesel data (2002-2018): Based on California data from EIA website
3) Gasoline and Diesel data (2019-2030): Based on 2018 data from Step 2, apply annual growth based on CEC projection
4) Gasoline and Diesel data (2031-2045): Based on 2030 data from Step 3, apply annual growth based on U.S. projection. The charts provided below show that the historical data and projections up to 2030 are quite consistent between CEC and EIA.

Gasoline Prices 2002-2045



- CEC after 2030: SCAG estimate (based on DOE projection growth rate)

Diesel Prices 2002-2045



- CEC after 2030: SCAG estimate (based on DOE projection growth rate)

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5) Electric and Hydrogen: Using data from AOC Calculator for SCAG
6) Calculate average fuel price: For each year, calculating average price of the four types of fuel (gasoline, diesel, electric, and hydrogen) weighted by VMT of each type of fuel (data from AOC Calculator for the SCAG region).

B. Non-Fuel-Related Operating Costs (NF Cost)

The base year non-fuel-related costs from the American Automobile Association (AAA) were used to estimate forecast-year non-fuel-related costs. It is noted that AAA changed its methodology in 2006 and 2017.

Assumptions and Methods:

1) All price data was converted to 2011 dollar value.
2) For year 2017 data, since the method was changed, SCAG assumed the price is the same as 2016.
3) For 2018 data, the growth rate from original data was applied to adjusted 2017 data.
4) SCAG applied linear regression based on data of past 10 years (2009-2018).

C. Effective Fleet-wide Fuel Efficiency (FE)

To be consistent with the use of EMFAC 2014 model for emission analysis, fuel efficiency derived from EMFAC 2014 was used.

D. Total Auto Operating Cost (AOC)

AOC = (FP/FE) + NF Cost

VII. Per Capita GHG Emissions from Prior 2016 RTP/SCS

SCAG will refer to the approach described in the SCS Guidelines to report incremental progress.

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VIII. Off-Model Strategies

Of the 18 potential SCS strategies presented in Table 2 in *Section IV. Quantification Approaches*, the following strategies will rely on off-model analysis to quantify their GHG emissions reduction benefits:

1) Bike Share and Micromobility
2) Car Share
3) Changing Workplace: Automation, Co-working
4) Electric Vehicle Charging Infrastructure
5) First/Last Mile Improvements
6) Improved Pedestrian Infrastructure
7) Parking Management
8) Multimodal Dedicated Lanes
9) Safe Routes to School Strategies

Following ARB's Final Draft SCS Evaluation Guidelines, each of the off-model analysis will consist of the five elements below:

1) Strategy Description
2) Objectives
3) Trip and Emissions Data Needs
4) Quantification Methodology
5) Challenges, Constraints, and Strategy Implementation Tracking

1. Bike Share and Micromobility

1) Strategy Description

Bike share and micromobility is a mode of mobility that comprises a fleet of bicycles, electric bicycles (e-bikes) or electric scooters (e-scooters) that are available for short term rental. There are three types of bike share services that are comprised of docked bicycles, dockless bicycles, or a hybrid. Docked bicycles are checked out from docking stations and must be returned to another docking station. Dockless bikes on the other hand feature locking mechanisms which lock the rear wheel. When a user checks out a bike using a smart phone app, the wheel is released. The bike can be left anywhere within the service area. A hybrid system features docking stations, however, the locking mechanism is self-contained. In this case, users are encouraged to return bicycles to the stations, but they may be left locked to street furniture anywhere within the service area for a premium charge. E-scooters are all operated as dockless systems. At night, volunteers can take the e-scooters in and charge them and receive payment. Currently in the SCAG region, the Los Angeles County Metropolitan Transportation Authority (LA Metro) operates docked bicycles in the downtown Los Angeles, Venice, and San Pedro areas. Jump Bikes (formerly Social Bikes), which features a hybrid system, has operating agreements with the cities of Santa Monica, Beverly Hills, and West Hollywood. Finally, there are numerous new entrants into the dockless bike share space including: Jump, Lime Bike, and Spin. There are also numerous new entrants into the e-scooter share space including: Lime, Jump, Spin, Bird, Razor, Skip, and others.

This strategy aims to reduce GHG emissions by providing access to bicycles and scooters, and replacing auto trips. Some bike share programs also include electric pedal-assist bikes to make it easier for

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members to go farther distances. E-scooter sharing programs can follow the framework of quantification methodology in this section to estimate the potential GHG benefit.

2) Objectives

The objective of bike share and micromobility systems are to provide flexible mobility for short to medium distances (1-5 miles). They reduce GHG by the following:

- Replacing short distance auto trips
- Reducing household vehicle ownership and reducing usage of owned household vehicles with subsequent reductions in VMT
- Supporting transit by providing first/last mile connection options

3) Trip and Emissions Data Needs

Data needs include:

- Service Areas for bike share and e-scooter systems
- Ridership data from public partners such as local jurisdictions that regulate such service
- Average bike share/scooter share one-way travel distance.

4) Quantification Methodology

SCAG has two options for quantifying GHG reductions from bike share (the same quantification methodology applies to micromobility programs). The first option is to use an off-model Excel-based calculator developed by the San Diego Association of Governments (SANDAG) as part of a project under the four MPO Future Mobility Research Program. The second option is to use the methodology laid out in the ARB Final Draft SCS Evaluation Guidelines Appendices. Both work on the same premise of identifying different geographies where docked and dockless bikes will be operating, identifying a number of docking stations and bikes within those geographic areas, and assigning a participation rate within those respective areas. Based on the participation rate, SCAG staff will derive a VMT replacement figure and a subsequent GHG emissions reduction.

ARB Methodology:

Step 1: Identify service areas for each jurisdiction with planned bike share program and determine the number of planned bike share stations and population for each service area.

Step 2: Calculate the number of bike share stations per square kilometer (km) for each service area by dividing the number of planned bike share stations by the land area of each service area.

$$\textit{Bike share stations}_{skm} = \sum \frac{Bike\ share\ stations}{Service\ areaskm}$$

Where: *Bike share stations$_{skm}$ = Bike share stations per square km per service area (SA)*
Bike share stations = Number of planned bike share stations per service area
Service area$_{skm}$ = Area of each service area (square km)

Step 3: Apply a regression formula derived from the Institute for Transportation and Development Policy (ITDP) to estimate the number of daily bike share trips per 1,000 residents in each area:

Daily bike share trips per 1,000 residents = 1.74 * station density + 17.2

Step 4: Estimate the number of daily bike share trips in each service area by multiplying the number of residents in each service area by the number of daily bike share trips calculated in Step 3.

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*Bike share trips$_{SA}$ = $\sum ResidentsSA$ * Daily bike share trips*

Where: Bike share trips$_{SA}$ = Number of daily bike share trips per service area (SA)
Residents$_{SA}$ = Number residents in each service area
Daily bike share trips = Number of daily bike share trips per 1,000 residents

Step 5: Multiply total daily bike share trips by the average population growth for the scenario year to estimate future total daily bike share trips.

Step 6: Estimate average regional home-to-work (H-W) trip lengths.

a) Preferred Approach: Use region-specific trip lengths from travel demand model, regional and/or local bicycling and pedestrian master plan, region-specific study, or other empirical data sources.
b) Alternate Approach: Use average distance of 1.8 miles for biking and 0.98 mile for walking based on National Household Transportation Survey data.

Step 7: Estimate mode shift VMT reductions from private automobiles to bike share by multiplying the daily bike share trips calculated in Step 4 by the average regional H-W trip lengths from Step 6.

*VMT = Bike share trips$_{SA}$ * TL*

Where: Bike share trips$_{SA}$ = Number of daily bike share trips per service area (SA)
TL = Average regional H-W Trip Length (miles per trip)

Step 8: Obtain displaced private automobile trip CO_2 emission rates from the current version of EMFAC.

Step 9: Calculate total CO_2 emission reductions by multiplying VMT reductions calculated in Step 7 by EMFAC exhaust emission rates from Step 8.

*CO_2=VMT * EMFAC * 12.4%*

VMT = Calculated displaced VMT (miles)
12.4% of Bike Rides displace VMT for commutes or errands
EMFAC = EMFAC CO_2 emission rate (grams per mile)

5) Challenges, Constraints, and Strategy Implementation Tracking

A bike-friendly ecosystem is important to effectively implement this strategy. The ecosystem will require sufficient bike-related infrastructure, such as bike lanes, bike racks, etc. However, these infrastructure are usually beyond the scope of bike-sharing programs. Therefore, the effectiveness of bike sharing programs could be constrained by the readiness and availability of bike-related Infrastructure. Other challenges come from transportation network companies (TNCs), such as Lyft and Uber. Additionally, bike share is constrained by the terrain and its topography. In order to track this strategy, SCAG will continue to monitor growth of the bike share service territories.

Bike commuters frequently use additional transportation modes for their trip, which can significantly increase the total time required to travel. In addition, many bike share programs only provide service in a limited area (e.g., select cities) either near home location or work place. As a result, potential bike commuters will need to plan longer travel time and pay a premium for using bikes from multiple companies, which may increase total commute cost.

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In addition, bike sharing program users may worry about the protection of their privacy. Many shared bikes are installed with route tracking devices (e.g., GPS) to help company tracking the bike flow. However, it can be a big challenge to properly store and use these activity data. Currently, there are no specific regulations in this area and improper usage of activity data may violate people's privacy that could lead to adversely affecting their willingness to participate in bike sharing programs.

Another potential challenge of bike sharing programs is rider safety. Most bike sharing programs do not provide complimentary protective gear (e.g., helmet, knee pads, etc.), and exercise minimum liability and responsibility if users get injured. These issues need to be addressed in the long run to successfully implement bike sharing programs.

Monitoring/Tracking

- Specific bike share, e-scooter sharing, or other related projects
- Number of bikes in bike sharing program
- Number of miles logged through bike sharing programs

2. Car Sharing

1) Strategy Description

Car share service is available in three varieties in the SCAG region: traditional roundtrip, one-way, and peer-to-peer car share. Traditional roundtrip service provides vehicles at designated parking spaces, called pods or stations depending on the provider. Cars must be returned to their pods at the end of the trip. One-way vehicles can be picked up then dropped off at another station within the specified service territory. Peer-to-peer car share is similar to roundtrip service, except the vehicles are owned/leased by private individuals and the transaction is managed by a third-party operator, usually via a smart phone app. Potential GHG-reducing benefits associated with car sharing include reduced vehicle ownership rates, single occupancy vehicle trips, and VMT, as trips shift to walking, bicycle, and public transit due to reduced driving associated with reduced ownership rates. In addition, vehicles used for car sharing are often newer and less polluting than older privately-owned vehicles whose trips are replaced by car sharing.

Currently, there are five car share providers in the SCAG region. Zipcar provides roundtrip service and primarily serves university and college campuses in the region, except within the central Los Angeles area, where they have numerous locations. There is also a one-way provider called Blue LA that specifically serves low-income disadvantaged communities. Blue LA is a CARB funded program through Clean Mobility for Disadvantaged Communities, therefore it will not be included in the final analysis or will only be included to the extent of local funding. Finally, there are three peer-to-peer car share providers: Getaround, Turo, and Maven.

2) Objectives

Car sharing systems reduce GHG emissions in a number of different ways:

- Reducing congestion by lowering the number of owned vehicles
- Lowering the overall VMT, ultimately cVMT (combustion engine VMT)
- Changes in fleet mix, such as reducing vehicle ownership and more zero emission vehicles (ZEV)
- Replacing private-owned vehicles with car share vehicles
- Diverse impacts on other modes

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3) Trip and Emissions Data Needs

Data needs include:

- Service Areas for round-trip and one-way car share systems
- Ridership data from publicly subsidized partners
- Service areas for peer-to-peer car share systems
- Ridership data where possible
- Average vehicle trip length
- VMT reduced

4) Quantification Methodology

SCAG has two options for quantifying GHG reductions from car sharing. The first option is to use an off-model Excel-based calculator developed by SANDAG as part of a project under the 4 MPO Future Mobility Research Program. The second option is to use the methodology laid out in the ARB Final Draft SCS Evaluation Guidelines Appendices. Both work on the same premise of identifying different geographies where car share vehicles will be operating, identifying a number of car share vehicles within those geographic areas, and assigning a participation rate within those respective areas. Based on the participation rate, staff will derive the GHG emissions reduction based on changes in travel behavior related to changes in vehicle ownership supported research.

ARB Methodology

Step 1: Identify region/County/City/TAZs that have sufficient residential densities to support car sharing. Research indicates the minimum residential density required for a neighborhood to support car sharing is five (5) residential units per acre.

a) Preferred Approach: Use data from regional and/or local TNC operators, region-specific study, or other local empirical data sources for local residential density support rate.

b) Alternate Approach: Use conservative local residential density support rate five (5) residential units per acre.

Step 2: Estimate Total Population of region/County/City/TAZs identified in Step 1 as having sufficient residential densities to support car sharing.

Step 3: Identify regional car share adoption rate. Research from the Transportation Research Board's Transit Cooperative Research Program indicates that car share members are most likely to be between the ages of 25 to 45, while 10% of individuals aged 21+ in metropolitan areas of North America would become members if it were more convenient.

a) Preferred Approach: Use data from regional and/or local TNC operators, region-specific study, or other local empirical data sources for regional adoption rate.

b) Alternate Approach: Use conservative adoption rate of 10% of individuals aged 21 to 45. This number was derived from two car-sharing studies in major metropolitan/urban areas described above.

Step 4: Estimate car share membership population of region/County/City/TAZs identified as having sufficient residential densities to support car sharing (Step 2) using the car sharing adoption rate (Step 3).

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*Membership Population$_{CS}$ = (Total Population$_{CS}$ * Adoption Rate$_{CS}$)*

Where: Membership Population$_{CS}$ = Number of car sharing members in region/County/City/TAZs
Total Population$_{CS}$ = Total population of region/County/City/TAZs identified as having sufficient residential densities to support car sharing
Adoption Rate$_{CS}$ = Car sharing adoption rate for region/TAZ

Step 5: Estimate VMT reductions from vehicles discarded or shed by car sharing members. Research by the University of California at Berkeley Transportation Sustainability Research Center (TSRC) indicates that car sharing leads to net VMT reduction, which are associated with car sharing members selling their existing vehicles and reducing purchases of new vehicles. Research from the San José State University's Norman Y. Mineta International Institute for Surface Transportation Policy Studies (MTI) indicates that vehicles discarded or shed by car sharing members would otherwise have been driven 8,200 miles per year While VMT may slightly increase for specific car share members that did not previously own a car, the overall VMT tends to drop substantially for the car sharing membership fleet.

a) Preferred Approach: Use data from regional and/or local TNC operators, region-specific study, or other local empirical data sources to estimate the number of trips or miles per year that are associated with shed vehicles per car sharing member.

b) Alternate Approach: Use conservative estimate that shed VMT is 8,200 miles per year per car sharing member.

*Total VMT$_{Shed}$ = (Membership Population$_{CS}$ * - VMT$_{Memb\ Shed}$)*

Where: *Total VMT$_{Shed}$ = Total VMT from shed vehicles in region/TAZs (miles/year)*
Membership Population$_{CS}$ = Number of car sharing members in region/TAZs
VMT$_{Memb\ Shed}$ = VMT shed per carshare member per year (miles/member/year)

Step 6: Obtain CO_2 emission rates for shed private automobiles from the current version of EMFAC.

Step 7: Estimate CO_2 emission reductions from private automobiles shed by car sharing members.

*- $CO_{2\ Shed}$ = - Total VMT$_{Shed}$ * EMFAC$_{Shed}$*

Where: $CO_{2\ Shed}$ = CO_2 emission reductions from shed vehicles in region/County/City/TAZs (grams/year)
Total VMT$_{Shed}$ = Total VMT from shed vehicles in region/County/City/TAZs (miles/year)
EMFAC$_{Shed}$ = Average EMFAC CO_2 emission rate for shed vehicles in region/County/City/TAZs (grams per mile)

Step 8: Estimate VMT from car share members driving car share vehicles. CARB analysis of research conducted by MTI indicates that car share members drive an average of 1,200 miles per year in a car share vehicle.

a) Preferred Approach: Use data from regional and/or local TNC operators, region-specific study, or other local empirical data sources to estimate the average number of trips or miles per year driven per car sharing member.

b) Alternate Approach: Use conservative estimate that each car share member drives 1,200 miles per year in a car share vehicle.

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*Total VMT_{CS} = (Membership $Population_{CS}$ * $VMTMemb_{CS}$)*

Where: Total VMT_{CS} = Total VMT from car share members driving car share vehicles in region/TAZs (miles/member/year)
Membership $Population_{CS}$ = Number of car sharing members in region/TAZs
$VMTMemb_{CS}$ = Car share VMT per member per year in region/TAZs (miles/member/year)

Car share vehicles are expected to be more fuel efficient than the average fleet. Vehicles used for car sharing are often newer and less polluting than older privately-owned vehicles whose trips are replaced by car sharing. California's car sharing services offer a variety of vehicles to members, however, compared to the average light duty fleet, the vast majority of the car sharing fleet are low and zero emission vehicles (ZEV) such as hybrids, PHEVs or a Battery Electric Vehicles (BEV). Until the average light duty fleet in CA reaches the same ratio of conventional/combustion vs. low/zero emission vehicles (cVMT vs eVMT), the car sharing fleet will be, on average, more fuel-efficient. This difference in fuel usage represents, when converted, a direct GHG emission reduction. CARB analysis of research conducted by MTI indicates that car sharing vehicle fleets are typically 29% more efficient than the overall population of vehicles shed by car sharing members.

a) Preferred Approach: Use average local car sharing mix fleet based on data from regional and/or local TNC operators, region-specific study, or other local empirical data sources to identify average fleet-specific mix and age distribution to estimate car share fleet emission rates from the current version of EMFAC.

b) Alternate Approach: Obtain CO_2 emission rates for shed private automobiles from the current version of EMFAC and reduce by 29%.

Step 9: Estimate CO_2 emissions from car sharing vehicle operation.

*CO_{2CS} = Total VMT_{CS} * $EMFAC_{CS}$*

Where: CO_{2CS} = CO2 emissions from car share vehicles in region/TAZs (grams)
Total VMT_{CS} = VMT from car share vehicles in region/TAZs (miles)
$EMFAC_{CS}$ = EMFAC CO2 emission rate for car share vehicles in region/TAZs (grams per mile)

Step 10: Estimate total CO_2 emissions associated with car sharing in the region/TAZs.

Total CO_{2CS} = $CO_{2\ Shed}$ + $CO_{2\ CS}$

Where: Total CO_{2CS} = Total CO_2 emissions from car share strategy (grams/year)
CO_{2Shed} = CO_2 emission reductions from shed vehicles in region/County/City/TAZs (grams/year)
CO_{2CS} = CO_2 emissions from car share vehicles in region/County/City/TAZs (grams/year)

5) Challenges, Constraints, and Strategy Implementation Tracking

One of the main challenges with car share is the limited utility of round-trip services, and the limited penetration of one-way services. While the growth of peer-to-peer car share is encouraging, data sharing has been limited as they are private companies. In the SCAG region, Blue LA is a promising service with a long-term vision for expansion in the region.

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Other challenges include the following:

- Is there sufficient local empirical data sets available to identify:
  - Residential densities that support car sharing
  - Car share adoption rate
  - Competition from ride-hailing services that provide point-to-point transportation service
  - VMT reductions from shed vehicles
  - VMT associated with car share vehicles driven by car share members
  - Shed vehicles and car share fleet characteristics
- Do the types of car sharing programs (i.e., traditional roundtrip, one-way, peer-to-peer, and fractional) have different adoption rates?

6) Monitoring and Tracking
   - Regions/TAZs that support car sharing
   - Car share member population before and after strategy implementation
   - VMT reductions from shed vehicles or trips
   - VMT associated with car share vehicles driven by car share members

3. Changing Workplace: Automation, Co-working

1) Strategy Description

In general, this strategy aims to increase telecommuting, working from home, and other alternatives to single-occupant vehicle (SOV) employee commuting to a fixed work site. The specific focus is on co-working spaces, which are an increasingly prevalent feature of the region's employment landscape over the last several years. While the travel behavior of co-workers likely varies, it is reasonable to believe that the ability to use a co-working site in lieu of a farther away work space is a primary driver of their increasing popularity, which would result in lower VMT.

2) Objectives

Objectives of 'Connect SoCal' are to increase the options available to workers across the region, allowing them to choose alternatives to fixed places of work, which are major drivers of VMT. Telecommuting and flexible working hours are key factors in achieving this. However, not all work is suitable for a home location, and co-working spaces or teleworking centers can offer conveniently-located, affordable spaces for work to take place outside the home, but without the need to commute a longer distance to a fixed work location. While there has been a consistent increase in telecommuting and working from home, co-working spaces (in particular WeWork sites and Regus shared offices) are fairly new and have not yet been considered as part of a VMT reduction strategy. SCAG hopes to increase investments and policies in this area through the 2020 'Connect SoCal' RTP/SCS.

3) Trip and Emissions Data Needs

The primary data challenge is understanding the travel behavior of the users of co-working sites to ensure that they are indeed traveling less than they would to a fixed worksite. A SCAG-led consultant project is currently underway and as of this writing has surveyed roughly 150 co-working site users across the region, collecting data on their home locations, their industry/occupation, their commute

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mode, and where they would go if they didn't have a co-working site available. In addition, data is being collected about the extent and spatial distribution of co-working sites in the region, in order to forecast their likely number and penetration during the RTP/SCS forecast horizon. Finally, the surveying effort has resulted in a robust network of contacts of co-working space site managers, which will allow SCAG and its partners to help promote the advancement of trip-reducing uses of co-working throughout the region.

4) Quantification Methodology

Once survey results are completed by mid-2019, data can be used to estimate the current trip reduction potential based on the location of the region's co-working sites today and in the future. In addition, longitudinal telework and work-at-home data from the National Household Travel Survey (NHTS) and American Communities Survey (ACS) provide trend projections of these activities, which are similar to co-working spaces. It will then be possible to apply a past telecommute/work-at-home growth rate to our co-working site data to project future co-working travel behavior.

5) Challenges, Constraints, and Strategy Implementation Tracking

Implementation tracking may be a challenge; however, SCAG's experience with collecting survey data has resulted in a robust list of contacts at co-working sites. A follow-up plan and additional surveying may need to be developed. A challenge is that, until survey results are available in mid-2019, it will not be possible to quantify the trip reduction potential of co-working sites.

4. Electric Vehicle Charging Infrastructure

1) Strategy Description

The goal of the electric vehicle (EV) Charging Infrastructure strategy is to increase the number of workplace EV chargers in the region to facilitate workplace plug-in hybrid vehicles (PHEVs) charging by employees where the infrastructure is installed at workplaces. Currently, the average all-electric range (AER) of the PHEV fleet in California is approximately 33 miles per day per vehicle (mi/d/veh), while the average PHEV electric-drive range for this fleet is usage is only 20 e-miles/d/veh This difference between AER and average PHEV electric-drive range suggests that PHEV drivers operate their PHEVs in gasoline operating mode rather than electric operating mode for part of their work commutes.

As PHEVs can operate in gasoline and electric operating modes, the strategy would serve to maximize PHEV operation in electric operating mode and minimize their operation in gasoline mode, thereby reducing tailpipe CO2 emissions. Providing EV chargers at employee workplaces would help to extend the electric operation range of PHEVs used by employees who use EVs for commuting. Specifically, the strategy assumes PHEV batteries are fully charged prior to an employee beginning a commute trip to their workplace from home, as most PHEVs charge at home where the owner can qualify for low-cost nighttime charging that makes the electricity cheaper than gasoline. To facilitate PHEVs operating in electric mode on the employee's return commute trip to their home from workplace, the PHEV batteries are 'topped off' during work hours through the EV charging infrastructure installed under this strategy. In addition, as the strategy would be limited to employees where EV charging infrastructure is installed due to the strategy and would not be available to the general public, it is anticipated the strategy would not affect PHEVs driven by the general public and would not lead to induced VMT nor trips.

As part of this strategy, the following financial incentives would be provided:

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a. A one-time financial subsidy offered to employers for the purchase and installation of workplace EV charging infrastructure.
b. When gasoline is cheaper than electricity on a per-mile basis, on-going incentives offered to employers to subsidize PHEV-driving employees to charge their cars with EV vehicle infrastructure to help dis-incentivize the operation of PHEVs in gasoline operating mode.

In addition, providing subsidized power to employees through the employer would facilitate implementation of this off-model strategy because subsidized power would help to make electric charging cheaper than gasoline to dis-incentivize gasoline operation. Allowing PHEV drivers to charge at home and recharge at work can increase electrical mode usage.

2) Objectives

Electric Vehicle Charging Infrastructure strategies can reduce GHG emissions as follows:

- Increase the number of new workplace EV charging stations
- Increase the number of PHEVs participating in the program

3) Trip and Emissions Data Needs

- Number of vehicles that can be charged per EV charging station
- Number of PHEVs in the region (this data is available from the DMV)
- Number of EV charging facilities implemented as part of the program
- Electric range of PHEVs in the region (this data might be available from the DMV or from the National Renewable Energy Laboratory)
- Driving length frequency distribution of drivers (i.e., how far does the average PHEV drive each day above its all-electric range?)

4) Quantification Methodology

The overall approach is to determine the increase of PHEV mileage shifted from gasoline to electricity (e-miles) due to PHEV workplace charging at EV charging connectors installed by the strategy.

The estimate of GHG emission reductions from increased PHEV e-miles due to the strategy can be based upon two different initial approaches of the strategy:

a) Set up of the strategy based on the number of EV charging connectors installed:

- Estimate the number of population of PHEVs in region
- Estimate the number of PHEVs per charging connector
- Estimate the number of PHEVs in the region that could use workplace EV Charging Connectors
- Estimate average VMT shift per PHEV from gas to electricity (e-miles)
- Estimate total regional VMT shift from gas to electricity (e-miles)
- Estimate CO_2 emission reductions from PHEV e-miles

b) Set up of the strategy based on the number of PHEVs in the region that could use installed EV charging connectors:

- Estimate population of PHEVs in region
- Estimate number of PHEVs per charging connector
- Estimate number of EV Charging Connectors to install
- Estimate VMT shift from gas to electricity (e-miles)

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- Estimate CO_2 emission reductions from PHEV e-miles

These approaches are described in more detail in ARB's Final Draft SCS Program and Evaluation Guidelines Appendices.

SCAG's implementation of the strategy will create more charging stations across the region than would be created by state efforts alone. A greater number of charging stations in the region will enable PHEV drivers to charge more frequently and operate their vehicles in electric mode for a higher proportion of travel.

SCAG intends to use the quantification methodology outlined in ARB's Final Draft SCS Program and Evaluation Guidelines Appendices.

5) Challenges, Constraints, and Strategy Implementation Tracking

- This strategy can be tracked by analyzing longitudinal data of registered PHEVs and installed EV stations in the region.
- The effectiveness of this strategy may fluctuate depending on adoption of EVs, availability of funding sources for incentives, and electric range of PHEVs.
- Local data on charging and electric use of PHEVs may be limited.

Other:

- The goal of the strategy is to increase PHEV e-miles per day; not to increase purchases of PHEV nor Battery Electric Vehicles (BEVs). That is covered by other strategies.
- PHEV electric range would not increase as a result of the strategy. Rather, the strategy will allow workplace charging to facilitate the operation of the PHEV in electric mode and limit operation in gasoline mode.
- The choice of electricity over gasoline in a PHEV depends upon the relative price (cost/mile). It is critical to the success of this strategy to have a low competitive price for electricity, whether from the power company rate structure or from direct employer subsidy

5. First/Last Mile Improvements

1) Strategy Description

This strategy uses a Complete Streets approach to maximize the number of people walking or biking to transit by improving active transportation conditions within a radius of up to three miles from a transit station or stop. Improving conditions includes increasing safety, improving infrastructure, and reducing the time it takes to access the transit station or stop.

Infrastructure investments may include dedicated bike routes, sidewalk enhancements, mid-block crossings (short-cuts), reduced waiting periods at traffic signals, bicycle parking, signage and wayfinding, bike share, micro mobility, landscaping, streetscape furniture, and others.

The strategy of developing first/last mile solutions will increase transit ridership and increase the number of people using active transportation to reach a transit stop. This strategy works by attracting transit riders by decreasing the "cost" or total trip time of a transit trip (creating the conditions that allow people to travel a longer distance in the same amount of time) as well as improving safety.

2) Objectives

Attachment: Final SCAG GHG Technical Methodology (Connect SoCal Technical Methodology Submittal to California Air Resources Board)

- Reduce vehicle miles traveled (VMT)
- Increase transit ridership
- Reduction air pollution
- Increase physical activity and improve health outcomes

3) Trip and Emissions Data Needs

- Existing bicycle network
- Ratio of sidewalk miles to road miles
- Intersection density (an indicator of degree of traffic stream conflict points and street connectivity)
- Percent of population within a 10 minute walk shed and bike shed of 2-3 miles of a transit station or stop.
- Number and location of transit stops/ stations

4) Quantification Methodology

To analyze travel effect of First/Last mile improvement, SCAG uses Active Transportation Tool (AT Tool) developed by 2016 RTP/SCS. AT Tool generates mode share by 1) auto, 2) transit, 3) walk-to-activity, 4) walk-access-transit, and 5) bike, with different input/assumption to input variables, including 1) bike lane density, 2) pedestrian improvement, 3) intersection density (for mid-block crossing), and 4) local street density (design/street calming). To avoid double counting issues, only mid-block crossing and street calming are improved in the First/last mile areas. Improvement on bike lane, pedestrian, micro mobility and bike share are not included in the analysis.

5) Challenges, Constraints, and Strategy Implementation Tracking

Potential challenges and constraints include:

- Collecting consistent data from a variety of jurisdictions and transit service providers
- Making accurate estimates of sidewalk coverage due to lack of complete data sets
- Decreases in transit ridership from other factors including TNCs and increased auto ownership
- Funding availability

Implementation success will be tracked by evaluating the following metrics:

- Increases in transit ridership
- Reduction in VMT
- Miles of new bicycle or pedestrian infrastructure improvements (e.g., protected bicycle lanes, new sidewalk, etc.) around transit stations and stops.
- Installation of transit station amenities to encourage bicycling and walking (e.g., bike parking)
- Reduction in rate of collisions involving people walking and biking near transit stations

6. <u>Improved Pedestrian Infrastructure</u>

1) Strategy Description

Installation of pedestrian facilities to support safe conditions for walking trips and to encourage additional trips to be taken by walking. This strategy is closely aligned with the First/Last Mile Strategy and the Safe Routes to School Strategy, but focuses primarily on the development of wholesale pedestrian networks across land use scenarios.

Attachment: Final SCAG GHG Technical Methodology (Connect SoCal Technical Methodology Submittal to California Air Resources Board)

Investments will include the installation of new sidewalks, repair of existing sidewalks, improvement of intersection designs, installation of ADA compliant infrastructure, walking paths, traffic control devices, crosswalks, curb extensions/bulb outs, ADA requirements, and other traffic calming projects that reduce vehicle speeds. Investments will include state and federal grants, complete streets investment strategies, and county and local funding sources.

Providing complete sidewalk networks allows safe travel for walking trips and encourages walking for a variety of short trip purposes. Investments will improve safety outcomes for pedestrians and reduce VMT by shifting short trips to walking modes.

2) Objectives

- Reduction in VMT
- Increase in walking mode share
- Reduction in rate of collisions involving pedestrians
- Reduction in air pollution
- Increase in physical activity and health outcomes

3) Trip and Emissions Data Needs

Much of the built environment currently includes sidewalks, however, there are often gaps in the network, sidewalks in need of repair due to tree roots and other impacts, and in some cases, sidewalks were previously installed but do not meet current ADA requirements. Several jurisdictions have completed sidewalk inventories that can be used to develop estimates across place types for identifying regional investment strategies and expected changes in mode choice.

4) Quantification Methodology

Estimates for sidewalk coverage will be developed for place types as was done in the 2016 RTP/SCS. Investment and completion levels will be based on the percent completed for different land use investment strategies (NMAs, TPAs, HQTAs, etc.), which will be modeled using an off-model strategy. To avoid double counting, this strategy includes general pedestrian improvements that would not include the specialized location specific place-based improvements included in the First/Last Mile and Safe Routes to School strategies.

Changes in transit infrastructure, land use, and pedestrian infrastructure will all impact mode shift and safety outcomes. Other strategies that impact those factors should be considered during modeling.

5) Challenges, Constraints, and Strategy Implementation Tracking

- Collecting consistent data from a variety of jurisdictions
- Funding availability
- Making accurate estimates of sidewalk coverage due to lack of complete data sets
- Decreases in transit ridership from other factors including TNCs and increased auto ownership

Metrics of success may include:

- Reduction in VMT
- Reduction in rate of collisions involving pedestrians
- Miles of new and/or repaired sidewalk or other pedestrian facilities (e.g., mid-block crossings, ADA compliant infrastructure, signage/wayfinding)
- Traffic calming project implementation

Attachment: Final SCAG GHG Technical Methodology (Connect SoCal Technical Methodology Submittal to California Air Resources Board)

7. Parking Management

1) Strategy Description

Parking management techniques include real-time identification of open parking spaces, active wayfinding, adaptive pricing and consumer-facing apps for information and payment of parking. These pertain to on-street as well as public off-street parking. Private parking is not precluded, but likely is not incentivized to participate. In the SCAG region, the City of Los Angeles Department of Transportation (LADOT) has deployed smart parking systems throughout downtown Los Angeles and Hollywood, and has plans for deployment in Westwood Village near UCLA.

Parking management strategies aim to reduce GHG emissions by reducing vehicle trips and promoting alternative modes of transportation through methods such as pricing mechanisms, allowable hours of parking, or parking permits. These strategies can potentially improve and increase turnover rates for parking availability in impacted areas and reduce parking search time and the associated VMT and GHG emissions. The existing parking management strategies that SCAG will quantify include the following:

- Long/short-term fee differentials
- On-street fees and resident parking permits
- Reduced reliance on minimum parking standards
- Adaptive parking pricing

In the SCAG region, the parking management strategy that will be analyzed will be discouraging vehicle trips through installing parking meters and assigning limited hours for parking areas that are currently offered for free.

2) Objectives

The intended goal is increased customer satisfaction, better utilization, and increased parking revenues and citations. The GHG reduction goal is a decrease in VMT by reducing cruising for empty spaces due to the improved wayfinding. Additionally, where parking has not been priced before, some mode switching to transit, biking and walking may occur as driving is dis-incentivized.

Parking management strategies can reduce GHG emissions as follows:

- Reduced VMT
- Reduced vehicle trips
- Reduced vehicle hours traveled (VHT) (i.e., searching time for parking)
- Changes in mode share

3) Trip and Emissions Data Needs

Data needs include

- Extent of smart parking deployments
- Reduction in circling due to implementation
- Number of vehicle trips reduced
- Average vehicle trip length in the implemented area
- Parking turnover rates before and after the implementation of strategy

Attachment: Final SCAG GHG Technical Methodology (Connect SoCal Technical Methodology Submittal to California Air Resources Board)

4) Quantification Methodology

SCAG will follow the off-model methodology laid out in the ARB Draft SCS Evaluation Guidelines for calculating VMT due to shorter searching time for parking based on Smart Parking deployment. The GHG emission reductions SCAG will analyze are generally attributable to reductions in VMT due to shorter search times for parking and less vehicle trips.

The following are the basic analytical steps that MPOs can consider when estimating VMT and/or GHG emission reductions associated with parking management strategies.

Quantifying VMT reduced due to shorter searching time for parking:

$-VMT_{parking} = v_{avg} * t_{saved}$

Where: *-VMT= VMT reduced due to shorter search time for parking (mile*
v_{avg}: Average travel speed on local streets (mph)
t_{saved}: Time saved from parking (hour).

5) Challenges, Constraints, and Strategy Implementation Tracking

Smart Parking systems face one unanticipated challenge; that is, the proliferation and abuse of disabled or handicap parking placards. Since placards allow drivers to park for free, there is a large incentive for non-eligible drivers to use their relatives' placards, or seek out disreputable doctors to provide them as reported by Los Angeles Times in April 2019. Additionally, with an aging population, there will be an increase in such placards being given out to elderly residents. According to a source at one agency, up to 40% of the most sought-after spaces in their service area may be occupied by placard holders at any given time.

Another challenge to parking management policy planning is that MPOs and/or local jurisdictions need to partner with communities to identify the rates and hours of parking that would be effective in reducing GHG emissions. Especially in developing areas, proposed parking management policy needs to consider the unforeseen demand as well. Another possible challenge would be to isolate the parking management strategy's impact on reducing VMT and/or GHG emissions from other strategies that potentially have similar impacts on the affected population and implemented areas. For example, high-cost of parking can incentivize travelers to consider transit as an alternative means of transportation. However, direct transit strategy (e.g., more frequent transit service) can also motivate travelers in the same planning area to switch from auto mode to transit mode.

8. Multimodal Dedicated Lanes

1) Strategy Description – Multimodal Dedicated Lanes.

Conversion of traffic lanes to multimodal dedicated lanes has been planned in portions of the City of Los Angeles. These lane conversions would serve both transit and active transportation modes. They have been developed to be consistent with the City of Los Angeles' Transit Enhanced Network, a key strategy of the Mobility Plan 2035: An Element of the General Plan.

There are three levels of intervention: comprehensive, moderate plus, and moderate. The comprehensive corridors feature round-the-clock dedicated multimodal lanes. The moderate plus lanes feature peak hour multimodal lanes. The moderate lanes feature bicycle lanes and rapid bus service, and are only being included for the San Fernando Valley portions of the City of Los Angeles.

Attachment: Final SCAG GHG Technical Methodology (Connect SoCal Technical Methodology Submittal to California Air Resources Board)

The strategy is expected to reduce greenhouse gas emissions by encouraging modal shift from auto travel to active modes and transit.

2) Objectives

Multimodal dedicated lanes would be implemented to: 1) Increase transit vehicle speeds, 2) Increase transit system reliability by reducing traffic congestion imposed variably in travel time, and 3) Enhance safety for cyclists and new mobility users. These objectives would lead to increased use of these modes in the specified corridors and would provide residents of these areas with additional mobility options. Additionally, reduced mixed-vehicle capacity may result in less vehicle miles travelled.

The strategy is expected to increase bicycle lanes and transit boardings, while decreasing vehicle miles travelled. Reduced vehicle miles travelled and greenhouse gas emissions would be the result of reduced vehicle trips due to modal shift.

3) Trip and Emissions Data Needs

Cost estimates for the strategy will be based on the average of programmed totals from programmed investments for dedicated bus lanes.

Currently, there are dedicated lanes or road facilities for transit buses in at least five SCAG subregions – Westside COG, San Fernando Valley COG, San Bernardino COG, City of Los Angeles, and San Gabriel Valley COG. Responsible parties for the implementation of this strategy could be either local cities or transit providers. SCAG will partner with those entities to track strategy implementation and success metrics. The affected population for this strategy are the residents living near the corridors, as well as travelers who use the corridors.

There are three types of data needed: infrastructure assumptions; baseline travel data; and travel demand model test run elasticity factors.

Data needs include:

- Total baseline travel via personal vehicle, transit, and active modes
- Corridor length for the entire network, split between comprehensive and moderate plus networks.
- Total mileage for each network needs to be identified:

Infrastructure Assumptions

- Comprehensive Bus Corridors
- Moderate Plus Bus Corridors
- Moderate Bus Corridors
- Bike Lanes

Baseline Travel Data

- Plan year baseline and plan transit travel
- Plan year baseline and plan active modes travel
- Plan year baseline and plan VMT

Elasticity Factors

- Model test run elasticity factor for auto travel

Attachment: Final SCAG GHG Technical Methodology (Connect SoCal Technical Methodology Submittal to California Air Resources Board)

- Model test run elasticity factor for transit travel
- Model test run elasticity factor for active travel modes
- Model test run elasticity factor for VMT

4) Quantification Methodology

Use of the converted multimodal dedicated lanes will be estimated using elasticity factors derived from a test run of the regional travel demand model. These estimates will be expressed in VMT. The methodology will attempt to estimate the benefits of comprehensive, moderate plus, and moderate lanes.

The elasticity factors will be applied to the output of the travel demand model for the three modes (vehicle travel, transit, and active transportation) along the specified corridors. These numbers will be aggregated to the comprehensive, moderate plus, and moderate levels. The difference between aggregated baseline and aggregated new travel across the three modes will be multiplied by CO2 emissions rates obtained from EMFAC and used to produce estimated greenhouse gas reductions.

5) Challenges, Constraints, and Strategy Implementation Tracking

The off-model analysis of this strategy will require the production of elasticity factors from the travel demand model. A test run has been conducted and this seems achievable. These factors will then have to be multiplied against plan year forecast data from the travel demand model, which will be produced as part of SCAG's normal metropolitan planning activities.

Implementation tracking may be a challenge. However, Federal Transit Administration Small Starts grants require before and after studies; if any Small Starts grants are used to pay for lane conversions, these reports would be required. These reports will facilitate implementation tracking.

Metrics of success would include:

Direct measures:

1) increased average transit vehicle speeds in the corridor
2) increased on-time performance in the corridor
3) decreased pedestrian involved traffic collisions in the corridor
4) decreased bicyclist involved traffic collisions in the corridor

Indirect measures:

1) increased transit trips in the specified corridors
2) increased active mode travel in the specified corridors
3) decreased auto travel in the specified corridors

9. Safe Routes to School Strategies

1) Strategy Description

Safe Routes to School strategies are comprehensive approaches to reduce the number of Single Occupant Vehicle (SOV) trips to schools and shorten commute trips where one stop of the trip is at a school. The Safe Routes to School Strategy includes a combination of both infrastructure investments as well as encouragement programs:

Attachment: Final SCAG GHG Technical Methodology (Connect SoCal Technical Methodology Submittal to California Air Resources Board)

- *Safe Routes to School Encouragement Programs:* Safe Routes to School is a comprehensive strategy aimed at increasing rates of children walking and bicycling to school. It includes a wide variety of encouragement and education strategies based on the 6 Es of Encouragement, Education, Evaluation, Enforcement, Engineering, and Equity.
- *Safe Routes to School Active Transportation Infrastructure Improvements:* This strategy aims to increase the number of children walking and biking to school by implementing the Engineering "E" through infrastructure improvements to the bicycle and pedestrian network within a short distance of a school site.

When implemented, Safe Routes to School strategies improve safety, reduce congestion and vehicle miles traveled (VMT), improve air quality, and increase the physical activity rates of students and their parents.

2) Objectives

The objective of bike share systems are to provide flexible mobility for short to medium distances (1-5 miles). They reduce GHG by the following:

- Replacing short distance auto trips
- Improving health outcomes
- Increasing rates of walking and bicycling

3) Trip and Emissions Data Needs

Data needs include:

- Number of schools and students impacted
- Literature on the effectiveness of the program

4) Quantification Methodology

Students participating in Safe Routes to School program will change travel model to/from school from vehicle and transit to walking or biking. Since most of school age students are not vehicle drivers, most of them are carpool passengers or walking/biking to school (transit share is very small). As they change travel mode from carpool to active transportation modes, vehicle travel will be reduced because parents or family adults will no longer need to pick up/drop off school kids. Two types of VMT saving will be estimated: 1) pure escort trip: family adults driving school kids to school, then back to home; and family adults driving to school to pick up school kids, then back to home. 2) share-ride: travel detour for adult workers to pick up or drop off school kids. SCAG will use household travel survey data and model output to calculate VMT saving described above. To avoid double counting with other infrastructure enhancement, SCAG will apply a 10% discount on calculated VMT saving.

5) Challenges, Constraints, and Strategy Implementation Tracking

Challenges will be mostly on the data collection side. Many agencies currently operate Safe Routes to School programs but no centralized database exists for California or the SCAG region. National literature for program effectiveness is available and will be used for off model estimates.

Attachment: Final SCAG GHG Technical Methodology (Connect SoCal Technical Methodology Submittal to California Air Resources Board)

IX. Other Data Collection Efforts

1. Local Input Survey

To assist in the development of 'Connect SoCal', SCAG initiated the Local Input Process in 2017. The Local Input Process was designed to engage local jurisdictions in establishing base geographic and socioeconomic data sets for Connect SoCal. As part of the Local Input Process, SCAG developed a 2020 Local Input Survey to collect information from local jurisdictions related to the implementation of the 2012 and 2016 RTP/SCS, as well as to assist in the development of 'Connect SoCal'. The 2020 survey builds and expands upon the 2016 survey by adding substantive questions. Whereas the 2016 Local Input Survey focused primarily on land use, transportation and natural lands issues, the 2020 Local Input Survey expands the set of questions to include inquiries related to housing, goods movement, public safety, environmental compliance, environmental justice, and data.

During the 2016 Local Input process, SCAG staff received multiple requests from local jurisdictions to provide clarifications on certain technical terms. As such, SCAG staff has developed a glossary to assist local jurisdictions in completing the Local Input Survey in a timely matter. Distribution of the 2020 Local Input Survey began on October 1, 2017 and concluded on October 1, 2018. The survey was distributed via email, hardcopy, and online (Survey Monkey). The Local Input Survey consists of the following topics:

1) Land Use
2) Transportation
3) Environmental
4) Public Health and Safety
5) Data

One hundred twelve local jurisdictions (about 60%) responded to the survey. Survey responses will assist in developing SCAG's scenario planning model for the SCS.

Attachment: Final SCAG GHG Technical Methodology (Connect SoCal Technical Methodology Submittal to California Air Resources Board)

AGENDA ITEM NO. 5

REPORT

Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
June 6, 2019

To: Community Economic & Human Development Committee (CEHD)

EXECUTIVE DIRECTOR'S APPROVAL

Kome Ajise

From: Kimberly Clark, Regional Planner Specialist, Research & Analysis, (213) 236-1844, Clark@scag.ca.gov

Subject: Affordable Housing and Tax Increment Financing: A SCAG Whitepaper

RECOMMENDED ACTION:
For Information Only – No Action Required

STRATEGIC PLAN:
This item supports the following Strategic Plan Goal 4: Provide innovative information and value-added services to enhance member agencies' planning and operations and promote regional collaboration.

EXECUTIVE SUMMARY:
To increase the viability and effectiveness of tax increment financing in support of sustainable growth and infrastructure, SCAG developed a White Paper entitled "Linking Economic Development with Housing Supply using Tax Increment Financing Tools in Southern California: A Review of Recent Challenges and Promising Opportunities" that draws from on-the-ground experience in working with local jurisdictions to establish tax increment financing districts. SCAG's Pilot Program in this area aims to support implementation of the 2016 Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS), stimulate economic development and job creation through housing and land development, and provide jurisdictions financial mechanisms to support local transit and housing supportive infrastructure. SCAG's White Paper will be published and distributed to the Community, Economic, and Human Development (CEHD) Committee this summer.

BACKGROUND:
Housing production in California has not kept up with demand, and a shortage in housing inventory, specifically affordable housing, has resulted in negative economic impacts that contribute to urban sprawl, add time to regular commutes, make healthy food and healthcare less accessible, exacerbate the growing homelessness crisis, and limit Californians' overall financial security. The dissolution of Redevelopment Agencies (RDAs) in 2012 exacerbate this challenge. Meanwhile, the pattern of job growth in Southern California shows increasing pressure on the middle class while incomes have become increasingly polarized—increasing the challenge of ensuring housing equity amidst rising housing costs.

The recent establishment of new tax increment financing (TIF) tools, however, provides some hope. In addition to directly funding affordable housing, these new TIF tools can also fund the supportive infrastructure that frees up other funding sources for building actual units, while providing financial incentives for localities to pursue the State's sustainability and housing goals. SCAG's case studies suggest that intergovernmental cooperation is key for TIF districts to be successful—in particular, county participation is important to reduce risk and ensure financial success of the district for most jurisdictions.

Since TIF tools are specifically designed to promote the same kind of sustainable infrastructure and affordable housing the state prioritizes, a small amount of financial support would help localities achieve State goals. Stakeholders such as Metropolitan Planning Organizations (MPOs) and regional Councils of Governments (COGs) are also well-positioned to offer support because of their local expertise in housing needs allocation, sustainability planning, site and zoning issues, and could also be suited to administering financial resources and technical support across a region. The type of collaborative governance practiced by MPOs and regional COGs for several decades is the same ethos required for the success of these districts. A promising role for MPOs and regional COGs is a closer linkage of these three roles in order to ensure stable, long-term regional housing supply.

SCAG's current technical assistance programs, which combine preliminary data on potential infill and refill parcels with tax increment financing screening tools and pilot studies, have already begun this process. With MPOs and regional COGs having an important role both in administration of the RHNA, development of the Sustainable Communities Strategy, and ongoing data-driven technical assistance to local jurisdictions, integration of these efforts towards the goal of constructing affordable housing could produce promising results. Additional details are discussed in the draft final version of SCAG's White Paper (see Attachment), titled "Linking Economic Development with Housing Supply using Tax Increment Financing Tools in Southern California: A Review of Recent Challenges and Promising Opportunities".

FISCAL IMPACT:
Work associated with this item is included in the current Fiscal Year Overall Work Program under 150-4096.07, Tax Increment Financing for Sustainable Growth.

ATTACHMENT(S):
1. Linking Economic Development with Housing Supply using Tax Increment Financing Tools in Southern California: A Review of Recent Challenges and Promising Opportunities

Linking Economic Development with Housing Supply using Tax Increment Financing Tools in Southern California: A Review of Recent Challenges and Promising Opportunities

DRAFT FINAL

A Southern California Association of Governments White Paper
Department of Research and Analysis

Kimberly Clark
Kevin Kane
Frank Wen
John Cho
Anna Kobara

DRAFT

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Acknowledgements

SCAG would like to thank practitioners and experts who provided feedback on this paper: Joseph Dieguez, Larry Kosmont, Steve Levy, Joan Ling, Nick Marantz, Mark Pisano, and Wallace Walrod.

Attachment: Linking Economic Development with Housing Supply using Tax Increment Financing Tools in Southern California: A Review of

Executive Summary

- SB 961, passed in September 2018, directs the Governor's Office of Planning and Research (OPR) to conduct a study before January 2, 2021 on the effectiveness of tax increment financing for increasing housing production. This paper represents SCAG's initial analysis of the same based on lessons learned from conducting twenty post-redevelopment tax increment financing feasibility studies throughout southern California.
- Overall, California struggles to meet its affordable and market rate housing needs in part due to the limited availability of funding to help localities affirmatively promote building.
- From 1945 to 2012, local jurisdictions in California relied on tax increment financing (TIF), permitted by the Community Redevelopment Act, as a primary funding tool for community development projects including affordable housing. TIF is a public financing tool that diverts increases in future tax revenue to a designated district within a city and or county without increasing property taxes for residents. In the 1980's, the Community Redevelopment Act required that 20 percent of funds produced be set-aside for affordable housing development. This was the largest pool of funding for affordable housing for over 25 years, but it was eliminated in 2012.
- Starting in 2014, tax increment financing was made available to local jurisdictions through the establishment of Enhanced Infrastructure Financing Districts (EIFDs), Community Revitalization and Investment Authorities (CRIAs), Neighborhood Infill Finance and Transit Improvements Districts (NIFTIs/NIFTI-2s), and Affordable Housing Authorities (AHAs). These TIF tools provide resources for local jurisdictions and public agencies to collaborate on achieving the state's sustainability and housing goals by combining local funding streams to support sustainable infrastructure – including affordable housing.
- Of these available mechanisms, however, only three EIFDs have been established to date. Substantial hurdles exist for local jurisdictions in TIF district formation, including insufficient city tax increment, organizational challenges in large cities, and limited experience with recent TIF district formation. Most pressing, the structure of TIF districts often necessitate intergovernmental cooperation, but counties and special districts are reticient to participate without added financial incentives.
- Based on lessons learned in early district creation efforts, **minor improvements to tax increment financing legislation are needed** to address challenges. SB 1145, which allowed for maintenance to be funded through EIFD revenues, is a step in the right direction.
- Since California's tax increment financing mechanisms support infrastructure that implements the State's housing and climate goals**, a State-funded pilot program designed to catalyze "first movers"** in district establishment may alleviate stresses associated with district formation and encourage more localities to also support State priorities. Site-specific impediments to housing development could also be minimized through CEQA streamlining or through State financial support for jurisdictions facing legal challenges against bona fide housing developments.
- **Metropolitan Planning Organizations (MPOs) and regional Councils of Governments (COGs) are well-positioned to support TIF and other geographically-targeted policies** through technical assistance and direct support to jurisdictions, due to their role in administering housing element law and state sustainability planning law, as well as their regional perspective and intimate knowledge of localities' available sites and zoning nuances. Supporting long-term housing supply, which is frequently tied to the physical and financial capacity of a jurisdiction's ability to grow, could be a future goal of MPOs and regional COGs by better linking housing and sustainability mandates.
- Other geographically-targeted development programs such as federal Opportunity Zones (OZs) and recent changes to state economic development policy could also be employed in increasing housing supply. OZs could make investment very attractive in California, but realizing their full potential may require procedural streamlining and a matching state capital gains deferral.

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Introduction

California is in the midst of a long-term structural housing shortage and affordability crisis. As of 2018, California ranks 49th of 50 states in the number of housing units per resident. With many strong indications, high demand for housing and short supply drives up rental and home purchase prices throughout the state. Indeed, seven of the 10 most expensive housing markets in the United States are in California, and this crisis has led households in California to spend $53 to $63 billion a year on housing that would have otherwise been spent as disposable income.[1]

There are many contributors to the overall housing shortfall, such as zoning, costs, and fees that prevent projects from being feasible; time delays; environmental litigation; community resistance to medium and high density projects; and lack of sufficient local funding mechanisms. One underlying challenge is that middle-income job growth has been severly deficient despite an otherwise strong recovery from the Great Recession. One example is that inflation-adjusted median household incomes in Southern California were lower in 2017 than in 1989. Compared with rapid increases in housing costs, it is no wonder why the region leads the nation in cost-burdened households with 44.9 percent of households paying over 30 percent of gross income towards housing costs[2] (Figure 1).

Figure 1: Ten Largest Combined Statistical Area (CSA) by Cost-Burdened Households (Renters and Owners)

Region	Cost burdened share
Los Angeles-Long Beach, CA CSA	44.9%
Miami-Fort Lauderdale-Port St. Lucie, FL CSA	43.2%
New York-Newark, NY-NJ-CT-PA CSA	42.1%
San Jose-San Francisco-Oakland, CA CSA	38.1%
Boston-Worcester-Providence, MA-RI-NH-CT CSA	34.9%
Philadelphia-Reading-Camden, PA-NJ-DE-MD CSA	34.7%
Chicago-Naperville, IL-IN-WI CSA	34.6%
Washington-Baltimore-Arlington, DC-MD-VA-WV-PA CSA	31.8%
Houston-The Woodlands, TX CSA	30.4%
Dallas-Fort Worth, TX-OK CSA	30.4%

Cost burdenedness defined as percentage of owner and renter households spending more than 30 percent of gross income on housing.

Source: American Community Survey 2017 5-Year Estimates

In looking towards the future and examining recent trends in job growth, the problem of undersupply in market-rate housing and below market-rate housing will likely continue. Growth in low wage jobs (those earning less than $18 per hour) from 2001 to 2016 comprised an inordinately high share of total job growth in the SCAG region (39 percent). Middle wage jobs (those earning $18 to $30 per hour) also saw a substantial decrease in numerical growth during the Great Recession and years following, comprising only seven percent of growth from 2001 to 2016 (Figure 2). Overall purchasing power for housing also declined

[1] Woetzel, Jonathan. et al. (2016). *A Tool Kit to Close California's Housing Gap: 3.5 Million Homes by 2025.* McKinsey & Company. Retrieved from: https://www.mckinsey.com/~/media/McKinsey/Featured%20Insights/Urbanization/Closing%20Californias%20housing%20gap/Closing-Californias-housing-gap-Full-report.ashx

[2] American Community Survey 2017 5-year estimates, comparing the Los Angeles-Long Beach Combined Statistical Area to other US regions.

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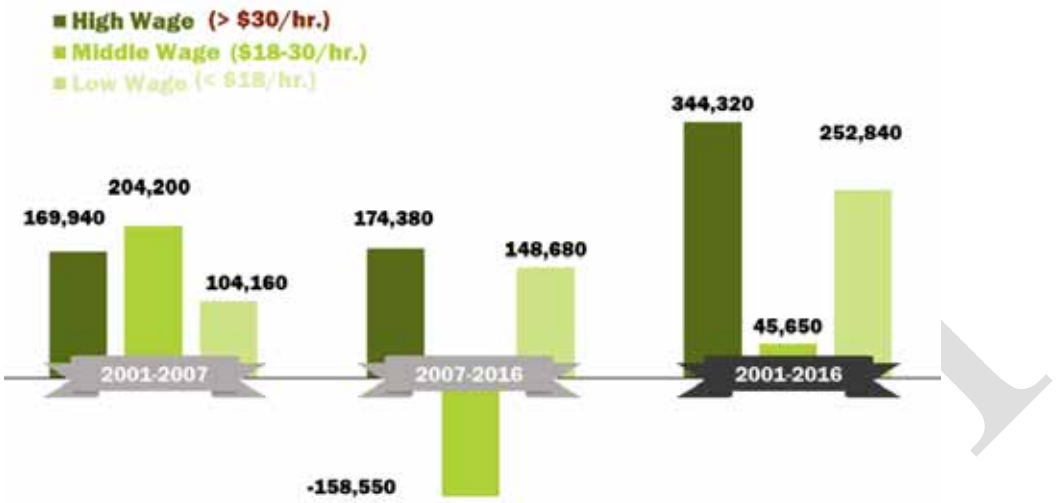
Attachment: Linking Economic Development with Housing Supply using Tax Increment Financing Tools in Southern California: A Review of

substantially for middle income and low income groups during the Great Recession. Median household income only recovered to the pre-recession, 2007 levels in 2017 (Figure 3).

Figure 2: Growth in High, Middle, and Low Wage Jobs from 2001 to 2016 in the SCAG Region



Source: California Economic Development Database (EDD, ES202) wage and job files. Hourly wages are in constant 2013 dollars. Data provided the Center for the Continuing Study of the California Economy (CCSCE).

Figure 3: Inflation Adjusted Median Household Income from 1979 to 2017

Sources: US Decennial Census, American Community Survey, and Consumer Price Index accessed through Social Explorer using constant 2017 dollars

With these pressures and others, California experienced a negative net out-of-state migration of over 1 million people between 2006 and 2016, the majority of whom were low-income households earning $30,000 or less.[3] Additionally, population and employment growth in metropolitan areas in California has slowed in recent years because wages cannot compensate for the high cost of housing, even for middle-class households earning $50,000-$99,999.[4] For those able to stay, high housing costs often force residents to live

[3] Next10. (2018). Growth Amid Dysfunction: California Migration, Current State of California Housing Market and California Employment by Income. Retrieved from: https://next10.org/migration
[4] Ibid

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further away from their workplace as affordable options are sparse near their place of work. The California Legislative Analyst's Office found that for every 10 percent increase in a metropolitan area's median rent, there was a 4.5 percent increase in an individual's commute time.[5]

High housing prices contribute to sprawl, add time to regular commutes, make food and healthcare less attainable by constraining household resources, and exacerbate the growing homelessness crisis[6]. The cumulative impacts of the housing shortage on individuals' everyday lives sum to an estimated annual economic loss of $140 billion in lost output[7]. This is in spite of the fact that every dollar spent on new housing construction, including infill development, generates more than an additional dollar ($1.10) in total economic activity, and each job created through residential construction supports 1.4 additional jobs[8].

Beyond bolstering economic output and job creation, affordable housing reduces poverty and homelessness, increases residents' economic mobility and educational attainment, and improves health outcomes in vulnerable populations. Several studies that have analyzed the economic relationship between affordable housing and surrounding properties have found that affordable housing development has little to no impact on surrounding property values, and in some cases, surrounding property values have increased. A 2016 study conducted by Trulia's research branch analyzed over 3,000 affordable housing projects funded by the Low-Income Housing Tax Credit (LIHTC) program in the nation's top 20 least affordable housing markets. Young found that the LIHTC projects had no significant effect on surrounding home values.[9] A literature review of 17 studies conducted between 1963 and 2001 found that a variety of different types of affordable housing development types (LIHTC, Public Housing, Below Market Interest Rate (BMIR), mixed-income, Section 8, etc.) had positive economic impacts on nearby properties if the affordable developments ensured sufficient management and were designed to be compatible with the scale of the existing neighborhood.[10]

Meanwhile, the 2012 dissolution of Redevelopment Authorities (RDAs) has severely constrained the ability of towns, cities, and counties to pursue both economic development goals and promote affordable housing since RDAs mandated an affordable housing set-aside. In 2014, and with modifications the following year, the state restored a more limited form of tax increment financing by establishing Enhanced Infrastructure Finance Districts (EIFDs) and Community Revitalization and Investment Authorities (CRIAs). However, in 2017 and 2018, a bevy of state legislation was both proposed and adopted in order to further link housing and economic development goals **(see Figure 4).** All of the current tools have a required affordable housing set-aside or necessitate that any housing units funded by a district be affordable.

One purpose of these programs is to foster new institutional arrangements that provide financial frameworks to accomplish shared objectives. **If implemented across the SCAG Region, TIF revenue for EIFDs in particular could sum to more than $32 Billion over their 45-year district lifespan (Figure 5).** With these new funding tools, the potential for affordable housing generation could exceed RDA's previous potential if jurisdictions are able to move forward in establishing TIF districts (Figure 6). However, while

[5] Taylor, Mac. (2015). California's High Housing Costs: Causes and Consequences. California Legislative Analyst's Office. Retrieved from: https://lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf
[6] Woetzel, Jonathan. et al. 2016. *A Tool Kit to Close California's Housing Gap: 3.5 Million Homes by 2025.* McKinsey & Company
[7] See, e.g., McKinsey, 2016
[8] https://bialav.org/wp-content/uploads/2015/10/2014-Economic-Benefits-of-Housing-Sept-2014-Update.pdf
[9] Young, Cheryl. (2016). There Doesn't Go the Neighborhood: Low Income Housing Has No Impact on Nearby Home Values. Trulia Research. Retrieved from: https://www.trulia.com/research/low-income-housing/
[10] Nguyen, Mai Thi. (2005). Does Affordable Housing Detrimentally Affect Property Values? A Review of the Literature. Journal of Planning Literature, Vol. 20. Retrieved from: http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.723.1077&rep=rep1&type=pdf

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legislation supporting procedural streamlining, financing authority creation, and housing element reform have the potential to alleviate some of these stresses, the number and complexity of new programs also presents a challenge for resource-strapped local jurisdictions.

Lewis (2003, p. xi) notes that "creating a component of the state fiscal system that rewards local governments for the addition of housing units, particularly affordable units, may result in less conflict and more cooperation." In particular, **seeing housing development and economic development as one and the same can help enlist localities in achieving the state's larger sustainability and housing goals and provide synergistic benefits through "unusual alliances" of stakeholders**. MPOs and regional COGs can have an important role, as they are examples of the kind of collaborative governance envisioned by these new tools, in addition to their ability to convene and match entities with shared goals.

This paper will examine the effectiveness of tax increment financing for increasing housing production by first describing the past and present tools in California and providing recent case studies that highlight key challenges and opportunities. We then discuss several avenues of potential solutions through (1) **providing state financial support for modified tax increment financing tools**, (2) MPO and regional COG support via existing housing element law, technical assistance, and resources, and (3) aligning TIF with other geographically-targeted programs.

Figure 4: Summary of Sustainability and Housing Districts by Type

Tool	Established	Brief description of capabilities
Redevelopment Authority (RDA)	1952-2012 (dissolved)	N/A
Enhanced Infrastructure Finance District (EIFD)	2014, rev. 2016 (SB 628, AB 313)	Through a public financing authority, a city, county, or special district can designate a district for investment in infrastructure and related projects. Several funding sources including incremental tax revenues can be used, and maintenance costs can now be included (SB 1145)
Community Revitalization and Investment Authority (CRIA)	2014, rev. 2016 (SB 628, AB 313)	City or county can create a district **in a designated disadvantaged area** where incremental tax revenues can be used for certain projects; focuses on housing and allows for eminent domain
Neighborhood Infill Finance and Transit Improvements Act (NIFTI)	2017 (AB 1568)	City establishes its entire land area as a NIFTI; city/county can use sales & use tax revenue for infrastructure & affordable housing **within EIFDs**
Second Neighborhood Infill Finance and Transit Improvements Act (NIFTI-2)	2018 (SB 961)	Authorizes bonds to be issued for the purposes of the Second Neighborhood Infill Finance and Transit Improvements Act without voter approval; directs the State Office of Planning and Research to complete a study on the effectiveness of tax increment financing tools for increasing housing production.
Affordable Housing Authority (AHA)	2017 (AB 1598)	Public financing entity which can use property or sales tax increment to issue bonds for affordable/workforce housing in a specified district

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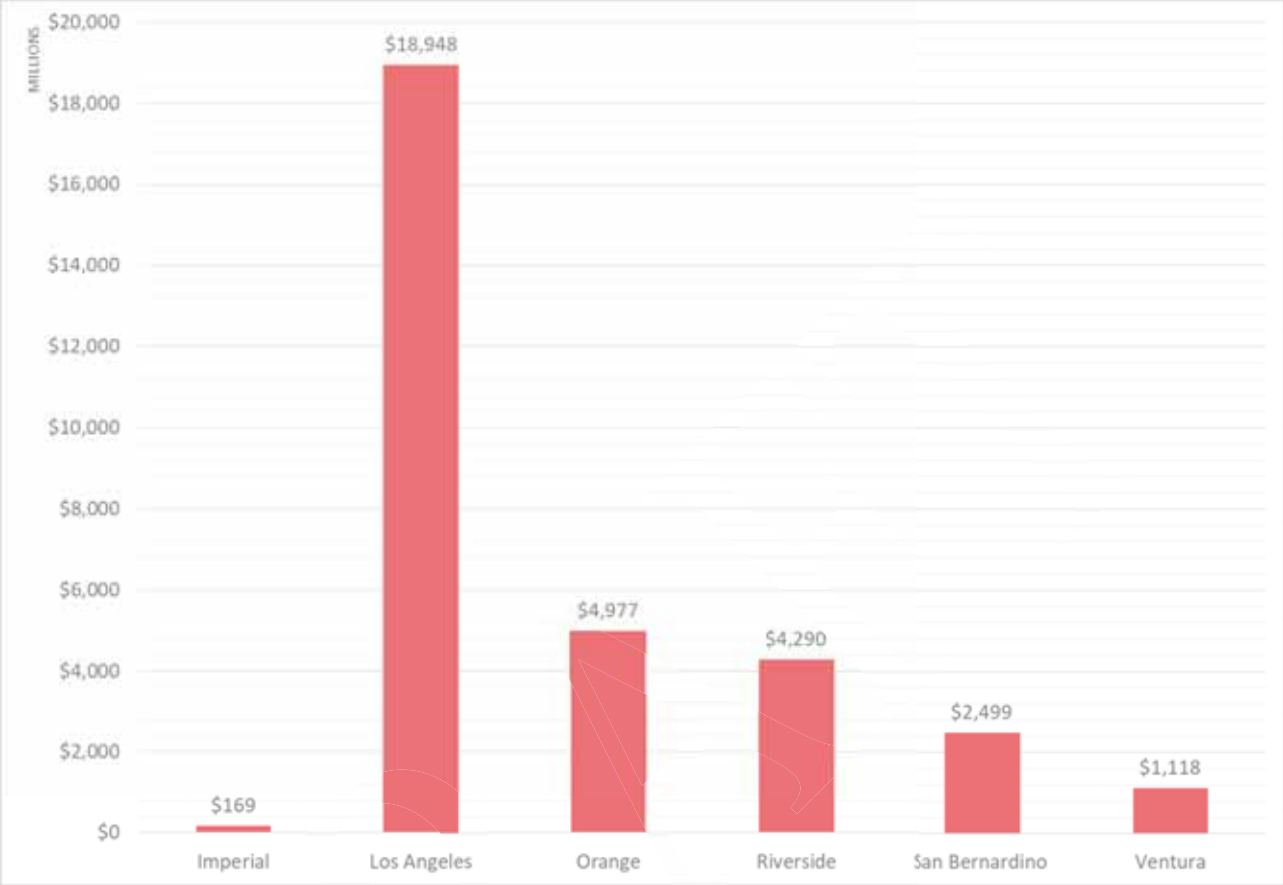
Figure 5: Conservative Estimate of Potential Enhanced Infrastructure Financing District (EIFD) Tax Increment Financing Revenue by County in the SCAG Region over 45-Year Lifespan (in millions of dollars)



Note: EIFD TIF revenue was calculated using total assessed property value in each city from 2016. Property tax revenue was calculated using total assessed property value and an average county property tax rate. The total assessed property value increases by 1% annually as a conservative estimate and Prop 13. Total tax increment revenue is based on a 45-year lifespan of the district.

Sources: SCAG, California Department of Finance, U.S. Census Bureau, American Community Survey, Esri, CalEPA, Digital Map Products, California State Bureau of Equalization, Los Angeles County

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Figure 6: Conservative Estimate of Potential Affordable Housing Funding Set-Aside by County in the SCAG Region by District over their Respective Lifespans

County	CRIA	NIFTI	NIFTI #2	AHA	RDA
Imperial	$19,160,000	$64,940,000	$129,880,000	$308,450,000	$127,610,000
Los Angeles	$1,505,040,000	$5,129,710,000	$10,259,410,000	$24,366,110,000	$13,930,800,000
Orange	$165,650,000	$1,493,940,000	$2,987,870,000	$7,096,200,000	$1,477,600,000
Riverside	$333,110,000	$1,365,900,000	$2,731,810,000	$6,488,050,000	$2,824,530,000
San Bernardino	$255,740,000	$997,510,000	$1,995,020,000	$4,738,170,000	$2,012,540,000
Ventura	$34,120,000	$366,130,000	$732,260,000	$1,739,110,000	$1,302,190,000
SCAG	$2,312,820,000	$9,418,130,000	$18,836,250,000	$44,736,090,000	$21,675,270,000

CRIA

CRIA TIF revenue was calculated using the total assessed property value from the eligible land within each City from 2016. Property tax revenue was calculated using total assessed property value and an average county property tax rate. The total assessed property value increases by 1% annually as a conservative estimate and Prop 13. Total tax increment revenue is based on a 45-year lifespan of the district.

NIFTI/NIFTI-2/AHA

NIFTI/AHA TIF revenue was calculated using the potential sales and use tax revenue for the lifetime of the TIF district using a risk-adjusted average annual growth rate for each city. Total NIFTI/NIFTI-2/AHA TIF revenue includes both property tax increment and sales and use tax increment revenues. These tools are also allowed to use transaction and use tax revenues but such taxes have not been included in this study. Affordable housing set-aside amounts differ for each of these tools:

- NIFTI AH Set-Aside – 20%
- NIFTI-2 AH Set-Aside – 40%
- AHA AH Set-Aside – 95%

RDA

RDA TIF revenue was calculated assuming the most recent RDA calculation in which the agency takes a reduced amount of TIF revenue based on the following passthrough formula:

- First ten years: 25% gross tax increment after 20% affordable housing set-aside
- After Year 10: 21% gross tax increment after year 10 and 20% affordable housing set-aside
- After Year 30: 14% gross tax increment after year 30 and 20% affordable housing set-aside

The calculation assumes that the district can take 100% of property tax increment (not just city/county share). The reduction via passthrough is calculated using the 100% property tax increment revenue. The calculation also assumes a 45-Year district lifespan to compare with other tools. (Original RDAs only 40 year lifespan).

Source: SCAG, California Department of Finance, U.S. Census Bureau, American Community Survey, Esri, CalEPA, Digital Map Products, California State Bureau of Equalization, Los Angeles County

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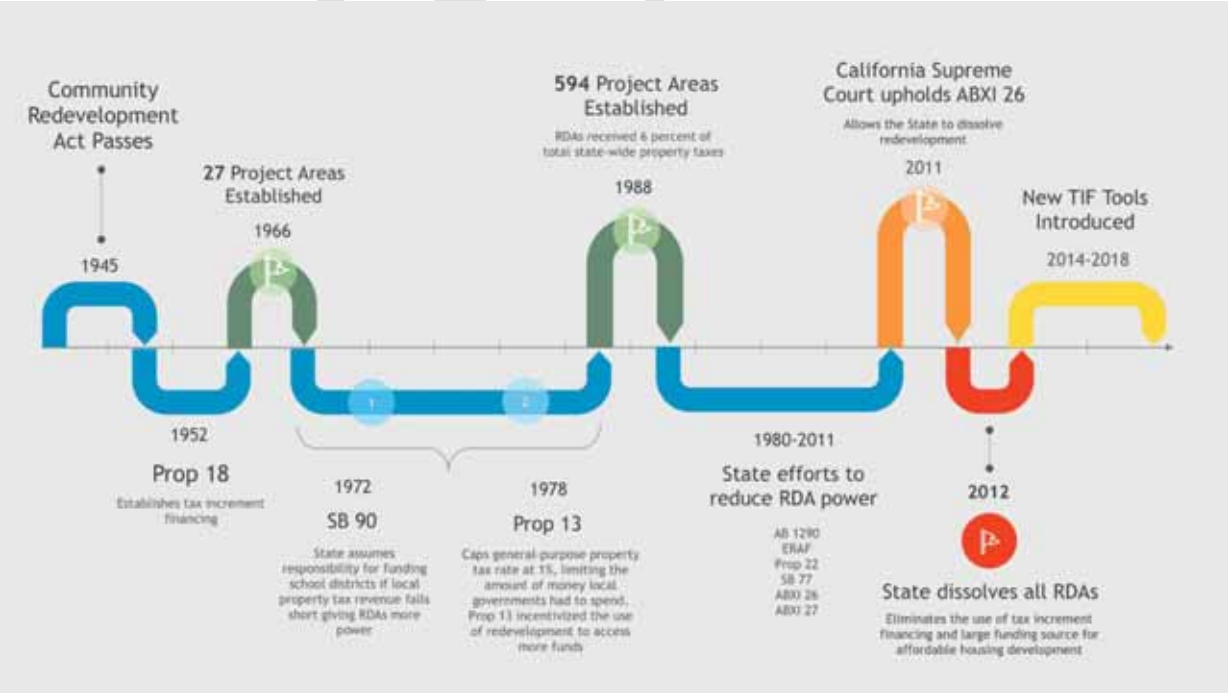
Tax Increment Financing (TIF) – Challenges in the Past and Present

Since 1952, California municipalities were given the authority to establish tax increment financing (TIF) entities that could redevelop areas deemed as blighted. As opposed to general obligation bonds, which often result in an increase in property taxes for residents, funding from tax increment came from bonding against the likely future growth in tax revenue within a given project area claimed by a tax increment financing entity – until recently a Redevelopment Agency (RDA).

Since their inception, RDAs presented funding challenges for state and local entities as the distribution of future property tax revenue to an RDA resulted in other agencies' loss of funds – particularly school districts and special districts. This conflict became especially acute after the passage of Proposition 13 in 1978 capped general purpose property tax at one percent of total assessed property value and limited growth in assessed property value at two percent annually. This limit on local tax revenue increased the incentive for agencies to use RDA districts to capture an otherwise scarce tax base.

Starting in the 1970s, RDAs were required to set aside twenty percent of an agency's annual tax increment revenues for affordable housing. Although use of funds for construction of affordable housing was inconsistent and meager in many areas, RDAs created 63,600 new affordable housing units statewide from 2001 to 2008[11]. The 2012 dissolution of RDAs severely restricted the ability of jurisdictions to pursue both economic development goals and promote affordable housing, as the resulting estimated loss of new affordable units ranges from 4,500 to 6,500 annually in California[12]. Figure 7 provides a timeline of the dissolution of RDAs and the emergence of new TIF tools.

Figure 7: Timeline of Redevelopment and Tax Increment Financing (TIF) in California



[11] Blount, Casey and Ip, Wendy and Nakano, Ikuo and Ng, Elaine, Redevelopment Agencies in California: History, Benefits, Excesses, and Closure (January 2014). Available at SSRN: https://ssrn.com/abstract=2445536 or http://dx.doi.org/10.2139/ssrn.2445536

[12] ibid

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In 2014, and with modifications the following year, the State legislature created Enhanced Infrastructure Financing Districts (EIFDs) and Community Revitalization and Investment Authorities (CRIAs). Neighborhood Infill Finance and Transit Improvements Districts (NIFTIs/NIFTI-2s), and Affordable Housing Authorities (AHAs) came about in 2017, with modifications in 2018.

These tools offer flexible institutional arrangements, which allow multiple jurisdictions to solve common investment problems and allow a more limited form of tax increment financing in order to avoid some of the historic issues with RDAs. These TIF districts can only draw tax increment from agencies that voluntarily participate in the administration of the district, and school and community college districts are specifically precluded from involvement. TIF districts can also produce various types of projects, with legislation including, but not limited to, sustainable infrastructure, mixed use developments, affordable housing, and transit supportive improvements. SB 1145, passed in September 2018, expanded this to include infrastructure maintenance expenses, assuaging concerns that additional support would be needed to support a district from jurisdictions' general fund revenues.

Some tools are stronger in their support for affordable housing than others. EIFDs, for instance, are the most flexible and do not require an affordable housing set aside; housing funded through an EIFD, however, must be affordable. CRIAs require a 25 percent affordable housing set aside are limited to serving disadvantaged communities, areas with high unemployment or high crime rates, neighborhoods with deteriorated infrastructure, and areas with a significantly lower median household income than is seen in the greater respective county and state as a whole. While CRIAs are a more conventional form of TIF, they do entail the powers of eminent domain for the first 12 years. NIFTIs/NIFTI-2s and AHAs also have mandatory affordable housing set asides (20 percent, 40 percent, and 95 percent, respectively) and are also geographically constrained in that their boundaries must be coterminious with their respective city and county boundary. Unfortunately, establishment of these new districts has been slow across the state – with only three EIFDs and zero CRIAs, NIFTIs, or AHAs created to date. Figure 8 provides a matrix of details for these new TIF tools and compares factors to the previously available version of TIF under RDAs.

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Figure 8: Matrix of Tax Increment Financing Tools (Present and Past)

	EIFD	CRIA	NIFTI #1	NIFTI #2	AHA	RDA (Dissolved)
Relevant State Bills	SB 628 - Sept. 29, 2014 SB 1145 - Sept. 19, 2018 AB 313 - Sept. 22, 2018	AB 2 - Sept. 22, 2015 AB 2492 - Sept. 23, 2016	AB 1568 - Oct. 7, 2017	SB 961 - Sept. 19, 2018	AB 1598 - Oct. 13, 2017 AB 2035 - Sept. 28, 2018	Community Redevelopment Act - 1945
Formation Requirements	1. Finding of Completion from DOF 2. Compliance with State Controller orders 3. No voter approval for formation and plan adoption	1. Finding of Completion from DOF 2. Compliance with State Controller's orders 3. No voter approval for formation but subject to majority protest at adoption and every 10 years	Same as EIFD	Same as EIFD	1. Finding of Completion from DOF 2. Compliance with State Controller orders 3. No voter approval for formation and plan adoption	Ordinance by city council declaring the need for RDA and be validated by the state
Governance	Public Financing Authority (PFA) 5+ member board of at least 3 elected officials and 2+ members of the public who live or work in the area	Community Revitalization Investment Authority (CRIA) 5+ member board of at least 3 members of the legislative body(s)and 2+ members of the public who live or work in the area	Public Financing Authority (PFA) Same as EIFD	Public Financing Authority (PFA) Same as EIFD	Odd number of members (at least 5) At least three members from city council or board of supervisors, at least one member of the public who lives or works within the boundary of the district	Redevelopment Agency Board/City Council/Board of Supervisors
Geographic Area Limits	No specific geographic requirements, district may include areas which are not contiguous	80% of the land in the district MUST be in eligible census tracts (MHI, unemployment, crime, infrastructure, and structure requirements)	District MUST be coterminous with the City/County boundary	District MUST be coterminous with the City/County boundary	District MUST be coterminous with the City/County boundary	No specific geographic requirements but "blighted areas"
Funding Resources	1. City and/or City and County Property Tax Share 2, Ability to leverage other revenues: VLF, ground lease, development impact fees, CDF loans or contributions	City and/or City and County Property Tax Share Property Taxes	1. Sales and Use Tax 2. Transaction and Use Tax	1. Sales and Use Tax 2. Transaction and Use Tax	1. City and/or City and County Property Tax Share Property Taxes Property Tax 2. Sales and Use Tax 3. Transaction and Use Tax	Property Tax Share from city, county, schools, etc.
Term	45-years	30 Years to issue debt, 45-years to repay	45-years	45-years	45-years	30-40 Years

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Figure 8: Matrix of Tax Increment Financing Tools (Present and Past)

	EIFD	CRIA	NIFTI #1	NIFTI #2	AHA	RDA (Dissolved)
Allowable Project Types	1. Highways, ramps, bridges, transit facilities, etc. 2. Sewage treatment, water reclamation and treatment plants 3. Waste disposal transfer facilities 4. Flood control infrastructure 5. Parks/Open Space 6. Brownfield restoration/Environmental mitigation 7. Industrial structures 8. Transit priority projects 9. Sustainable communities strategy projects 10. Affordable housing 11. Childcare facilities 12. Libraries 13. Closed military base projects	1. Various infrastructure projects 2. Low- and moderate-income housing 3. Hazardous substance remedy or removal 4. Seismic retrofits	1. Development on an infill site defined by Section 21061.3 of the PRC 2. Funds **cannot** be used for highway or highway interchange improvements	1. Multifamily affordable housing projects 2. Transit capital projects 3. Transit-oriented development projects 4. Complete streets capital projects 5. Parking 6. Programs to reduce GHG emissions by reducing automobile trips and VMT 7. Parks/Open space/urban forestry/greening improvements 8. Active transportation projects	1. Increase, improve, and preserve affordable housing for low, very low, and moderate-income households	1. Affordable housing 2. Infrastructure projects 3. Community facilities 4. Commercial projects 5. Landscaping/greening
Affordable Housing (AH) Set-Aside	No AH set-aside, but housing funded by an EIFD must be affordable	25% AH set-aside	20% AH set-aside	40% AH set-aside 10% Park/Public space set-aside	95% AH set-aside	20% AH set-aside
Method of Calculating TIF	Method of TIF allocation and amount is drawn up by the authority in the IFP	Method of TIF allocation and amount is part of the adopted resolution drawn up by the authority	Method of TIF allocation and amount is drawn up by the authority in the IFP	Method of TIF allocation and amount is drawn up by the authority in the IFP	Method of TIF allocation and amount is drawn up by the authority in the affordable housing investment plan	
Bond Issuance Requirement	55% by registered voters if 12+ registered voters; otherwise by landowners (1 vote per acre)	1. No vote required to issue bonds 2. CRIA has eminent domain powers for first 12 years	55% by registered voters if 12+ registered voters; otherwise by landowners (1 vote per acre)	55% by registered voters if 12+ registered voters; otherwise by landowners (1 vote per acre)	No voter approval	1. No voter approval 2. Eminent domain powers
Eligible Area to Spend Tax Increment Revenue	Anywhere within the district	Anywhere within the district	Tax Increment revenue can only fund projects on infill sites defined by Sec. 21061.3 of the PRC	Tax increment revenue can only fund projects within a 1/2 mile of a major transit stop	Anywhere within the district	"blighted areas"

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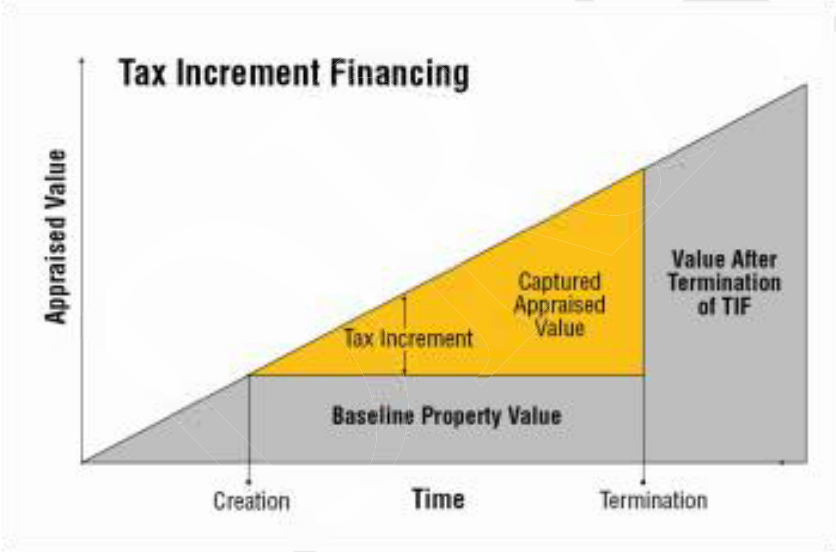
TIF districts can pull from a number of funding resources, including property tax, property tax in-lieu of motor vehicle license fees (MVLF), Proposition 1 bond funds, cap-and-trade proceeds, development agreements/impact fees, user fees, hotel bed taxes, benefit assessments, state and federal grant funds, and private investment. Of these sources, property taxes and property tax in-lieu of MVLF present the most viable funding sources for TIF district establishment.

Under these tools, the level and distribution of tax revenue to participating public agencies is frozen at the amount of tax revenue received in the year the TIF district was created. Any increase in tax revenue after district formation then goes to the Public Financing Authority responsible for the TIF district and can be spent within the designated district (or to support a designated district, depending on the type of district) on redevelopment projects. See Figure 9 for a visual representation of tax increment financing:

Figure 9: Tax Increment Financing Diagram

1. City X creates TIF in 2016
2. City X receives $1,000,000 in property taxes revenue in 2016 from properties within the TIF district
3. Property tax revenue increases each year in the TIF district
4. City X receives baseline $1,000,000 (grey) and TIF district captures all increases above the $1,000,000 (yellow)
5. TIF district terminated in 2061, all property tax revenue goes to City X



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One major challenge for local jurisdictions in enacting these tools is **that many towns and cities do not have a high enough tax capture potential on their own to justify district creation.** Even when pulling from many different taxing resources, jurisdictions are reticent to take the risk of funding a tax increment financing district on their own. They must partner with other agencies to reduce risk and increase potential bond funding, such as a jurisdictions' respective county agency, to make a tax increment financing district more financially viable[13].

A jurisdiction's property tax capture rate, as one example, is the share of the property tax bill that goes directly to that city or town. Property tax increment was a primary source of funding for RDAs, and the same holds true for EIFDs that have been established to date. **Experts generally recommend that the simplest way to establish a TIF district is to ensure that a district receive at least $0.15 of every dollar of the property tax collected on the assessed value in a given project area.** Jurisdictions with a property tax capture rate above this level are well-positioned to pursue a TIF district independently, such as the City of La Verne (discussed further as a Case Study in this paper). Jurisdictions receiving less than this amount need to pull from other sources, such as property tax in-lieu of MVLF, or can form partnerships with outside agencies that can also contribute tax increment within a project area.

In the SCAG region, 64 percent of cities (122 of 191) receive less than $0.15 of every dollar of assessed property tax. For these lesser-funded jurisdictions to launch a TIF district, cooperative agreements with other taxing agencies ought to be established. These can be between a jurisdiction and a county and/or between a jurisdiction and a special district, but school districts and community college districts are excluded. Given the previous issues of RDAs where agencies within a redevelopment area were not able to opt-out of contributing tax increment, collaborative partnerships to support tax increment financing have been rare. This issue is compounded for newer jurisdictions that were incorporated after the passage of Proposition 13 in 1978. Not only do newer jurisdictions tend to have lower property tax capture rates, they are also in a weaker position to negotiate sharing property tax capture of counties and special districts that levy tax on the same assessed property value.

The fundamental premise of TIF is often referred to as "but for"—that future property value increases would not have happened if the district had not been created. This constitutes both the investment in infrastructure or other tangible improvements, in addition to public contributions such as land assembly and the coordination of development, etc. The concern of overlapping taxing jurisdictions such as counties and school districts is that if value increase happens irrespective of TIF district activity, those agencies will have missed out on the additional tax revenue. Demonstrating an estimated return on investment (ROI) for TIF district formation and activities will be essential for bringing partnering agencies together in the formation of a district, potentially via technical assistance tools like Envision Tomorrow, which is a scenario planning package that allows users to analyze how planning decisions will impact a jurisdictions' future fiscal resiliency (among other metrics).

Issuing bonds in order to pay for initial infrastructure investments is one method for ensuring that value growth is tied to district activity —especially when property tax increases perform as expected from catalytic developments and investments. However, while TIF district establishment requires no public vote for formation[14], a public vote is usually required to issue debt. While other funding sources may be

[13] Hoffman, Stanley R. and Anderson, Bill. 2017. *Financing Infill Development in a Post-Redevelopment World*. California Planning Roundtable.
[14] CRIAs are an exception, in that formation is subject to majority protest vote at adoption and every 10 years subsequently

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available for initial investment, this adds an additional hurdle in demonstrating "but for" and furthers the difficulty in soliciting county participation.

EIFD Case Study: City of La Verne

During the 5th cycle of the Regional Housing Needs Assessment (2014-2021), the City of La Verne's housing needs were set at 562 new units, 21 of which have been permitted as of June 2018.

On October 30, 2017, the City of La Verne's Enhanced Infrastructure Financing District (EIFD) was activated by its Public Financing Authority (PFA), the entity authorized by statute to direct this new sustainability district. The process for establishment took approximately 18 months. La Verne evaluated the merits of an EIFD in connection with the future Metro Gold Line light rail station (E Street and Arrow Highway) and surrounding transit oriented development (TOD) allowed by the Old Town La Verne Specific Plan previously adopted by City Council. City of La Verne is one of 17 cities in Los Angeles County that benefits from a property tax capture rate of over $0.15 on every dollar of tax assessed (La Verne's average rate is $0.18), making an EIFD or CRIA financially viable with only the primary agency contributing tax increment. In the interest of time and establishment of an assessed value baseline, the City decided to move forward with the EIFD without County of Los Angeles (County) participation initially. If the County joins and decides to contribute a portion of its property tax increment, TOD improvements could be funded sooner.

The La Verne EIFD is comprised of 82 parcels with 38 unique land owners, covering approximately 110 acres in three non-contiguous subareas. Private development projects include 1,700 new residential units, retail, a business park, and hotel transit-oriented development valued at nearly $500 million in 2017 dollars. Fourteen specific infrastructure projects are estimated to cost $33 million, including enhancement of connectivity (parking, pedestrians, bikes, rideshare), beautification, and expansion of utilities to catalyze development and accommodate future household growth.

Spurred by the request to participate in this new EIFD, the County adopted strict guidelines for evaluation of its participation in EIFDs and CRIAs in August 2017. Their original criteria for supporting TIF districts states that jurisdictions should show at least a $0.15 property tax capture rate to solicit County participation, which limits support from the County to the 17 cities that collect at least this much. This conservative policy limits the County's risk, reduces the likelihood that many city/county partnerships for TIF will occur in Los Angeles County, and is a representation of the lasting impacts of past abuses from RDAs. Although under revision by the County of Los Angeles' Chief Executive Office at the direction of the Board of Supervisors, if this criteria were applied throughout the greater SCAG region, 122 of 191 cities and towns (64 percent) would be precluded from entering a cooperative agreement to establish a TIF district with their respective county[15]. This policy also has a negative impact for jurisdictions wanting to establish a CRIA within a disadvantaged community. Applying the County's existing criteria to jurisdictions who meet these requirements would preclude 80 percent of eligible jurisdictions from participating in Los Angeles County, and nearly 70 percent of jurisdictions in the greater SCAG region.

Modifying the current policy to allow for more city/county partnerships is a meaningful challenge to overcome in Los Angeles County, which, due to having more experience in EIFDs so far, could serve as a model for other counties in California. If the State offered financial incentives to support multi-jurisdictional TIF districts, the risk for counties to participate would also be reduced.

[15] http://www.ci.la-verne.ca.us/index.php/documents/agendas-and-minutes/city-council-agenda-and-packets/657-pfa-packet-oct-30-2017/file

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EIFD Case Study: City of Los Angeles

During the 5th cycle of the Regional Housing Needs Assessment (2014-2021), the City of Los Angeles's housing needs were set at 82,002 new units, 59,839 of which have been permitted as of June 2018.

The City of Los Angeles benefits from a relatively high property tax capture rate ($0.25 per $1.00) and is well-positioned to establish an EIFD or other TIF district on its own or with county collaboration. Several pilot studies are currently underway in various areas throughout the City, including studies that are being supported by SCAG, Los Angeles County Metropolitan Transportation Authority ("Metro") and Caltrans. While larger cities tend to have higher tax capture rates because they usually provide more services, these jurisdictions face some additional hurdles in terms of project prioritization and district administration.

State law requires that an EIFD Public Financing Authority (PFA) be managed by a board of at least five members, including a minimum of two public members (i.e. non-public office holding members). Therefore, at least three members must be elected officials from an agency contributing tax increment. Without county or special district participation, this would necessitate City Council members *from other council districts* to sit on the EIFD district's governing body. Los Angeles' council districts have populations of roughly a quarter million each—meaning that a board member would have to be drawn from afar, leading to less local or neighborhood influence.

While smaller cities like La Verne may only have one or a handful of areas that are best suited for these districts based on development potential or infrastructure need, large cities like Los Angeles are likely to have several in different areas with different constituencies. The benefits of each district must be evaluated against the potential risks to a jurisdiction's general fund revenue. Simply due to size, proposals for EIFDs are likely to come from City Council Members or local stakeholder groups rather than the City itself, though ultimate establishment authority would rest with the City Council. While some draft guidelines have been circulated regarding which division at the City is in charge of generating or reviewing EIFD proposals and the potential city-wide costs and benefits, balancing competing interests from different parts of the city is both politically sensitive and resource-intensive.

The fundamentals exist for successful tax increment financing in large cities, mostly owing to high tax capture rates and infrastructure need. Pilot studies being supported by SCAG, Metro, and Caltrans indicate that other agencies with an interest in transportation infrastructure and housing provision, for example, also benefit. **In addition, the recent passage of SB 1145 allows for maintenance expenses to be paid for using incremental revenues, which should assuage some of the concern over the impact on a city's general fund.** Granting some State authority to other stakeholders, possibly in the form of PFA membership, or any financial support for the State to solve the large city-specific logistical hurdles, may help catalyze more development.

EIFD Case Study: City of San Bernardino:

During the 5th cycle of the Regional Housing Needs Assessment (2014-2021), the City of San Bernardino's housing need summed to 4,384 new units, 177 of which have been permitted as of June 2018.

The City of San Bernardino filed for bankruptcy on August 1, 2012 due to a fiscal crises caused by nearly $300 million in unfunded liabilities and a $45 million budget shortage. In the years leading up to bankruptcy, the City's financial situation became increasingly precarious as local tax revenue fell - most notably a decline in property taxes, vehicle license fees, and tax increment returns from their RDA.

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Prior to the bankruptcy, property tax comprised about 30 percent of the City's total revenue. With the real estate impacts of the Great Recession falling heaviest in San Bernardino and Riverside counties, property tax revenue during 2008-2011 was nearly 40 percent lower than it had been during the 2001-2007 housing boom years. To finalize the bankruptcy, the City initiated a new parcel tax for property owners to cover the fulfillment of their pension obligations negotiated with CalPERS[16]. This has resulted in substantial cuts to city services – including police – and has contributed to increases in crime, poverty, and unemployment compared to cities of a similar size[17]. With the majority of the City designated as a disadvantaged community under the State's definition, the City could form a CRIA to attract private investment and supply affordable housing. However, with the revenue adjustments following the bankruptcy, the City no longer meets the $0.15 threshold in property tax capture to establish a TIF independently. Any use of property tax increment would likely require support from an outside agency, and potentially an additional agreement between the debtor agency and its debt holders. Without an incentive to foster such a collaborative arrangement (possibly through the State), the likelihood that the City can utilize tax increment financing to support the housing needs of its underserved residents is reduced.

EIFD Case Study: City of Placentia:

During the 5th cycle of the Regional Housing Needs Assessment (2014-2021), the City of Placentia's housing need summed to 492 new units, 143 of which have been permitted as of June 2018.

The City of Placentia is positioning itself to be home to one of the next EIFDs in California, clearing the way for transit, streetscape, and other improvements to support the upcoming Metrolink Station. SCAG, with advisors from Kosmont Companies, has been providing technical and consultant services to the City of Placentia to support their upcoming TIF district formation. Placentia's EIFD will help finance much-needed transit and housing supportive infrastructure improvements directly to the north and south of the upcoming Metrolink Station along State Route 91, one of the busiest and most congested transportation corridors in Southern California. The Placentia City Council approved a resolution of intent supporting the establishment of the EIFD on February 19, 2019. The Orange County Board of Supervisors evaluated and supported a similar resolution on April 23, 2019. Full establishment of the district is forthcoming in fall 2019. **If successful, it would be one of four EIFDs in California, and the first EIFD to involve both a city and county partnership statewide.**

With the City of Placentia capturing less than $0.15 on every dollar of property tax within the proposed EIFD boundary ($0.136, specifically) and the proposed district representing nearly 6 percent of the City's assessed value, having the County of Orange as a partner would make the EIFD much more fiscally feasible. Given the region-wide significance of the upcoming Metrolink Station, a city-county partnership in this EIFD also creates a mechanism to evaluate local projects in a county-wide context. With planned infrastructure costs and financing summing to about $12 million to be repaid over the proposed 20 year lifespan of the district, the City of Placentia EIFD is estimated to have a solid return on investment for both the City and County – with approximately $15 million in net fiscal impact to the County. Infrastructure improvements facilitated by the district will also support an additional 1,600 housing units, 3,900 construction jobs, 1,150 permanent jobs, $800 million in economic output from construction activities, and $164 million in annual ongoing economic output.

[16] https://calpensions.com/2016/05/02/why-bankrupt-san-bernardino-didnt-cut-pensions/
[17] http://roseinstitute.org/san-bernardino-two-years-bankruptcy/

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With technical assistance and consultant support provided by SCAG, this project represents how MPOs and regional COGs can help facilitate cross-jurisdictional TIF districts and provide on-going support through district formation.

Potential Solutions: What to do?

Overall, tax increment financing districts are well-intentioned state legislation-enabled entities that have real potential to catalyze needed infrastructure and housing development. However, TIF districts' potential to transform a significant number of communities has run up against some challenges. In particular, their reach is limited by insufficient city tax capture rates, challenges in incentivizing county and special district participation, and logistical and organizational challenges in establishing districts in large cities. To overcome these challenges, TIF districts will be most effective if they are linked with larger policy goals and leveraged with other resources.

While economic development is always a goal of state, regional, and local governments, the unique and extreme nature of the current state housing shortage and affordability crisis has taken center stage. Seeing tax increment financing as a means to address the housing crisis serves both purposes.

Possible Solutions 1: State Financial Support for an Improved TIF

A perpetual critique of TIF, particularly by agencies who may hesitate to contribute their tax increment, is that the State has a limited stake in their success. Yet if funded properly, these districts are poised to enable California to achieve statutory greenhouse gas emission and climate action goals, as well as housing construction targets. In the current environment, however, the fiscal case for cities to pursue affordable housing and, arguably, any housing, is weak due to the minimal increase in assessment base and property tax capture that can be expected[18]. Since jurisdictions often receive no property tax revenue from affordable housing developments, incentives to alleviate their shortfall are even weaker. Further, jurisdictions are reticent to allocate future tax increment in pursuit of statewide sustainability and housing objectives, suggesting that a state financial incentive is appropriate to spur local implementation.

A pilot state funding mechanism coupled with some improvements to TIF enabling legislation during the 2019 legislative session might incentivize "first movers" on EIFDs and provide proof of concept and working examples to other jurisdictions who are considering districts but are hesitant or still lack expertise. While only three EIFDs have been established to date, RDA district adoption was also slow following the program's enactment in 1952. A recent study of historic RDA adoption rates across Bay Area cities found that the strongest consistent predictor of district adoption was whether other cities in the same county had created sizeable districts – this predicted adoption better than location, income, growth rates, or tax rates.[19] Thus, state support for "first movers" can also demonstrate the value of these new, flexible, collaborative funding arrangements to others. For example, a state-wide fund could match the value of the increment provided to the TIF district by a city, county, or a special district, or provide a guarantee that a participating agency's general fund will not be unduly depleted by joining. This would reduce the perceived risk that has precluded many counties across the state from considering participating in a local TIF district. To further promote affordable housing, the match could prioritize tax increment financing districts that prescribe an affordable housing component or funding set aside within the early stages of investment.

[18] Lewis (2004)
[19] Marantz and Kane, Under Review. Multi-level governance and economic policy diffusion: The case of Tax Increment Financing in California. *State and Local Government Review*.

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While there are many funding sources that could be enhanced to offer TIF incentives, other agencies are reviewing these funding sources for potential opportunity:

California Climate Investments (CCI): Due to the sustainability mandates of SB 375, COGs have a responsibility to plan future development to meet both sustainability and housing targets on a three-year investment cycle. In the last three years, CCI allocated over $5 billion from cap-and-trade revenues to transportation, energy, and natural resource protection projects that further climate goals.[20] EIFDs in particular are designed to promote the same kind of sustainable infrastructure. Since localities have unique knowledge of which developments are most effective for their communities, directing some CCI funding to a tax increment financing pilot program may be an effective way to realize synergistic benefits.

Revolving Loan Funds: California's Infrastructure State Revolving Fund through the state's "iBank" program issues bonds to provide below-market rate loans to cities, agencies, and nonprofits for *non-housing* infrastructure and economic development projects. Loan funds present a well-worn set of public administrative challenges themselves, however, compared to grant funding. New York State administers a revolving loan fund for low-income housing development by providing loans to nonprofit developers specifically – a model which might be investigated further should iBank or another program be expanded to cover housing.[21] In addition, California has experience with successful (though smaller) revolving loan programs for brownfield remediation and charter school startup funds.[22]

Educational Revenue Augmentation Funds (ERAF): Since 1992, the state has mandated that jurisdictions direct local property tax revenues to an education-specific fund. A state-sponsored mechanism to re-direct ERAF funds to localities who either meet affordable or market-rate housing targets could bolster a jurisdiction's fiscal case for promoting housing construction. More generally, unencumbering local property tax revenues (provided adequate school funding could be guaranteed) would allow for **more self-help financing of housing and development.**

Another avenue would be for the State to provide a guarantee of financial support for legal challenges against bona fide housing developments. Cities often find themselves unable to pursue denser, transit-oriented, or housing-oriented development in key areas due to the threat of lawsuits under CEQA since the law's broad treatment of "environmental impact" often is a deterent to denser development. While only a small fraction of threatened challenges go to trial, they can delay projects, reduce their scope, or eliminate them altogether. Past experience suggests a state guarantee would rarely need to be tapped into. It could also be structured to prioritize developments with certain affordable housing minimums and would be akin to considering CEQA challenges as simply an added development cost.

Potential Solutions 2: MPO and Regional COG Support via Existing Housing Element Law, Technical Assistance, and Resources

Existing Housing Element Law

For many decades, the State of California's main tool for promoting housing production has been through the unfunded housing element process and Regional Housing Needs Assessment (RHNA), which mandates that each region's council of government (COG) allocate state-determined housing totals to

[20] https://ww2.arb.ca.gov/our-work/programs/california-climate-investments/about
[21] http://www.nyshcr.org/Programs/HousingDevelopmentFund/
[22] See https://www.dtsc.ca.gov/SiteCleanup/Brownfields/Loans_Grants.cfm, https://www.epa.gov/brownfields/types-brownfields-grant-funding and https://www.treasurer.ca.gov/csfa/csrlf/index.asp

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local jurisdictions.[23] Many of these regional COGs are also Metropolitan Planning Organizations (MPOs), especially in the most populous areas of the state. Empirically, the housing element law process has been shown to be minimally effective at alleviating the state's affordable housing deficit by increasing the State's total supply of housing. This is partially due to the relative ease of tying up proposed development through litigation and various regulatory requirements, in addition to the fact that the process does not actually construct housing—it is only a planning mechanism.[24] Figure 10 reports the low share of housing needs met, especially for affordable units.

The longstanding Regional Housing Needs Assessment (RHNA) process involves two steps: HCD's determination of a region's housing needs, and the MPO or regional COG's allocation of that total across its jurisdictions. Cities include the allocated housing in their once-per-eight-year housing element update by zoning for those units; however, no further provisions are made for housing construction, resulting in low permitting rates relative to RHNA allocations.

Figure 10: Fourth and Fifth Cycle Regional Housing Needs Assessment (RHNA) Progress Reports

FIFTH CYCLE RHNA ANNUAL PROGRESS REPORT SUMMARY

6/1/2018 annual progress report (APR). Permits from 1/1/2014 to 12/31/2017; RHNA cycle is from 1/1/2014 to 10/1/2021

	Very Low Income (VLI)	Low Income (LI)	Moderate Income	Above Moderate	Total Percent Complete
Imperial County	5.3%	12.7%	58.0%	5.8%	15.0%
Los Angeles Coutny	13.2%	12.9%	4.6%	**107.6%**	**52.0%**
Orange County	19.0%	14.2%	**222.1%**	**185.0%**	**123.9%**
Riverside County	3.5%	1.5%	19.0%	33.1%	18.1%
San Bernardino County	3.7%	9.1%	37.6%	46.1%	27.8%
Ventura County	13.1%	26.2%	32.5%	46.4%	33.6%
SCAG Region	*9.8%*	*10.0%*	*38.0%*	***83.2%***	*45.4%*
*California**	*7.8%*	*10.8%*	*28.3%*	*64.6%*	*35.4%*

Bold = "On track." APR is 51.6% through SCAG's 5th cycle RHNA.

FOURTH CYCLE RHNA FINAL SUMMARY

1/1/2005 - 6/30/2014

	Affordable	Market-rate	Total % Complete
Imperial County	15.4%	53.1%	31.2%
Los Angeles Coutny	21.0%	86.9%	51.8%
Orange County	13.9%	**115.6%**	70.3%
Riverside County	9.1%	98.8%	59.6%
San Bernardino County	9.5%	83.6%	50.6%
Ventura County	19.7%	48.1%	78.8%
SCAG Region	*15.2%*	*91.3%*	*54.9%*

Source: California State Department of Housing and Community Development (HCD)

While the housing element process is not linked to any funding mechanism, the California Department of Housing and Community Development (HCD) makes a variety of housing-related funding available through competitive award.[25] Per HCDs statistics, the 2015-2016 award cycle resulted in the construction of 2,742 new affordable housing units—orders of magnitude below a wide variety of state housing need estimates which are usually in the millions.[26]

[23] http://www.hcd.ca.gov/community-development/housing-element/index.shtml.
[24] Lewis, Paul. 2003. *California's Housing Element Law: The Issue of Local Noncompliance*. PPIC.
[25] http://www.hcd.ca.gov/grants-funding/nofas.shtml#current
[26] See, e.g., McKinsey 2016
https://www.mckinsey.com/~/media/mckinsey/featured%20insights/Urbanization/Closing%20Californias%20housi

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COGs have extensive experience in the type of collaborative governance that the public finance agreements necessitated in TIF districts strive to create. Due to their role in determining local allocations of the regional housing need assessment, MPOs and regional COGs may be well positioned to administer **(1) financial incentives and (2) technical assistance** for local jurisdictions to implement affordable housing. If funding could be provided for this purpose by the State, MPOs could more actively promote housing development in locations and manners that meet their Sustainable Communities Strategy greenhouse gas reduction targets – thereby moving forward California's overall housing and sustainability goals.

COGs are also well-positioned to integrate housing and economic development into sustainability planning – a clear goal of recent state policy and SB 375. For example, due to its role as both a regional COG and transportation commission, ABAG/MTC's RHNA allocation methodology is able to more explicitly take transit-orientation and jobs-housing balance into account. Implementation is supported by substantial amounts of housing funding for local jurisdictions; ABAG/MTC have also proposed local policy enhancements to the RHNA process that emphasize site feasibility analysis, reducing locally imposed added costs in excess of State Building Code, and other incentives to increase construction of affordable and middle-income serving units. The agency's "80k by 2020" program intends to disburse $30 million of grants in order to promote the construction of 80,000 housing units between 2015 and 2020 – which would make a substantial dent in their 2015-2023 5th cycle RHNA determination of 188,000 units. As of December 2017 – 36 percent of the way through the 5th cycle RHNA period – construction progress towards fulfilling the RHNA allocation was roughly 42 percent for all units and 13 percent for affordable units. While further research would be needed to determine the extent to which funding from ABAG/MTC contributed to additional construction, the agency's relatively high rate of housing construction with respect to RHNA suggests that the stronger linkage between RHNA, the SCS, and housing finance may be effective. Support of housing by SCAG region County Transportation Commissions (CTCs) is generally more limited. Metro has a "Joint Development Program" which provides steeply discounted ground leases for affordable housing development on land owned by Metro.[27]

Technical Assistance and Resource Support

Further, MPOs and regional COGs may be well-positioned to provide technical assistance and resource support in evaluating development potential, including providing a very long-range listing of vacant and near-demolition development sites based on zoning capacity, local general plans, feedback from jurisdictions, and other concerns. Because TIF districts benefit largely from new projects and property sales, a prevalence of sites that are apt for infill or refill development may indicate that an area is viable for EIFD, CRIA, or other TIF district formation. With site selection for future growth being an important aspect of local housing element updates, there is an opportunity for MPOs and regional COGs to play a role in better aligning RHNA implementation with TIF district formation, specifically with the objective to increase the construction of very low and low income housing units.

A first step might be to build on the technical assistance and mapping support already provided by COGs. Since 2016, SCAG has provided technical assistance, consultant support, and an interactive tool for jurisdictions seeking to establish EIFDs or CRIAs (http://scag.maps.arcgis.com/apps/MapSeries/index.html?appid=ca8e18588d2e47c59c79f23a4d927d8b). Using parcel-level tax information and jurisdictional tax rates, SCAG's web-based mapping tool allows cities to

ng%20gap/Closing-Californias-housing-gap-Full-report.ashx or HCD 2018 http://www.hcd.ca.gov/policy-research/plans-reports/docs/SHA_Final_Combined.pdf

[27] https://www.metro.net/projects/joint_dev_pgm/affordable-housing/

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gauge if they have the tax base needed to make either type of TIF district feasible. In addition, socioeconomic data are presented to allow jurisdictions to see whether target areas meet the disadvantaged community definitions required by CRIAs. An expansion of this role would provide support for additional geographically-targeted economic development tools into the fold.

In addition, SCAG has made strides to develop a region-wide database of parcels that are candidates for infill or refill development. An initial effort was completed using simple formulas to determine whether parcels fit a specific criteria for infill or refill development based on each parcel's total assessed and improvement value. This database was then provided to local jurisdictions for review, and additional refinement and ongoing feedback from local jurisdictions would be beneficial for the dataset to be a usable in practice. This would entail another round of detailed review by each jurisdiction to specifically confirm or revise parcels that are viable for both housing and additional economic investment. As such, each jurisdiction could have unique criteria for determining a parcel's viability for infill or refill development, which could then be advertised to developers for future investment and tracked by SCAG. Through robust jurisdictional participation, a database of parcels that are suitable for infill or refill development would be established by SCAG, and would be a prime resource for identifying areas apt for TIF district formation. These data, combined with a screening for program eligibility, could act as a "roadmap for housing development" by identifying both potential sites and financing opportunities. In the long term, it may be possible for an MPO or regional COG to integrate these financing tools and information resources into fulfilling its formal role of allocating regional housing needs and developing Sustainable Communities Strategies.

Potential Solutions 3: Aligning TIF with other Geographically-Targeted Programs

As discussed previously, due to their ability to connect state and regional policy with local concerns (including, e.g., the site and zoning component of housing development), COGs are well-positioned to lead efforts for **geographically-targeted** policy. SB 635, passed in September 2018, addresses some of this by directing the Governor's Office of Business and Economic Development to provide information to localities about federally-available programs such as Opportunity Zones (OZs) and Promise Zones. These programs are somewhat limited in scope, but other state programs exist, both of which COGs are well-positioned to translate into local action.

Federal Opportunity Zones

Federal opportunity zones present an intriguing, if limited, technique for catalyzing local investment. A relatively minor provision in the 2017 Tax Cuts and Jobs Act allowed states to designate "opportunity zones" in which investors could defer federal capital gains tax if they invested in tangible property within 30 months. Gov. Brown designated 879 such zones, 422 of which are in the SCAG region. The provision sunsets in 2026, deferral benefits decrease at the end of 2018, and investment must be made by 2021 to realize benefits as currently written.[28]

OZs appear to be effective strategies for attracting capital, and evidence can be found that investment groups are starting to create "qualified opportunity funds" – the vehicle through which capital

[28] https://www.bisnow.com/national/news/commercial-real-estate/here-are-the-questions-and-answers-to-your-questions-about-the-opportunity-zones-program-88516?utm_source=Saturday_Morning_Emails&utm_medium=email&utm_campaign=sat-19-may-2018-000000-0400_los-angeles-saturday-morning-digest&dcid=city_national_bank

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subject to taxation can be carried into real property investment in OZs.[29] However, many questions remain on the investor side and the property development side. For many investors, a capital gains deferral until 2026 may be too short for their purposes, especially with no guarantee that federal OZ law will be renewed. Before year-end 2018 it is expected that the IRS will issue further guidance to investors regarding a range of questions about eligibility and various contingencies.

There are several steps that could be taken to streamline the OZ process in order to catalyze investment. Legislative steps could include both streamlining of the California Environmental Quality Act (CEQA) and a matching deferral of California state capital gains tax. In 2018, AB 3030 had been proposed (but was since retracted) in order to allow a city to "self-certify" a project for CEQA if it is in an opportunity zone and meets additional requirements including a 2/3 residential and a 50 percent affordable housing threshold – goals which must be balanced against the ability to attract opportunity fund capital. Similar future legislation would be extremely helpful since California real estate – so long as fears of missing the 30 month window could be assuaged – has more often than not been a sure investment.

Another state action that could promote OZ investment would be a reduction in California state capital gains tax liability through opportunity zone investment. The state's top marginal rate is 13.3 percent, which could nearly double the tax benefits of the federal legislation for capital subject to gains tax here, and could produce further financial incentive for private sector sponsored affordable housing. Since other states' top marginal rates are far lower, this is particularly attractive. The state of New York has, for example, passed legislation to match the federal tax provisions for capital invested in its 514 designated OZs.[30]

Meanwhile, cities with opportunity zone tracts can help make investment more attractive for opportunity funds by preparing property for potential investment. An inventory of parcels and owners, including a review of existing and general plan-compliant potential zoning designations in OZs could streamline a fund's search for sites and potential uses. Also helpful would be ensuring property use standards for previously unconsidered development types (e.g. OZ funding makes multifamily housing feasible in an area which had not been considered to have that much development potential) and any kind of procedural streamlining at the city level, particularly for affordable housing. In its role as regional data center, SCAG is well-positioned to do preliminary site analysis within opportunity zones. Overall, whether through state or local action, the more that OZs can be made attractive to investors, the more additional goals – such as affordable housing – can be commanded.

AB 93 and Reformulation of Local Enterprise Zones (EZs)

AB 93, which was signed into law July 2013, dissolved Enterprise Zones (EZs) and implemented the Governor's new economic proposal. Provisions of the bill instituted two new tax programs in census tracts with the highest civilian unemployment and poverty rates (top 25th percentile): (1) a Sales and Use Tax exemption for manufacturing, biotechnology equipment and similar purchases, and (2) a hiring credit under the Personal Income Tax and Corporation Tax for employment. The bill also resulted in the phasing out and ending of certain tax provisions related to EZs. The tax incentive provisions under AB 93 make certain businesses in areas with severe economic disadvantage more viable by reducing sales taxes for

[29] See, e.g. https://fundrise.com/opportunity-fund?utm_source=google&utm_medium=cpc&utm_content=text-%2Bopportunity%20%2Bzone-b-ozoneinvesting&utm_campaign=search-marketbuilding_opportunity_fundphrase-usa-20180705&gclid=EAIaIQobChMIl6zlv6D_3AIVysDICh2PeAr4EAAYASAAEgJjOvD_BwE

[30] https://esd.ny.gov/opportunity-zones

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manufacturing and biotechnology equipment industries, while employment incentives also allow businesses to grow faster by reducing the cost of staffing through hiring credits.

These provisions have the potential to spur private investment in areas that have the highest concentrations of civilian unemployment and poverty; when combined with the development resources of a TIF district, economic improvements are more likely to result in targeted benefits for underserved residents in the nearer term. To take full advantage of this synergy, the Sales and Use Tax exemptions under AB 93 could be expanded for the purchase of construction materials for affordable housing units – thereby supporting development and increasing assessed value in disadvantaged areas apt for TIF adoption, while also increasing affordable housing supply. The aphorism that "housing is where jobs sleep at night" provides a basis for including housing construction and employment incentives that facilitate better jobs-housing balance and foster higher economic productivity for local residents.

Conclusions

Housing production in California has not kept up with demand, and a shortage in housing inventory, specifically affordable housing, has resulted in negative economic impacts that contribute to urban sprawl, add time to regular commutes, make healthy food and healthcare less accessible, exacerbate the growing homelessness crisis, and limit Californians' overall financial security. The dissolution of Redevelopment Agencies (RDAs) in 2012 exacerbate this challenge. Meanwhile, the pattern of job growth in Southern California shows increasing pressure on the middle class while incomes have become increasingly polarized—increasing the challenge of ensuring housing equity amidst rising housing costs.

The recent establishment of new tax increment financing (TIF) tools, however, provide some hope. In addition to directly funding affordable housing, these new TIF tools can also fund the supportive infrastructure that frees up other funding sources for building actual units, while providing financial incentives for localities to pursue the State's sustainability and housing goals. SCAG's case studies suggest that intergovernmental cooperation is key for TIF districts to be successful—in particular, county participation is important to reduce risk and ensure financial success of the district for most jurisdictions.

Since TIF tools are specifically designed to promote the same kind of sustainable infrastructure and affordable housing the state prioritizes, a small amount of financial support would help localities achieve State goals. Stakeholders such as Metropolitan Planning Organizations (MPOs) and regional Councils of Governments (COGs) are also well-positioned to offer support because of their local expertise in housing needs allocation, sustainability planning, site and zoning issues, and could also be suited to administering financial resources and technical support across a region. The type of collaborative governance practiced by MPOs and regional COGs for several decades is the same ethos required for the success of these districts. A promising role for MPOs and regional COGs is a closer linkage of these three roles in order to ensure stable, long-term regional housing supply.

SCAG's current technical assistance programs, which combine preliminary data on potential infill and refill parcels with tax increment financing screening tools and pilot studies, have already begun this process. With MPOs and regional COGs having an important role both in administration of the RHNA, development of the Sustainable Communities Strategy, and ongoing data-driven technical assistance to local jurisdictions, integration of these efforts towards the goal of constructing affordable housing could produce promising results.

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AGENDA ITEM NO. 6

REPORT

Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
June 6, 2019

To: Community Economic & Human Development Committee (CEHD)

EXECUTIVE DIRECTOR'S APPROVAL

Kome Ajise

From: Kimberly Clark, Regional Planner Specialist, Research & Analysis, (213) 236-1844, Clark@scag.ca.gov

Subject: Update on Local Economic Development Tools

RECOMMENDED ACTION:
For Information Only – No Action Required

STRATEGIC PLAN:
This item supports the following Strategic Plan Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians. 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy. 4: Provide innovative information and value-added services to enhance member agencies' planning and operations and promote regional collaboration.

EXECUTIVE SUMMARY:
When grappling with the idea of "how can we connect" our region's future transportation system with growth in our communities, local jurisdictions often struggle due to a lack of implementation resources and funding. Opportunity Zones and Tax Increment Financing (TIF) tools provide a means for local jurisdictions to catalyze development, job creation, and foster sustainable infrastructure - such as transit, light rail, TOD, affordable housing, active transportation, sewer and water facilities expansion, etc. - in targeted neighborhoods. This item will provide an update on recent legislation and new tools to promote sustainability and housing districts and Opportunity Zones.

BACKGROUND:
Statewide financial policy continues to emphasize climate action, sustainability and housing production. While there is much work to do for cities and counties to achieve these statewide mandates (as evidenced, for example, by recent Regional Housing Needs Assessment (RHNA) progress reports), the sustainability and housing "toolkit" at jurisdictions' disposal continues to grow and improve. Tax increment financing has been expanded beyond Enhanced Infrastructure Financing Districts (EIFD) and Community Revitalization and Investment Authorities (CRIA) to include Affordable Housing Authorities (AHA). EIFDs, in particular, have been augmented with the capacity to utilize incremental sales tax in certain situations via the Neighborhood Infill Finance and Transit Improvement Act (NIFTI and NIFTI-2) as well as the ability to fund infrastructure maintenance via Senate Bill 1145. Apart from tax increment financing mechanisms, the housing streamlining toolkit has been expanded to include Workforce Housing Opportunity Zones (WHOZ) and Housing & Sustainability Districts (HSD).

Additional legislation is currently in progress to further expand and enhance the housing and sustainability toolkit, including Senate Bill 128, Senate Bill 5 and Assembly Bill 11. We are observing some initial successes with post-redevelopment tax increment financing in communities such as the Cities of La Verne and Redondo Beach in Los Angeles County and the City of Placentia in Orange County (a SCAG Pilot Project), where the subject communities are capturing value from anticipated private sector residential, commercial and mixed use development to fund critical public improvements such as transit-supportive infrastructure, open space improvements, and other community amenities with public benefit.

In parallel to housing and sustainability districts is the federal Opportunity Zone designed to provide tax incentive program to private sector and attract capital investment in "opportunity zones"-- in general, the census tracts identified by Department of Finance (DOF) with high poverty and unemployment rates. The State is prioritizing the Opportunity Zone program as part of its economic development toolkit, and the Governor has explicitly expressed his desire to layer additional programs on Opportunity Zones and EIFDs to increase the production of affordable and market-rate housing. Proposed state legislation is expected to further accelerate Opportunity Zone investment in California with CEQA streamlining for Opportunity Zone projects and potentially equivalent state income tax treatment to align with federal tax incentives. Cities with Opportunity Zones are beginning to focus on facilitating and directing investment to accomplish local economic development and housing objectives.

By creating an "Opportunity Zone Prospectus", marketing opportunity sites on a national online marketplace such as OppSites (http://oppsites.com), and layering planning and entitlement streamlining and complimentary funding sources, cities can effectively compete for Opportunity Zone investment on the national level. To assist local jurisdictions and other stakeholders in this effort, the State of California recently launched the California Opportunity Zone Portal (https://opzones.ca.gov/), which provides a toolkit with additional information for investors, community stakeholders, and partner agencies.

FISCAL IMPACT:
Work associated with this item is included in the current Fiscal Year Overall Work Program under 150-4096.07, Tax Increment Financing for Sustainable Growth.

ATTACHMENT(S):
1. PowerPoint Presentation - Kosmont

ECONOMIC DEVELOPMENT 2019:

PROGRESS UPDATE ON SUSTAINABILITY AND HOUSING DISTRICTS & OPPORTUNITY ZONES

JUNE 6, 2019

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PRESENTATION OUTLINE

- **Statewide Momentum for Sustainability & Housing**
- Sustainability and Housing Districts: Overview and Progress Update
  - La Verne
  - Redondo Beach
  - Placentia
- Opportunity Zones: California Outlook & Approach for Local Jurisdictions

Attachment: PowerPoint Presentation - Kosmont (Update on Local Economic Development Tools & SCAG's Recommendations for

STATE MANDATES TO ACHIEVE A *GREENER* ECONOMY

State Mandates / Targets	Mandates on Private & Public Sectors
Climate Action **Housing Supply/Affordability** **Sustainability & Housing Districts** **Poverty Reduction**	**Climate Action Plans (CAPs): pathway to meet AB32/SB32 goals; may allow for streamlined CEQA review** **Zero Net Energy for residential and commercial buildings** **Clean Air Mandates targets Zero-Emissions Vehicles** **Mandates on housing affordability and affordable housing production**

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CA IS PURSUING SUSTAINABILITY… A PATHWAY TO "*GREEN*"

The Economist Livability Index:
stability, health care, culture and environment, education, infrastructure

What does sustainability look like?

- Meet State Climate Action goals
- Healthy (and happy!) population
- Attract "green" investments
- Ability to provide services
- Stable and diverse tax base
- Fiscally responsible governance
- Updated infrastructure
- Zero Net Energy (ZNE) Buildings
- Managing resources for future generations

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SUSTAINABILITY = CLIMATE ACTION, LAND USE, & MOBILITY

CA Legislative Mandates	
AB 32 / SB 32	Reduce GHG below 1990 levels by 2020; and 40% below by 2030
SB 375	Integrated RTP / SCS
SB 535 / AB 1550	Disadvantaged and Low Income Communities cap and trade investments
AB 1358	Complete streets incorporated into General Plan updates
SB 97	Qualified Climate Action Plans, EIR streamlining

Climate action planning at multiple levels

- CA State guidelines
- SCAG RTP/SCS
- Regional COGs, LA Regional Collaborative
- LA County Sustainability Plan
- City CAP

CAPs will influence Land Use & Mobility

- Reduce VMT
- Transit / Neighborhood Oriented Development
- Underutilized commercial properties
- Parking Strategies
- Mobility options and first/last mile
- Blended Use and Housing

How do you implement?

THE NEW ECONOMIC DEVELOPMENT PARADIGM - BUILDING A SUSTAINABLE COMMUNITY

State Priority: Economic Development helps cities meet climate action targets

- Attract businesses and new development that fulfill your City's Climate Action Plan strategies - clean tech, telecommuting, blended use
- Neighborhood Oriented Development (NOD); urban and suburban clusters near transit
- Require business to invest in sustainability (higher density, fewer trips, Title 24, electric vehicles)

City Priority: Economic Development attracts private investment for jobs and taxes

- Zoning policies may focus on placemaking, housing, and blended use
- Address retail changes AND sustainability at the same time
- Retail being replaced by "Creating a Place"
- Retail meets industrial = *REDUSTRIAL*

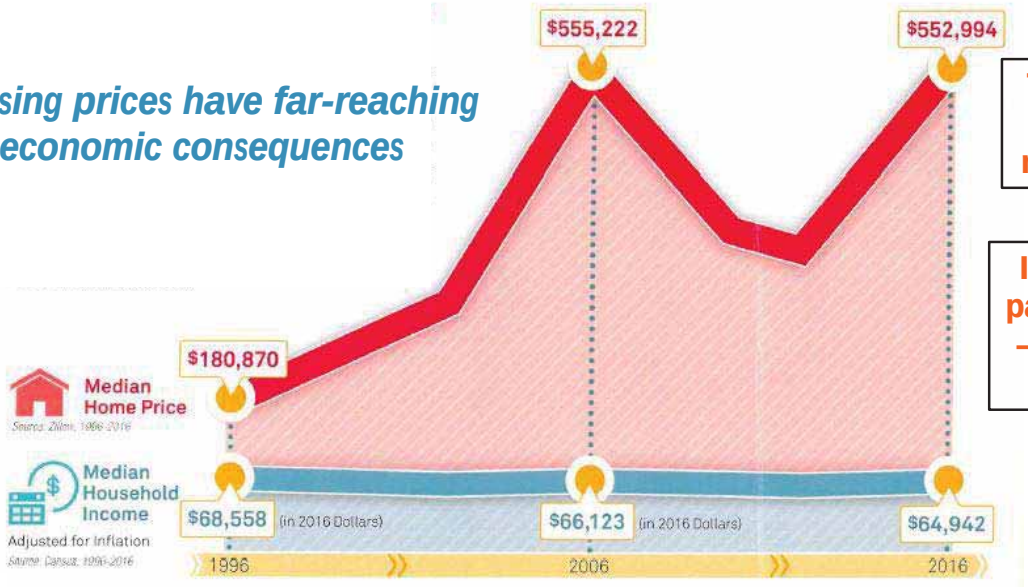
Human Priority: Housing is where jobs sleep at night

- New legislation provides tools, streamlining, and funding for affordable/workforce housing
- Use of Tax Increment can provide funding and accelerate compliance

APPROACH to Economic Development is to address climate action, jobs and taxes, and housing

WAGES UP…BUT HOUSING AFFORDABILITY IS LAGGING

Housing prices have far-reaching economic consequences



71% of CA residents *cannot* afford a median-priced home

Incomes not keeping pace with home prices – pricing out working families/Millennials

Sources: Southern California Association of Governments; https://www.car.org/marketdata/data/haitraditional/

HOUSING COST & TAXES = OUT-MIGRATION

Between 2007 and 2016:

- ~5 million people came to CA – primarily from NY, IL, NJ, and MI
- ~6 million people left CA – going to TX, AZ, NV, and OR
- CA residents see opportunity in lower-cost states with home values between $200-300K, (average house price in CA > $500K)
- Californians also fleeing to states that offer life with low or no corporate or personal income taxes
  - ***Texas is one of the fastest growing states in the nation (867,000 new residents from 2010 to 2016)***

Statewide Gentrification?

- CA is seeing a net gain in high earners (Income of over $110K and the highly educated (graduate degrees)
- Families with children and those earning less are moving away
- CA is becoming wealthier, more economically stratified, and les affordable – tough on middle-class residents
- Job growth has increased statewide and in Los Angeles County
  - CA will add ~636,500 jobs through 2019
  - L.A. County will add ~82,100 jobs through 2019
  - Much of this job growth is in low-paying fields such as social assistance and food services

Top 5 Occupations (L.A. County)	Avg. Wage
Retail Salespersons	$24,086
General Office Clerks	$31,117
Cashiers	$22,131
Laborers/Freight Handlers	$26,021
Food Preparation/Serving	$22,672

Sources: https://www.curbed.com/2018/2/27/17058006/california-housing-crisis-rent-migration-Texas; California Legislative Analyst's Office, Feb. 21, 2018; https://qz.com/1189388/conservative-californians-are-moving-to-texas-for-the-home-prices-and-politics/; Los Angeles County Economic Development Corporation (LAEDC) Economic Forecast: California and Los Angeles 2018-2019

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STATE FALLING SHORT OF RHNA HOUSING TARGETS

FIFTH CYCLE RHNA ANNUAL PROGRESS REPORT SUMMARY

6/1/2018 annual progress report (APR). Permits from 1/1/2014 to 12/31/2017; RHNA cycle is from 1/1/2014 to 10/1/2021

	Very Low Income (VLI)	Low Income (LI)	Moderate Income	Above Moderate	Total Percent Complete
Imperial County	5.3%	12.7%	58.0%	5.8%	15.0%
Los Angeles County	13.2%	12.9%	4.6%	**107.6%**	**52.0%**
Orange County	19.0%	14.2%	**222.1%**	**185.0%**	**123.9%**
Riverside County	3.5%	1.5%	19.0%	33.1%	18.1%
San Bernardino County	3.7%	9.1%	37.6%	46.1%	27.8%
Ventura County	13.1%	26.2%	32.5%	46.4%	33.6%
SCAG Region	*9.8%*	*10.0%*	*38.0%*	***83.2%***	*45.4%*
*California**	*7.8%*	*10.8%*	*28.3%*	*64.6%*	*35.4%*

Bold = "On track." APR is 51.6% through SCAG's 5th cycle RHNA

Sources: Southern California Association of Governments, California State Department of Housing and Community Development (HCD)

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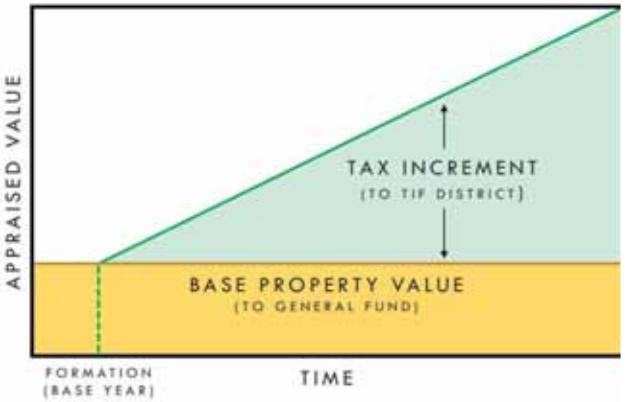
ALL ABOUT TAX INCREMENT FINANCING (TIF)

TIF in California

- Proposition 18 approved by California voters in 1952 creating Tax Increment Financing (TIF)
- Infrastructure investments that use increased property tax revenues from new development

State has approved new "sustainability and housing districts" that can utilize TIF

- Sustainability: Enhanced Infrastructure Financing District (EIFD), Community Revitalization Investment Authority (CRIA)
- Housing: Affordable Housing Authorities (AHA), Neighborhood Infill Finance and Transit Improvements Act (NIFTI & NIFTI-2)
- Address major infrastructure, sustainability, and housing needs
- Enable tax increment financing
- Encourage joint ventures with cities, counties, special districts, and private developers



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PRIMARY REASONS FOR A CITY OR COUNTY TO INITIATE A TIF DISTRICT

1. **Commitment attracts private investment:** Sends signal to the private sector; otherwise, if future property tax is left in general fund, will be lost to the reality of politics and annual budget demands
2. **Return on Investment:** Private sector reinvestment induced by 45 year commitment will **accelerate growth of tax increment exceeding the typical growth of property tax** and resulting in positive net fiscal revenue impacts, job creation, housing production, essential infrastructure improvements
3. **Other public money – Taxing Entities:** Setting up EIFD creates **invite for County and other local taxing entities to join,** further leveraging city's investment of tax increment
4. **Other public money – State/Federal:** Eligibility for federal and state grant and loan monies is improved when request is attached to an EIFD
5. **EIFD is an economic development tool:** State's priority is to a green economy via sustainability and housing districts. District flexibility, effectiveness, revenue sources have improved with each legislative session (since 2014)
6. EIFDs can fund **contamination / cleanup activities**
7. **Newest statute – SB 1145 – EIFDs that fund projects with tax increment can use T.I. for maintenance**

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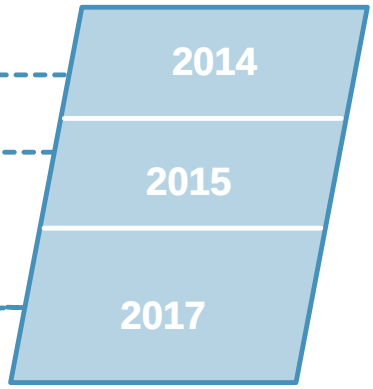
CA LEGISLATURE HAS NEW INVESTMENT INCENTIVES: SUSTAINABILITY & HOUSING "TIF" DISTRICTS

Governor Brown taketh RDAs... and giveth Sustainability & Housing Districts

- **Enhanced Infrastructure Financing Districts (EIFDs)**
  - Infrastructure and public/private transactions
- **Community Revitalization and Investment Authorities (CRIAs)**
  - Similar to EIFDs w/eligibility standards & focus on affordable housing
- **New approved Housing Districts include:**
  - Affordable Housing Authorities (AHA)
  - Neighborhood Infill Finance and Transit Improvements Act (NIFTI & NIFTI-2)
  - Workforce Housing Opportunity Zones (WHOZ) – **CEQA Streamlining**
  - Housing Sustainability Districts (HSD) – **CEQA Streamlining**
- **EIFDs, CRIAs, AHAs and NIFTIs use tax increment financing (TIF Districts)**
- **All Districts eligible for state funding for climate action/transportation**



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CONTINUED LEGISLATION IMPROVES SUSTAINABILITY AND HOUSING TOOLS

Date	Legislation
9/29/2014	SB 628 signed by Governor, authorizing **EIFDs**
9/22/2015	AB 313 signed by Governor, revising EIFD legislation AB 2 signed by Governor, introducing **CRIAs**
9/23/2016	AB 2492 signed by Governor, amending CRIA
9/29/2017	Governor signs housing bill package: SB 540 (**WHOZ**), AB 73 (**HSD**), SB 35, 12+ other bills
10/7/2017	AB 1568 signed by Governor, introducing **NIFTI** as part of EIFDs
10/13/2017	AB 1598 signed by Governor, introducing Affordable Housing Authorities (**AHAs**)
9/19/18	**SB 1145 signed by Governor, enables EIFD spending for maintenance** SB 961 signed by Governor, **NIFTI 2** additionally available under EIFD
9/28/18	AB 2035 signed by Governor, clarifies AHA provisions, expands to include homeless / transitional housing
2019	More to come…(SB 128, SB 5, AB 11, others)

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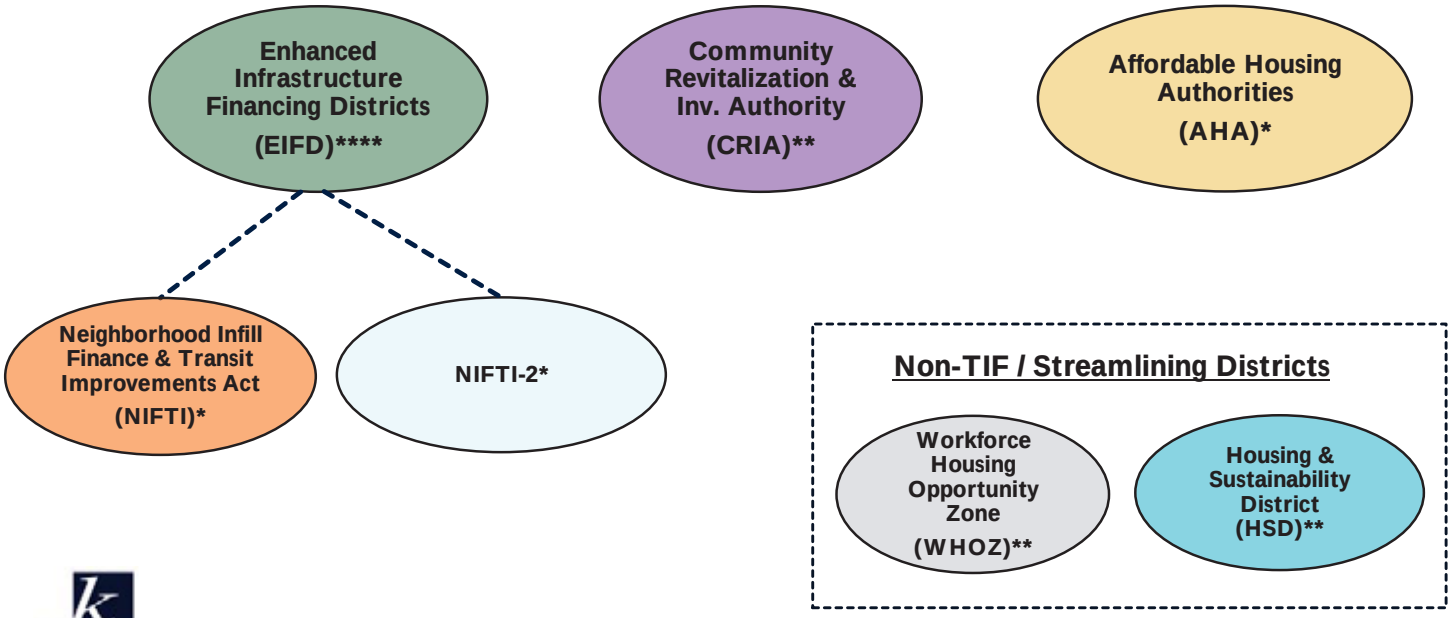
Attachment: PowerPoint Presentation - Kosmont (Update on Local Economic Development Tools & SCAG's Recommendations for

15 HOUSING STATUTES APPROVED OCTOBER 2017

- **GROUP 1: CEQA & PROCEDURAL STREAMLINING DISTRICTS**
  - SB 540, AB 73 and SB 35
- **GROUP 2: DISTRICTS AND FINANCING AUTHORITIES**
  - AB 1568 (NIFTI) and AB 1598 (AHA)
- **GROUP 3: COMPLIANCE - HOUSING ELEMENT AND PROCEDURES**
  AB 72, SB 166, AB 879, AB 1397, AB 1505 and AB 1521
- **GROUP 4: COMPLIANCE - HOUSING ACCOUNTABILITY ACT**
  - SB 167, AB 678 and AB 1515
- **GROUP 5: HOUSING FUNDING STATUTES**
  - SB 2, SB 3 and AB 571

❖ ***GROUPS Refer to "Kosmont Legislation Matrix in Sustainability & Housing Manual"***

ACTIVE SUSTAINABILITY & HOUSING "TIF" DISTRICTS FOR PUBLIC/PRIVATE PROJECTS



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ENHANCED INFRASTRUCTURE FINANCING DISTRICTS (EIFDs)****

- EIFDs approved / amended by SB628 (2014), AB313 (2015), AB1568 (2017), SB1145 (2018), SB961 (2018)
- Growth in property tax from participating agencies used to fund local / regional projects
- Statutory Authority: Part 1 of Division 2 of Title 5 of the Government Code
- Term: 45 years from first bond issuance
- Governance: **Public Financing Authority** led by city or county implements **Infrastructure Financing Plan**
- Eligibility: City, County, Special District; **school districts exempt**
- Approvals: No public vote to create district; 55% landowner or registered voter election for bonds
- Eligible Projects: Any property with useful life of 15+ years & of communitywide significance; purchase, construction, expansion, improvement, seismic, rehabilitation
- No blight test needed
- District boundaries do not need to be contiguous
- Now authorized (SB 1145) for **maintenance** of projects funded by EIFD

NEIGHBORHOOD INFILL FINANCE AND TRANSIT IMPROVEMENTS (NIFTI) ACT / AB 1568 and NIFTI-2 / SB 961*

(can be formed within EIFDs)

- Establishes NIFTI Act, authorizes a city/county to finance infrastructure and affordable housing in qualified urban areas **using sales & use tax revenues in addition to property tax increment revenues within EIFDs**
- Authorizes a city/county to adopt an ordinance that establishes the process by which sales and use and transactions and use taxes will be allocated to an EIFD
- At least 20% of total funding received by an EIFD pursuant to the NIFTI Act is required to be used for the acquisition, construction, or rehabilitation of housing for low income households
- Housing financed pursuant to the NIFTI Act must be made affordable to low or moderate income households for at least 55 years for rental units and 45 years for owner-occupied units
- **NIFTI-2 (SB 961)** similar, but limited to areas within ½ mile of major transit stop, housing set-aside increased to 40% of total funds, eliminates 55% voter approval (also directs State Office of Planning & Research to study effectiveness of current TIF tools)

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COMMUNITY REVITALIZATION AND INVESTMENT AUTHORITIES (CRIA)**

- Restores redevelopment authorities to disadvantaged communities
  - Carries out provisions of Community Redevelopment Law
- Term: 30 years to issue debt; 45 years to repay
- Governance: EITHER Public Finance Authority (PFA) or Joint Powers Authority (JPA), which are separate from the city, county that created it. 5+ member board, including at least 2 public members.
- Eligibility/Minimum Requirements : City or County that meets disadvantaged community definitions (median income, unemployment, crime, deterioration)
- Approvals: No voter approval for formation or bond issuance; subject to majority protest
- Eligible Projects: economic revitalization; **25% affordable housing set aside.**
- Eminent domain powers for first 12 years

AFFORDABLE HOUSING AUTHORITIES (AHA) – AB 1598*

- Authorizes a city/county/special district (except school district) to **create an AHA with funding from a low and moderate-income housing fund that is sourced by property tax increment revenues, bonds backed by property tax revenues, and/or local sales and use tax revenues**
- **AHA is a public financing authority (PFA)** that provides low and moderate-income housing and workforce housing for the jurisdiction that establishes it
- **AHA must adopt an affordable housing investment plan** that includes the estimated amount to be deposited into the fund, the estimated number of housing units that will be assisted by the AHA for very low, low, and moderate-income households, and a fiscal analysis that outlines the projected revenue and expenses of the AHA **over a five-year period**
- Requires an AHA **to prepare a plan for the relocation of any families and persons displaced from housing facilities** in the area affected by the affordable housing investment plan
- AHAs dissolve as legal entities in non-renewable terms of **45 years**

Attachment: PowerPoint Presentation - Kosmont (Update on Local Economic Development Tools & SCAG's Recommendations for

NON-TIF HOUSING STREAMLINING DISTRICTS
WHOZ & HSD (SB 540 & AB 73)**

- **Residential and mixed-use focus**
- **Advanced planning, zoning and CEQA streamlining**
- **Limited discretion to deny/condition projects that conform**
- **Affordability requirements**
- **Potential incentives from State**
- **Prevailing wage requirement**
- **Effective 1/1/18**

SUSTAINABILITY & HOUSING DISTRICTS:
WHAT CAN THEY FUND?

Industrial Structures

Aff./Workforce Housing/Blended Use

Transit Priority/RTP/SCS Projects

Wastewater/Groundwater

Light / High Speed Rail

Civic Infrastructure

Parks & Open Space

Childcare Facilities

Brownfield Remediation

Source: SB 628/AB 2 - Bill Text

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DISTRICTS NOW USE DIVERSE FUNDING SOURCES

Can use multiple funding sources with tax increment

- Federal and state sources:
  - *Proposition 1 bond funds*
  - *Cap-and-Trade proceeds*
  - *HCD grant / loan programs*
  - *Federal DOT / EPA / EDA funding programs*

- Other Potential Funding Sources:
  - *Property tax revenue including RPTTF*
  - *Vehicle license fee (VLF) prop. tax backfill increment*
  - *Development agreement / impact fees*
  - *City / county / special district loans*
  - *Benefit assessments (e.g. contribution from CFD)*
  - *Private investment*
  - *Sales Tax with NIFTI/NIFTI-2 via EIFD and AHA*

LEGISLATION IN PROGRESS

✓ SB 5 (Beall, McGuire) – Local-State Sustainable Investment Incentive Program (potential state contribution via ERAF)

✓ SB 128 (Beall) – would eliminate 55% EIFD bond issuance vote

✓ AB 11 (Chiu et. al.) – Affordable Housing and Infrastructure Agency (new district)

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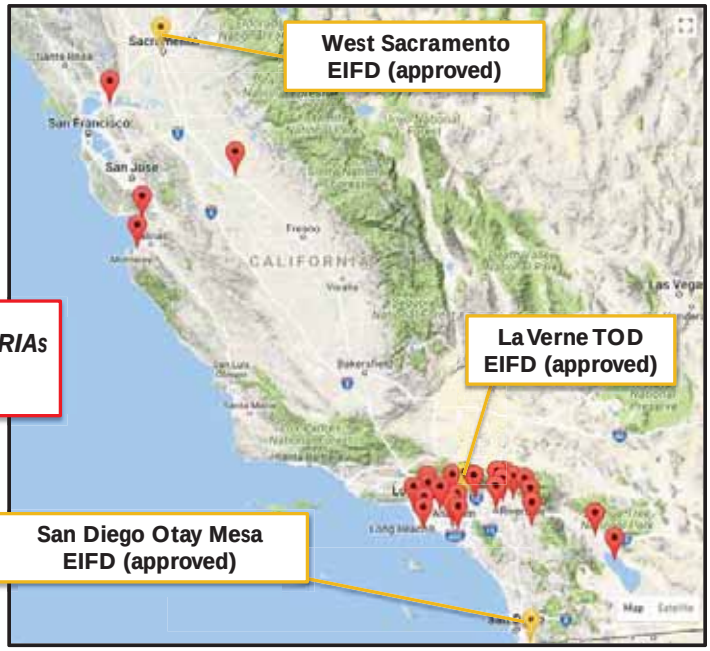
SUSTAINABILITY & HOUSING DISTRICTS:

WHERE ARE THEY BEING DONE?

Three Districts Approved (EIFDs) 15-20 Districts in progress



Red markers are EIFDs/CRIAs under evaluation

1. Atwater
2. Carson
3. Duarte
4. Grand Terrace
5. High Desert Corridor (7 jurisdictions)
6. Huntington Park
7. I-5 Corridor (5 jurisdictions)
8. Imperial County
9. Inglewood
10. La Verne
11. Los Angeles (San Pedro & Vermont Corrid
12. L.A. County (W. Carson Uninc.)
13. Ontario
14. Pittsburg
15. Placentia
16. Redondo Beach
17. Rialto
18. Richmond
19. Riverside
20. Riverside County (Salton Sea Uninc.)
21. Sacramento County
22. San Luis Obispo
23. San Jose
24. Santa Ana
25. Santa Fe Springs
26. Seaside
27. South Gate
28. West Santa Ana Branch Transit Corridor (1 jurisdictions)

Note: Partial list

CASE STUDIES

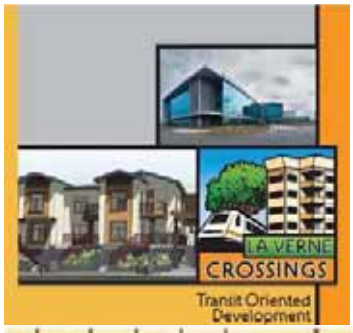
1. La Verne
2. Redondo Beach
3. Placentia

Attachment: PowerPoint Presentation - Kosmont (Update on Local Economic Development Tools & SCAG's Recommendations for

CASE STUDY: CITY OF LA VERNE - L.A. COUNTY'S FIRST EIFD!

EIFD Status

- ***Fully adopted on October 30th, 2017:*** City of La Verne is lead public agency
- **LA County evaluating participation in subsequent fiscal year (via amendment)**
- La Verne's EIFD Goals:
  - ***TOD & Sustainability District***
  - *Induce private development around future gold line station*
  - *Access Statewide sustainable funding sources such as Greenhouse Gas Reduction Fund (GGRF), Measure M and Housing Funds*



The EIFD District

- Proximate to University of La Verne, LA County Fairplex properties & future Gold Line Transit Station
- ~110 acres primarily adjacent to La Verne's Old Town Specific Plan Area

EIFD to fund Public Improvements and Private Projects:

- Development of mixed-use housing, potential hotel, retail and event space
- Station area improvements, circulation infrastructure next to Foothill station
- Sustainability improvements to commercial and industrial structures

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LA VERNE TOD EIFD MAP

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LA VERNE EIFD TAX INCREMENT PROJECTIONS

Assumptions:

- Kosmont used initial 5, 10 and 20 year development projections and infrastructure needs to estimate tax increment revenues

City of La Verne
Preliminary Assessed Value Projections

Development Type	Units		Projected AV/Unit/SF	Projected Total Assessed Value
Hotel	150	Keys	$100,000	$15,000,000
Retail	110,000	SF	$250	$27,500,000
Business Park	60,000	SF	$100	$6,000,000
Apartments	920	Units	$175,000	$161,000,000
Condominiums	915	Units	$300,000	$274,500,000
Total Projected AV New Development				**$484,000,000**

Key Initial Findings:

- **Project Area current assessed value ~$63 million**
- At year 10, EIFD will generate over $700,000 in annual TI revenue based on addition of 725 residential units & 300,000 SF comm.; 10 yr. projected AV of ~$351M
- With estimated development projections, assessed value of new development could increase to ~$484 million at buildout (Year 20)

Existing - $63 million current AV

Specific Plan Potential Developmen

- 2.1mm sf retail, business park, hotel, hou
- Est. AV (Year 10): $351 million
- Annual TI (Year 10): $700,000/year

CASE STUDY: CITY OF REDONDO BEACH – AES SITE

Existing Conditions:

- 50.1 acre site ("AES Site") adjacent to waterfront; significant contamination from prior uses
- AES Redondo Beach power plant not authorized to operate beyond December 31, 2020 – AES actively marketing site and in discussions with potential buyer
- City of Redondo Beach interested in redevelopment of AES Site:
  - Public Investment- regional coastal park, including wetlands restoration and recreational facilities
  - Private investment – resort hotels, retail, restaurant(s), waterfront parking, site clean-up

Opportunity:

- Private investment drives increase in assessed value, which can be captured by District through property tax revenues
- Infrastructure improvements, utility relocation and clean-up are eligible for District expenditures
- Estimated 386 jobs (280 construction) – 30% local hire, 10% targeted workers
- **County EIFD application approved by City Council April 17, 2018**
- **Prop 68 passed in 2017 4.1B bond funds: can fund plant conversion to open space**

AES power plant not authorized to operate beyon 12/31/2020

Attachment: PowerPoint Presentation - Kosmont (Update on Local Economic Development Tools & SCAG's Recommendations for

EIFD PLANNING AREA

Critical Infrastructure ($30-50mm):

- Parkland acquisition
- Utility improvements
- Streets / circulation / coastal access
- Parking for local businesses

No. Property Owners	**6 – 9**
Land Area	**50 – 90 acres**

HYPOTHETICAL FUTURE DEVELOPMENT

- Kosmont ran a baseline property tax analysis to determine District revenue based on potential future development
- Development & assessed value ("AV") assumptions:

Redondo Beach EIFD Area Development Assumptions			
Development Type	**SF / Units / Keys**	**Assessed Value (AV) Per SF / Unit / Keys**	**Estimated AV at Buildout**
Coastal Park	N/A	N/A	Exempt
Hotel	300 Keys	$465,000 – 580,000/Key	$139.5 – 174.0 MM
Restaurant	30,000 SF	$720 - 900/SF	$21.6 – 27.0 MM
Retail	20,000 SF	$720 - 900/SF	$14.4 – 18.0 MM
Estimated Total			**$175.5 – 219.0 MM**

Note: AV at buildout values in 2018 dollars

- AV was then used to calculate potential property tax revenue to the City and County based on property tax formulas

Attachment: PowerPoint Presentation - Kosmont (Update on Local Economic Development Tools & SCAG's Recommendations for

EIFD INFRASTRUCTURE – POTENTIAL PROJECTS (~$30-50 million)

Wetlands restoration and regional park

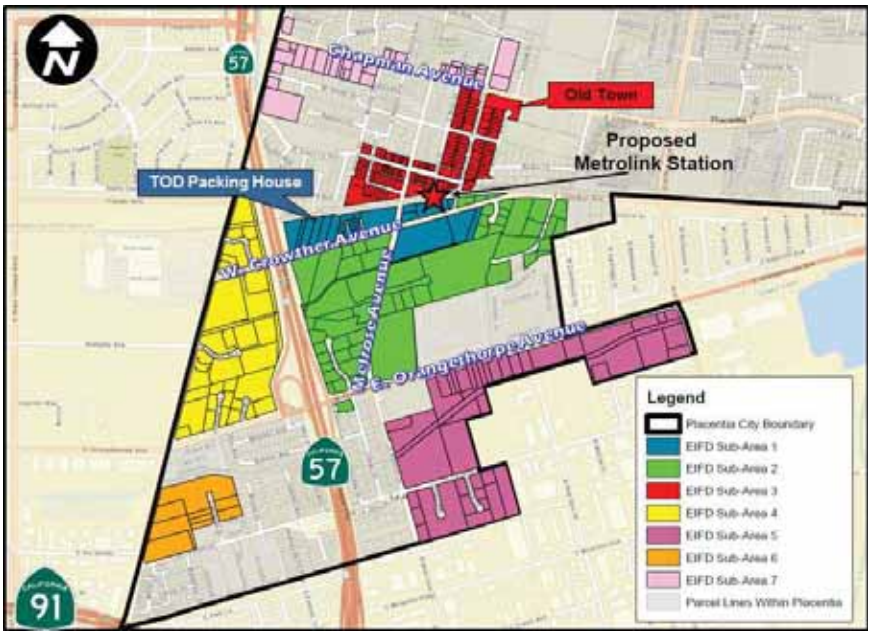
Remove utility visual blight

Recreational and cultural amenities

Improve bike/ped connections and beach access

CASE STUDY: CITY OF PLACENTIA OLD TOWN & PACKINGHOUSE

SCAG PILOT PROJECT & FIRST POTENTIAL CITY/COUNTY DISTRICT



Attachment: PowerPoint Presentation - Kosmont (Update on Local Economic Development Tools & SCAG's Recommendations for

PLACENTIA EIFD OVERVIEW

- Key areas / projects: Old Town Placentia Revitalization Plan, Metrolink Station, TOD Packing House
- ~300+ acres (approx. 7.1% of City total 4,243 acres)
- ~$365M in existing assessed value (approx. 5.9% of City total $6.1B)
- ~$460M in new development value
- Regional benefit: First Metrolink station in Orange County in ~10 years, reduce traffic on 91 Freeway (2nd most congested freeway in the nation)
- Economic benefits: $22M in net fiscal impact to City, $15M in net fiscal impact to County, 1,600+ housing units, 3,900+ construction jobs, 1,150+ permanent jobs, $800+ million in economic output from construction, $164+ million in annual ongoing economic output, convenient transit to local universities, GHG/VMT reduction
- Infrastructure needs: Old Town Streetscape Master Plan, Metrolink station transit-supportive infrastructure (e.g bicycle / pedestrian connectivity, sidewalks, surveillance, landscaping, signage, lighting, underground utilities, beautification, public safety access), parking / roadway / circulation, open space, water / sewer capacity improvements, cost estimates ~$7-8 million
- Public agency partners: City of Placentia, County of Orange, **SCAG**

kosmont

PLACENTIA EIFD: BEFORE

kosmont

Attachment: PowerPoint Presentation - Kosmont (Update on Local Economic Development Tools & SCAG's Recommendations for

PLACENTIA EIFD: AFTER

PRESENTATION OUTLINE

- Statewide Momentum for Sustainability & Housing
- Sustainability and Housing Districts: Overview and Progress Update
  - La Verne
  - Redondo Beach
  - Placentia
- **Opportunity Zones: California Outlook & Approach for Local Jurisdictions**

Attachment: PowerPoint Presentation - Kosmont (Update on Local Economic Development Tools & SCAG's Recommendations for

"We also want to pair EIFDs with the Opportunity Zones. This is the Big Idea."

— Gov. Newsom
January 10th, 2019
2019-2020 State Budget Release

Gov. Newsom to Streamline EIFDs and OZs

- **Pair EIFDs with OZs** leverage earlier OZ investment with longer term tax increment (Budget, SB 128)
- **Conform CA Income Tax** with fed. income tax sched. for **low/mod. housing** & **Greentech** (Budget)
- **CEQA Streamlining** for certain OZ projects to mitigate timing challenges (SB 25)

OPPORTUNITY ZONES...

WHAT ARE THEY & WHAT ARE THE COMMUNITY BENEFITS?

OZ Basics

- **Incentivizes** individuals to realize capital gains and invest in certain low-income areas through tax deferrals and reductions.
- **Timing** is critical to maximize investments
- **Competition** will be high for OZ investment

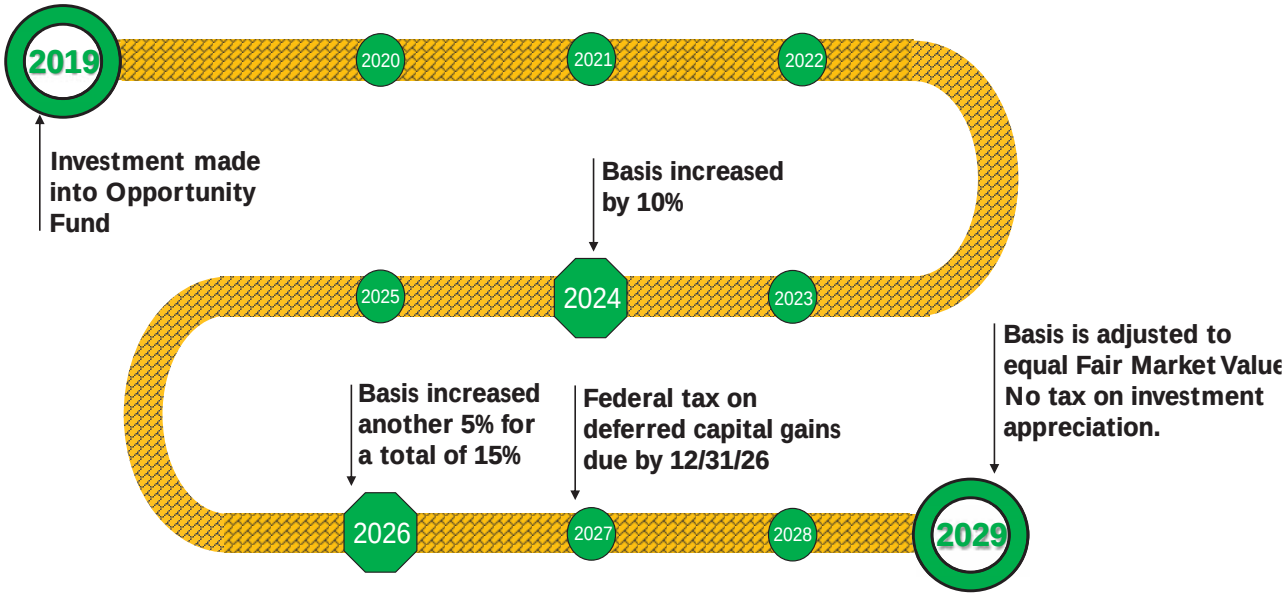
OZ Community Benefits

1. Opportunity Zones can be used as part of an economic development strategy, **creating jobs, stimulating economic activity, and jump-starting projects** within a community.
2. Opportunity Zones can stimulate housing development, **paving the way for cities to meet legislative housing mandates.**
3. Opportunity Zones can be used to augment other tax incentives and tax deferral strategies, **enhancing the economic viability of a proposed project** (EIFDs, TIF, NMTC, Fed Tax Credits).

Attachment: PowerPoint Presentation - Kosmont (Update on Local Economic Development Tools & SCAG's Recommendations for

OPPORTUNITY ZONES...

WHAT ARE THE INVESTOR BENEFITS?



OZ OPPORTUNITY AND CHALLENGES IN CA

879 low-income Census tracts approved as California OZs: >10% of the national market

California is typically a preferred investor market:

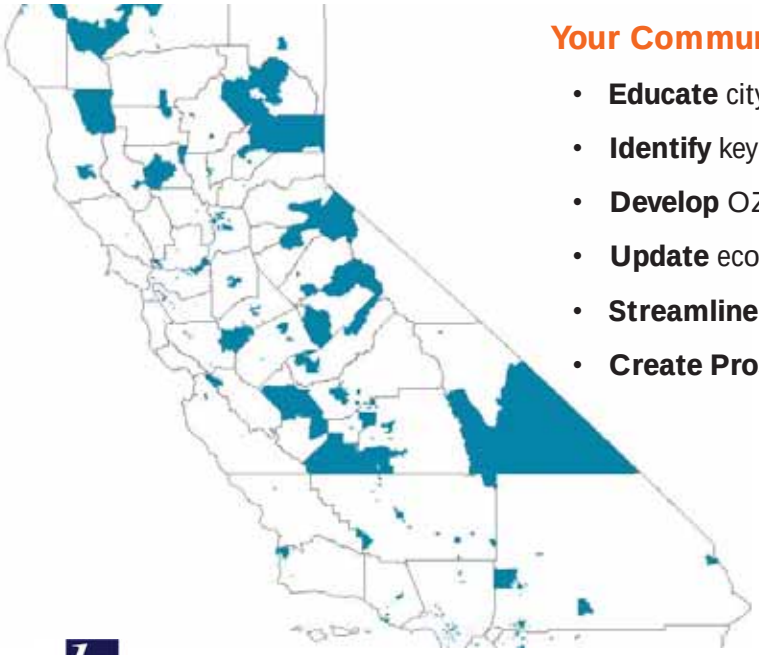
- Climate
- Labor Force
- Diversification
- Port Activity
- Quality of Life

California has some OZ challenges:

- OZ Competition from 49 States
- Slow/Costly Entitlement Process & Local Government Approvals
- CEQA Timing and Litigation Exposure

Attachment: PowerPoint Presentation - Kosmont (Update on Local Economic Development Tools & SCAG's Recommendations for

Opportunity Zones in 57 California Counties

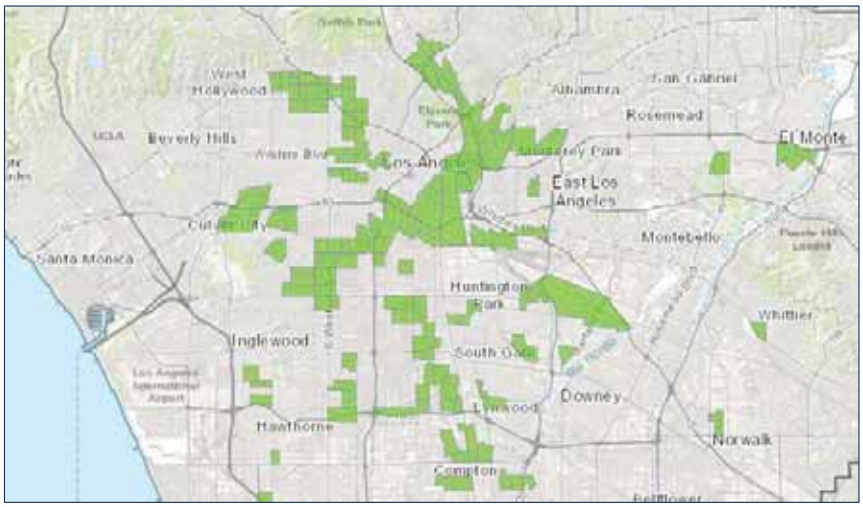


Your Community's OZ Game Will Go Better If You Prepare:

- **Educate** city council, staff, and the community on Opportunity Zones
- **Identify** key projects, property owners, and stakeholders in OZ areas
- **Develop** OZ investment strategy: OZ Businesses, OZ Properties, or both
- **Update** economic development plans and zoning to align with targets
- **Streamline** local project approval processes and align with CEQA
- **Create Prospectus** to market target projects to OZ investors

OPPORTUNITY ZONES

Los Angeles and surrounding area (274 tracts)



Sample of Cities included:

Cudahy
Culver City
Commerce
Compton
El Monte
Inglewood
Los Angeles
Long Beach
Huntington Park

Source: California Department of Finance, Demographic Research Unit:
https://cafinance.maps.arcgis.com/apps/webappviewer/index.html?id=d068b90cb97f4b429f3b180593036b7e

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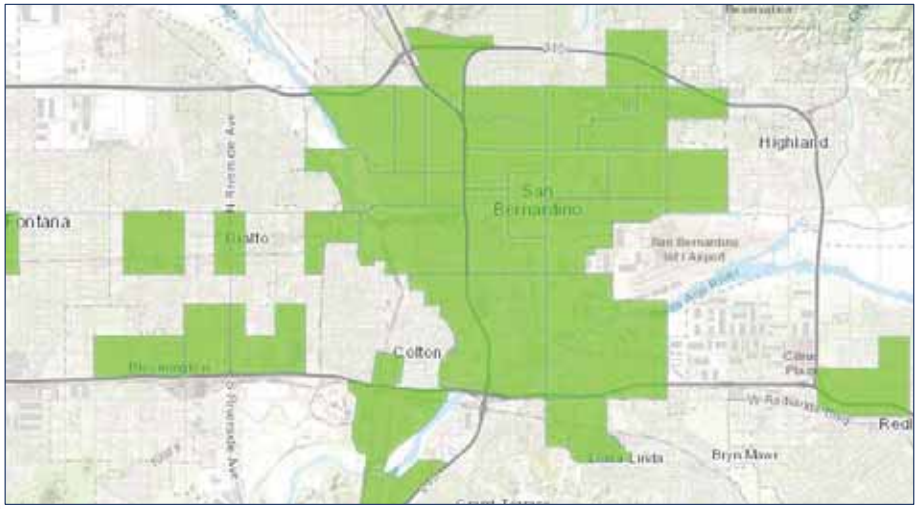
OPPORTUNITY ZONES

San Bernardino County area (57 tracts)



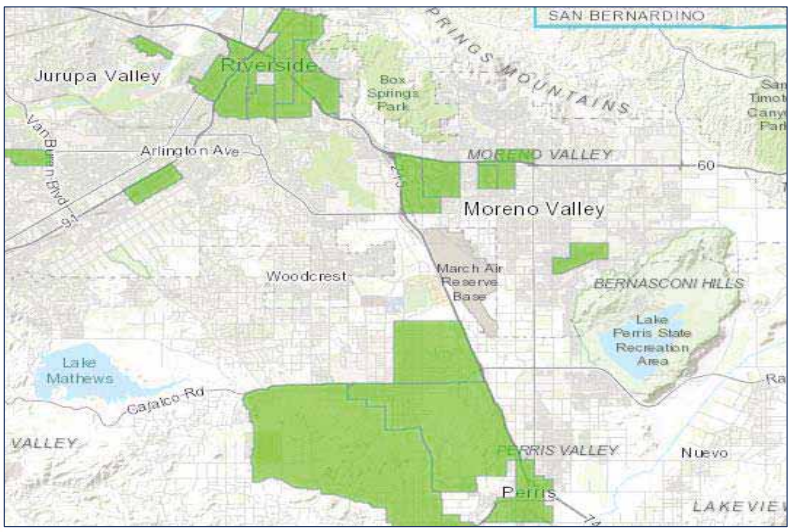
Sample of Cities included:

Colton
Fontana
Ontario
Redlands
Rialto
San Bernardino

Source: California Department of Finance, Demographic Research Unit:
https://cafinance.maps.arcgis.com/apps/webappviewer/index.html?id=d068b90cb97f4b429f3b180593036b7e

OPPORTUNITY ZONES

Riverside County area (49 tracts)



Sample of Cities included:

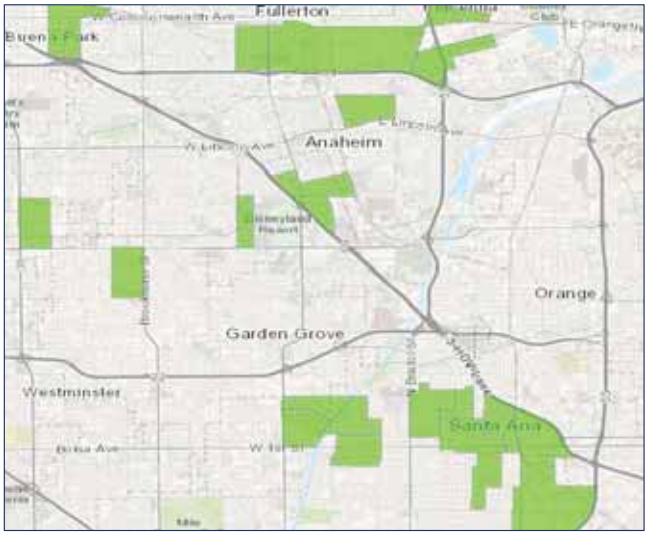
Corona
Hemet
Moreno Valley
Perris
Riverside
San Jacinto

Source: California Department of Finance, Demographic Research Unit:
https://cafinance.maps.arcgis.com/apps/webappviewer/index.html?id=d068b90cb97f4b429f3b180593036b7e

Attachment: PowerPoint Presentation - Kosmont (Update on Local Economic Development Tools & SCAG's Recommendations for

OPPORTUNITY ZONES

Orange County area (27 tracts)



Sample of Cities included:

Anaheim
Fullerton
Huntington Beach
San Clemente
Santa Ana
Stanton

Source: California Department of Finance, Demographic Research Unit:
https://cafinance.maps.arcgis.com/apps/webappviewer/index.html?id=d068b90cb97f4b429f3b180593036b7e

CITIES: USE OZ PROSPECTUS TO ATTRACT INVESTORS

OZ Prospectus: emphasize strategy, stability, and structural advantages of your city to highlight market opportunities for OZ Funds.

Prospectus Components

- **Top-level Storytelling** highlights growth and vision for city's future
- **City/Regional Momentum** analysis of recent development, demographic/econ. indicators, & anticipated growth
- **Economic Development Planning & Zoning Updates** show comprehensive preparation & commitment
- **Streamlined Local Processes** ease timing concerns and improve competitiveness
- **Other Funding Sources** can be paired to enhance economic viability of projects (e.g. EIFD, TIF, NMTC, etc.)
- **Target Areas** describe key locations of growth in city
- **Target Projects/Sites** provide prime opportunities for OZ investment

With over 8,000 approved Opportunity Zones across the country, competition for Opportunity Fund investment is high

KOSMONT COMPANIES PROPRIETARY DO NOT DUPLICATE

Attachment: PowerPoint Presentation - Kosmont (Update on Local Economic Development Tools & SCAG's Recommendations for

STATEWIDE TOOLS & RESOURCES FOR OZs & EIFDs

"Opportunity Zones have the potential to be the largest infusion of private capital into disadvantaged communities in decades."

-- Lenny Mendonca
recently appointed Director of the Office of Business and Economic Development

GO-Biz

- State resource for economic development efforts

OppSites – Official State of California OZ Marketplace

- Assist cities with OZ project cataloging, marketing, and matchmaking

CA.GOV CA OPPORTUNITY ZONES OppSites

Attachment: PowerPoint Presentation - Kosmont (Update on Local Economic Development Tools & SCAG's Recommendations for

WHATS NEXT FOR OZ DEVELOPMENT

Expansion of California Digital Platform

- **OppSites** will make OZ matchmaking easier for cities and investors

Federal OZ Regulations

- Regs and guidance last released in October 2018
- Updated regs expected on February 14th to address key issues:
  - affiliated parties test, business profits/location, original use, investment transfers

California Proposed Legislation to Accelerate OZ Investment

- **SB 25:** CEQA streamlining for OZ projects (prevailing wage required)
- **SB128:** EIFD vote requirement for debt will be eliminated
- **Income Tax Changes:** state conformance with federal OZ tax benefits

THANK YOU – ANY QUESTIONS?

APRIL 4, 2019

PRESENTED BY:

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Attachment: PowerPoint Presentation - Kosmont (Update on Local Economic Development Tools & SCAG's Recommendations for

AGENDA ITEM NO. 7

REPORT

Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
June 6, 2019

To: Energy & Environment Committee (EEC)
Transportation Committee (TC)
Community, Economic and Human Development Committee (CEHD)

From: Sarah Dominguez, Associate Regional Planner, Sustainability
(213) 236-1918, dominguezs@scag.ca.gov

Subject: SCS Update: Scenarios

EXECUTIVE DIRECTOR'S APPROVAL

Kome Ajise

RECOMMENDED ACTION FOR CEHD:
For Information Only- No Action Required

RECOMMENDED ACTION FOR EEC AND TC:
Receive and File

STRATEGIC PLAN:
This item supports the following Strategic Plan Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians.

EXECUTIVE SUMMARY:
SCAG is currently conducting public workshops across the region to elicit feedback for composing Connect SoCal, including a presentation of four future scenarios of a Sustainable Communities Strategy for the region in 2045. The feedback received during these workshops along with quantitative analysis on scenario performance will be used to develop a final preferred scenario to be recommended for inclusion into the draft of Connect SoCal.

BACKGROUND:
As outlined in the Sustainable Communities Framework approved by the Regional Council in October 2018, SCAG utilizes scenario planning as part of the development of the Sustainable Communities Strategy. Based on local input data and input from stakeholders, SCAG has developed four scenarios that are being presented to the public as part of the Connect SoCal workshops.
These scenarios, outlined briefly below, present alternatives for how the region could grow by 2045 with the main goal of reducing per-capita greenhouse gas emissions in order to meet SCAG's SB 375 target of 19% reduction below 2005 levels by 2035.

The four scenarios summarized below include the following potential futures for the region:

Existing Plans- This future reflects the land use and growth patterns as submitted to SCAG by local governments for a "bottom-up" approach to envisioning the region in 2045. New housing types vary throughout the region and include both lower density single family on the edges of existing communities and increased multifamily development within a few more urban areas. For

transportation, this future anticipates the projects planned by each County Transportation Commission.

Networked Destinations- In this future, more housing is built near transit stops and new jobs locate in areas with easy access to frequent bus or rail service. Most new homes are duplexes, townhomes, condominiums, or apartments, giving families access to more housing options. Most of the current single-family neighborhoods will remain the same as today. Most people can rely on transit for daily trips, such as getting to school or going to work. There will be more options to get to and from bus and rail stops, including bicycling, walking, or using a ride hailing service like Uber, Lyft or Via. For trips where transit isn't an option, there will be increased access to carshare services like Zipcar, blueLA, or car2go. For those that still need to drive for most trips, a regional express lane network and increased incentives for carpooling will help reduce congestion.

Dynamic Centers- In this future, more new jobs and housing are developed in the following areas: (1) existing job centers; (2) in walkable neighborhoods where homes, jobs, shops, and services are all easily accessible without a car; and (3) near transit stations. Growing in this way allows for shorter trips because the grocery store, doctors office, or coffee shop is located closer to where people live or work. To get around, people have options beyond driving a personal vehicle. For shorter trips, there will be a choice of using neighborhood bicycle networks, carshare, or micromobility services like shared bicycles or scooters. Other longer trips are supported by on-demand services that allow users to hail rides and share vehicles; these services may include microtransit, carshare, and citywide partnerships with ride hailing services like Uber, Lyft, or Via. For those that choose to drive, hot-spots for congestion will be quicker to move through due to cordon pricing and using an electric vehicle will be easier due to an expanded regional charging network.

Accelerated Tomorrow- In this fiscally unconstrained future, more funding is available to invest in expanded bus and rail networks and there is additional revenue to make existing transit service faster and more reliable. With the understanding that these investments may make transit areas even more desirable, strategies are deployed to help ensure that existing residents benefit from new investments. Growth in these transit rich areas focuses on providing a variety of housing types that increase the availability of affordable housing options for existing families and newcomers. New investments in public infrastructure focus on enhancing safety for people walking, bicycling, and rolling, and facilitate community-identified connections between transit, jobs, homes, and local destinations. By facilitating growth in a more focused way, pressure to develop on farmland or in open space areas is reduced. More drivers would be able to make the switch to electric vehicles because additional funding is secured for EV charging infrastructure and local consumer rebates make electric vehicles more accessible.

In all foregoing four scenarios, SCAG distributed growth consistent with local land use designations, and did not exceed capacities expressed by local general and/or specific plans.

Next steps:
Following the workshops, staff will review feedback received through the public workshop process along with quantitative analysis of each scenario's performance to develop the final preferred

scenario to be recommended for inclusion into the draft of Connect SoCal. The first step will be to develop the final land use growth pattern. This final growth pattern will be based on city growth totals as provided through the local input process and existing general plan capacities, but may deviate from local input in terms of the specific assumed growth areas within cities in order to maximize per-capita GHG reductions and integrate cohesively with transportation strategies. Staff reports on feedback received and final preferred scenario will be presented to SCAG policy committees in summer and early fall 2019.

FISCAL IMPACT:

Work associated with this item is included in the current FY 2018-2019 Overall Work program (290.4826.01, SCS Scenario Development & Outreach; and 290.4841.01, RTP/SCS Land Use Policy & Program Development)

AGENDA ITEM NO. 8

REPORT

Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
June 6, 2019

To: Energy & Environment Committee (EEC)
Transportation Committee (TC)
Community, Economic and Human Development Committee (CEHD)

From: Roland Ok, Senior Regional Planner, Compliance & Performance Monitoring, (213) 236-1819, ok@scag.ca.gov

Subject: Local Input Survey Results

EXECUTIVE DIRECTOR'S APPROVAL

Kome Ajise

RECOMMENDED ACTION FOR CEHD AND EEC:
For Information Only – No Action Required

RECOMMENDED ACTION FOR TC:
Receive and File

STRATEGIC PLAN:
This item supports the following Strategic Plan Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians. 3: Be the foremost data information hub for the region.

EXECUTIVE SUMMARY:
In preparation for development of Connect SoCal ("2020 Regional Transportation Plan/Sustainable Communities Strategies") all 197 local jurisdictions within the SCAG region were asked to complete a survey to gauge current progress toward implementation of regional sustainability goals as set forth in the 2012 RTP/SCS and 2016 RTP/SCS. Survey questions were wide-ranging in scope, but focused on developing a meaningful summary of where the region currently stands. 112 jurisdictions have provided responses, for a response rate of 60%. Responses provided have allowed SCAG to determine policies and strategies that have been successfully implemented and those that have opportunities for improvements. Results have been summarized to obtain a snapshot of how Southern California is currently performing in implementing sustainability policies and strategies, at the regional levels.

BACKGROUND:
The Southern California Association of Governments (SCAG) developed a Local Input Survey to seek input from local jurisdictions across the six-county area to assist in the development of the Connect SoCal (2020 Regional Transportation Plan/Sustainable Communities Strategies (RTP/SCS)).

Connect SoCal is a long-range visioning plan containing transportation projects and land use development strategies, that balances future mobility and housing needs with economic, environmental and public health goals. Additionally, per SB 375, land use strategies developed within the SCS will help the region achieve state greenhouse gas emission reduction goals.

In addition to the development of the Connect SoCal Plan, information from the Local Input Survey will assist SCAG in tracking the implementation of the 2012 and 2016 RTP/SCS strategies and will assist in developing and bolstering new and or existing programs aimed at supporting plan development and implementation including assisting local jurisdictions within the region.

The Local Input Survey was comprised of 62 questions, separated into the five distinct categories (For further details, please refer to *Attachment 1, Local Input Survey)*. The format and topics of the Local Input Survey is as follows:

I. Land Use
II. Transportation
III. Environmental
IV. Public Health and Safety
V. Data

The Local Input Survey was sent out to all 197 jurisdictions in October 31, 2017 and responses were due on October 1, 2018. Local agencies were offered the choice of submitting responses online through Survey Monkey or by email.

KEY FINDINGS:

Approximately 60% (112 out of 197 local jurisdictions) of local jurisdictions in the SCAG region provided responses to the Local Input Survey. Response rates per topic area differed amongst respondents. SCAG found that several strategies noted in the previously conducted RTP/SCS have been successfully implemented throughout the region, whereas others were not as frequently implemented and are key indicators for improvement opportunities. As stated previously, SCAG will utilize the data received to develop Connect SoCal and will improve and expand its programs for areas that present opportunities. Key findings of the survey are provided below.

Successful Implementation:

- **General Plans with SCS Strategies (80% [91 respondents]):**
  - 95% of respondents (87 jurisdictions) have implemented Infill Development.
- **Zoning Code with SCS Strategies (90% [101 respondents]):**
  - 90% of respondents (91 jurisdictions) have implemented Accessory Dwelling Units.
- **Infill Incentives (58% [65 respondents]):**
  - 86% (56 jurisdictions) of respondents offer Density Bonus.
- **Parking Strategies (75% [85 respondents]):**
  - 90% (77 jurisdictions) have implemented additional Bicycle Parking.
- **Water Management Strategies (96% [108 respondents]):**
  - 91% (93 jurisdictions) have implemented Low Impact Development.
- **Transportation Strategies (94% [105 respondents]):**
  - 82% (87 jurisdictions) have implemented a Bicycle Master Plan
- **Travel Demand Management (74% [83 respondents]):**
  - 73% (61 jurisdictions) offer Ridesharing and Matching Incentives.
- **Climate Change (72% [81 respondents]):**
  - 72% (81 jurisdictions) of respondents have considered the threat of hazards related to climate change in their general plans and to support their local programs

- **Native Vegetation (85% [95 respondents]):**
  - 85% (81 local jurisdictions) implement through the Development on Privately Owned Land.
- **Conservation Strategies (66% [74 respondents]):**
  - 70% (52 local jurisdictions) have implemented a Hillside/Steep Slope Protection Ordinance.
- **Emergency Plans (90% [101 respondents]):**
  - 94% (95 local jurisdictions) have implemented a Hazard Mitigation Plan.

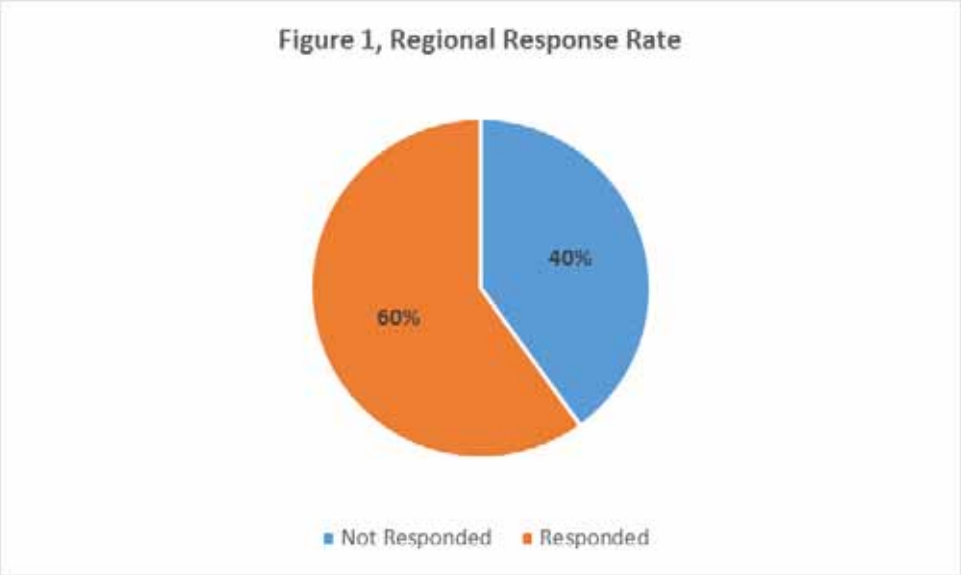
Opportunities for Improvement:

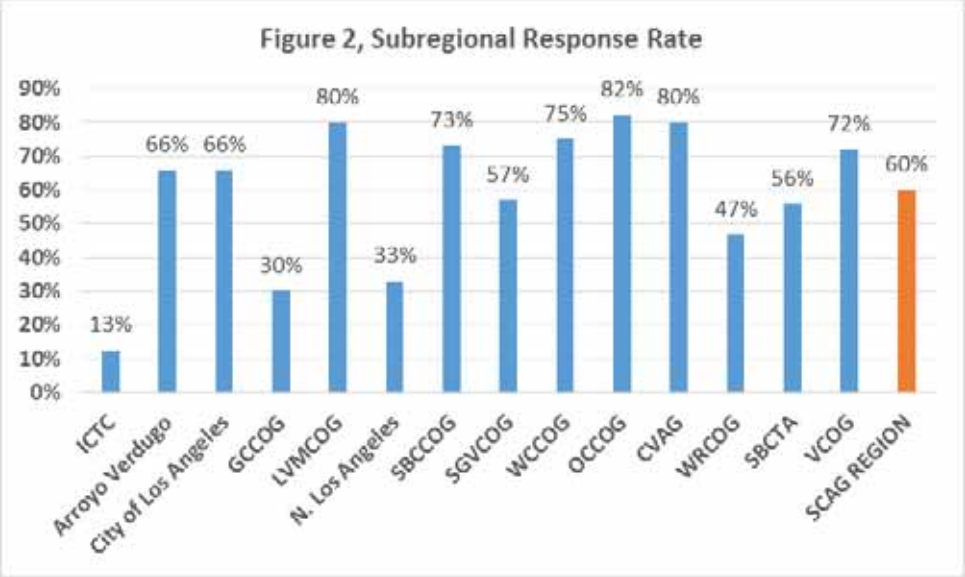
- **General Plans with SCS Strategies (80% [91 respondents])**
  - Only 16% of respondents (15 jurisdictions) have implemented Form Based Code.
- **Zoning Code with SCS Strategies (90% [101 respondents]):**
  - Only 21% of respondents (21 jurisdictions) have implemented Form Based Code.
- **Infill Incentives (58% [65 respondents]):**
  - Only 10% (7 jurisdictions) of respondents offer Tax Subsidies.
- **Parking Strategies (75% [85 respondents]):**
  - Only 13% (11 jurisdictions) have implemented Unbundled Parking.
- **Transportation Strategies (94% [105 respondents]):**
  - Only 6% (6 jurisdictions) have implemented Vision Zero Policies.
- **Travel Demand Management (74% [83 respondents]):**
  - Only 4% (3 jurisdictions) offer Parking Cash Out Policies.
- **Climate Change (72% [81 respondents]):**
  - 50% (57 jurisdictions) of the survey respondents have implemented Climate Action Plans. While this doesn't appear low, for the region to hit State emissions targets and curb climate change, it is important that more local jurisdictions implement a Climate Action Plan to assist in reducing emissions.
  - Only 36% (40 jurisdictions) of survey respondents have implemented Greenhouse Gas Reduction Targets.
  - Only 29% (32 jurisdictions) of survey respondents have staff capacity to apply for Green House Gas Reduction Funds.
- **Native Vegetation (85% [95 respondents]):**
  - Only 6% (6 local jurisdictions) offer Code Incentives.
- **Conservation Strategies (66% [74 respondents]):**
  - 20% (15 local jurisdictions) have implemented Mitigation Banks.
- **Public Health (25% (28 respondents]):**
  - 25% (28 jurisdictions) of all respondents have implemented Public Health Practices.
- **Emergency Plans (90% [101 respondents]):**
  - While 64% (65 local jurisdictions) have implemented a Seismic Safety Plan, given that California frequently experiences seismic activities, the region needs all local jurisdictions to implement Seismic Safety Plans.

SURVEY RESULTS:

Response Rate:

- Approximately 60% (112 out of 197 local jurisdictions) of local jurisdictions in the SCAG region provided responses to the Local Input Survey (*See Figure 1, Regional Response Rate*).
- Subregional responses rates varied between 13% (ICTC) to 82% percent (OCCOG) (*See Figure 2, Subregional Response Rate*).

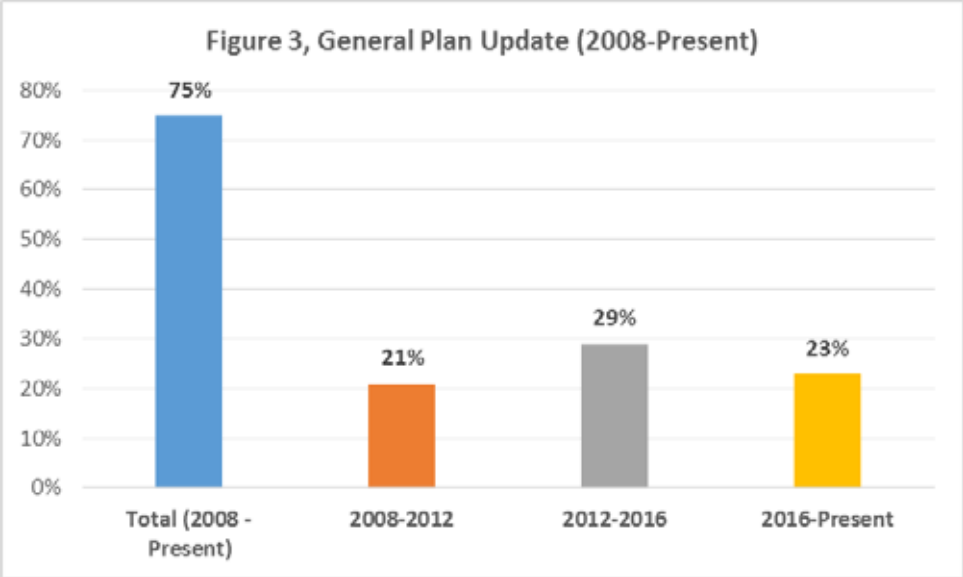


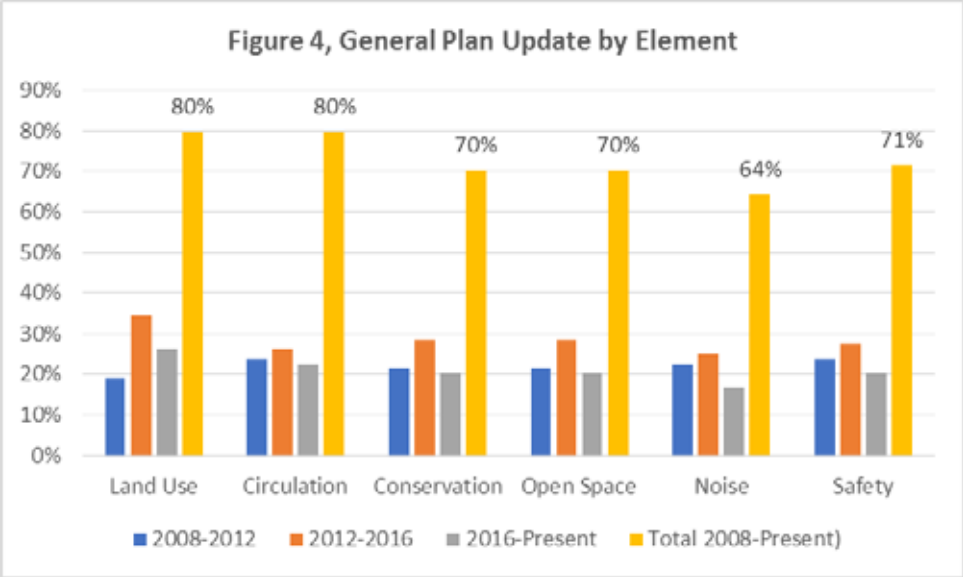


General Plan Updates:

- Excluding mandatory Housing element updates, 75% of respondents have updated at least one element of their General Plan since 2008, of which 21% occurred between 2008 to 2012, 29% occurred between 2012 to 2016 and 23% occurring between 2016 to present day *(See Figure 3, General Plan Update).*

- The most frequent elements that were updated between 2008 to present day were the Land Use and Circulation elements (80%), followed by Conservation and Open Space elements (70%) (*See Figure 4, General Plan Update by Element*).





High Quality Transit Area and Transit Priority Area:

- Approximately 53% of respondents indicate having an RTP-designated 'High Quality Transit Area' (HQTA) within their jurisdiction *(See Figure 5, Jurisdictions with HQTA).*

- Approximately 39% of jurisdictions with an HQTA have adopted at least one Transit Priority Area (TPA) specific plan *(See Figure 6, Jurisdictions with TPA).*

Figure 5, Jurisdictions with HQTA

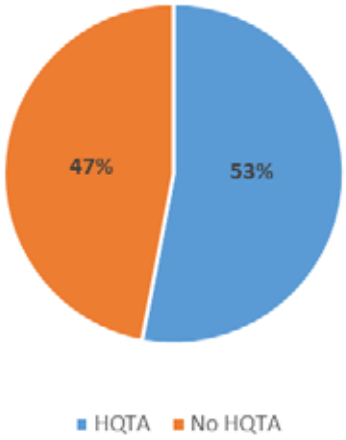
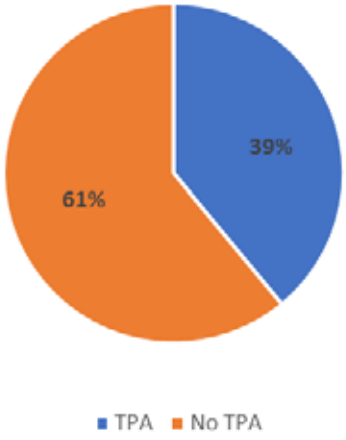


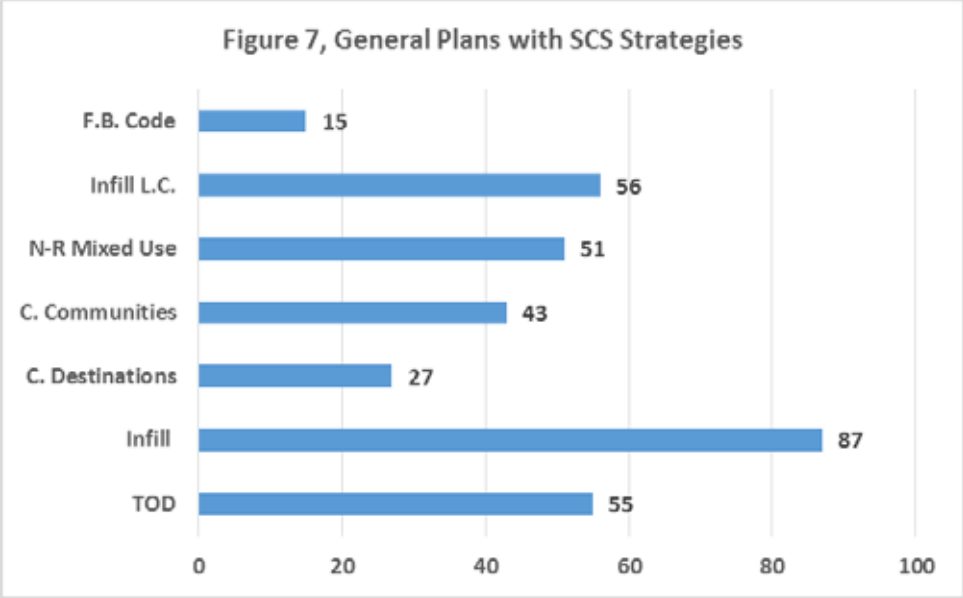
Figure 6, Jurisdictions with TPAs



General Plans with SCS Strategies:

- 80% of responding jurisdictions (91 jurisdictions) reported at least one of the 2012 and 2016 RTP/SCS strategies was supported by their currently adopted General Plan, 78% of respondents have implemented at least two or more of the SCS strategies, 60% have implemented at least three or more SCS strategies.
- Based on the responses from the 91 jurisdictions, the results regarding the implementation of SCS strategies in general plans are as follows (*See Figure 7, General Plans with SCS Strategies)*:
    - 95% of respondents (87 jurisdictions) have implemented Infill Development.
    - 61% of respondents (56 jurisdictions) have implemented Infill Along Livable Corridors.

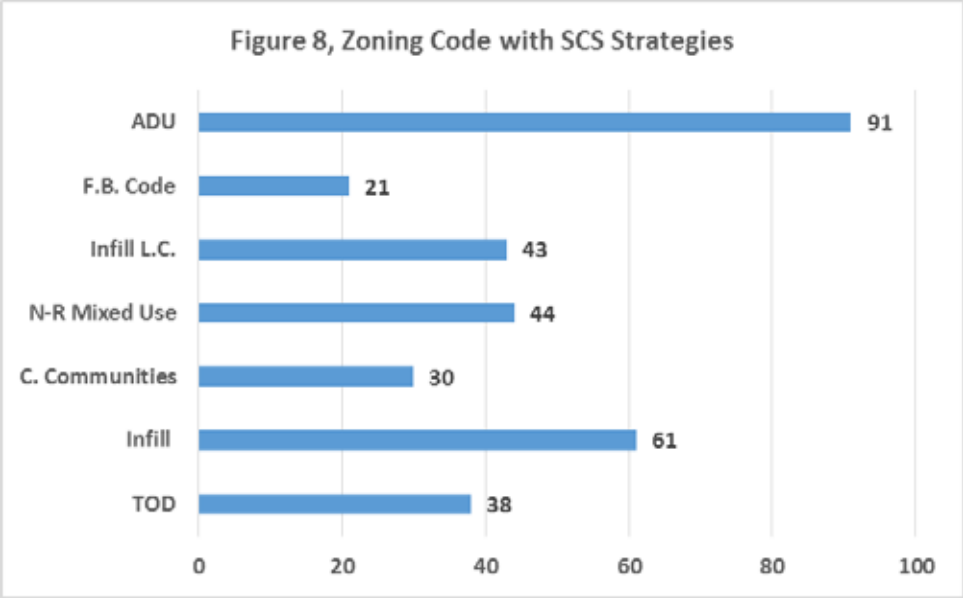
- 60% of respondents (55 jurisdictions) have implemented Transit Oriented Development.
- 56% of respondents (51 jurisdictions) have implemented Non-Residential Mixed Use.
- 47% of respondents (43 jurisdictions) have implemented Complete Communities.
- 30% of respondents (27 jurisdictions) have implemented Concentrating Destinations.
- 16% of respondents (15 jurisdictions) have implemented Form Based Code.



Zoning Code with SCS Strategies:

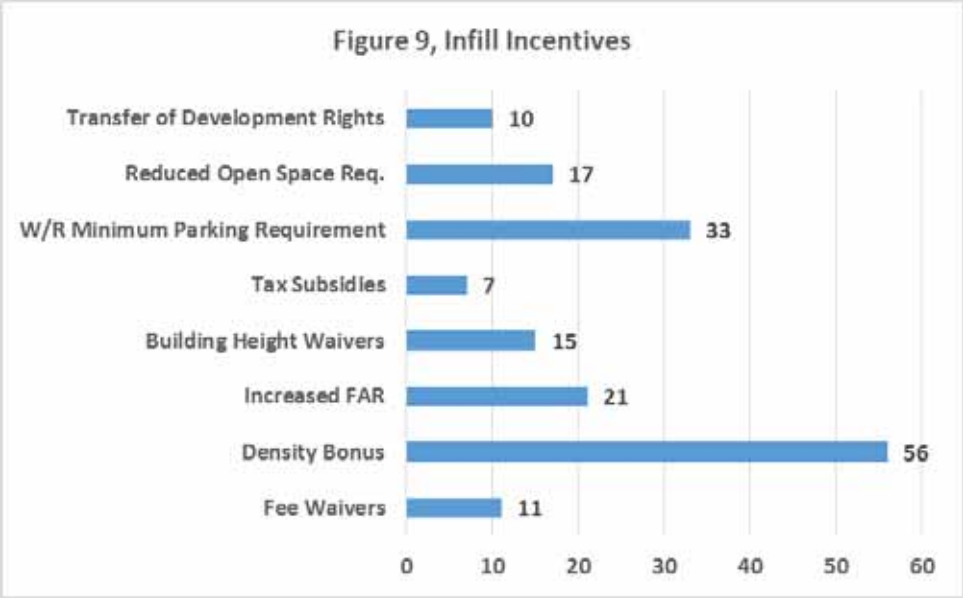
- 90% of responding jurisdictions (101 jurisdictions) reported at least one of the 2012 and 2016 RTP/SCS strategies was supported by their Zoning Code, while 69% of respondents have implemented at least two or more of the SCS strategies.

- Based on the responses from the 101 jurisdictions, the results regarding the implementation of SCS strategies in zoning codes are as follows (*See Figure 8, Zoning Code with SCS Strategies)*:
  - 90% of respondents (91 jurisdictions) have implemented Accessory Dwelling Units.
  - 60% of respondents (61 jurisdictions) have implemented Infill Development.
  - 44% of respondents (44 jurisdictions) have implemented Non-Residential Mixed Use.
  - 42% of respondents (43 jurisdictions) have implemented Infill Development Along Livable Corridors.
  - 38% of respondents (38 jurisdictions) have implemented Transit Oriented Development.
  - 30% of respondents (30 jurisdictions) have implemented Complete Communities.
  - 21% of respondents (21 jurisdictions) have implemented Form Based Code.



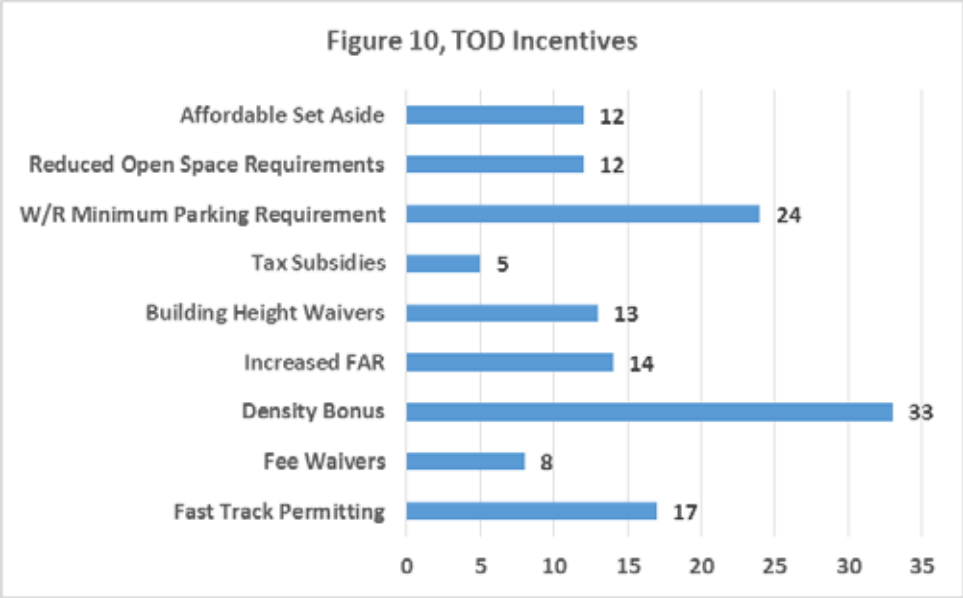
Infill Incentives:

- 58% of respondents (65 jurisdictions) indicated that their jurisdiction offered infill incentives. Of the 65 jurisdictions, 60% of respondents indicated that their jurisdiction offered at least two incentives and 40 percent offering three or more incentives.
- Based on the responses from the 65 jurisdictions, the results regarding the implementation of infill incentives are as follows (*See Figure 9, Infill Incentives)*:
    - 86% (56 jurisdictions) of respondents offer Density Bonus.
    - 50% (33 jurisdictions) of respondents offer Waiving or Reducing the Minimum Parking Requirement.
    - 26% (17 jurisdictions) of respondents offer Reduced Open Space Requirements.
    - 23% (15 jurisdictions) of respondents offer Building Height Waivers.
    - 17% (11 jurisdictions) of respondents offer Fee Waivers.
    - 15% (10 jurisdictions) of respondents offer Transfer of Development Rights.
    - 10% (7 jurisdictions) of respondents offer Tax Subsidies.



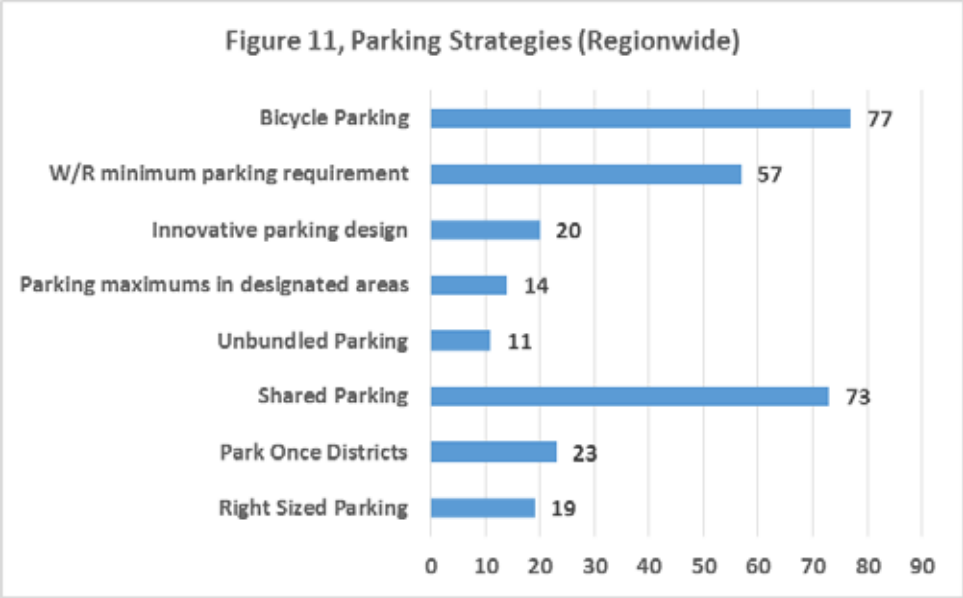
Transit Oriented Development Incentives:

- 33% of respondents (37 jurisdictions) indicated that their jurisdiction offers Transit Oriented development incentives. Of the 37 respondents, 70% of jurisdictions offer at least two incentives, and 59% offer three or more incentives for Transit Oriented Development.
- Based on the responses from the 37 jurisdictions, results regarding the implementation of Transit Oriented Development Incentives are as follows (*See Figure 10, TOD Incentives*):
    - 89% (33 jurisdictions) offer Density Bonus'.
    - 64% (24 jurisdictions) offer Waived or Reduced Parking Requirements.
    - 45% (17 jurisdictions) offer Fast Track Permitting.
    - 38% (14 jurisdictions) offer Increased Floor Area Ratio.
    - 35% (13 jurisdictions) offer Building Height Waivers.
    - 32% (12 jurisdictions) offer Affordable Set Aside.
    - 32% (12 jurisdictions) offer Reduced Open Space Requirements.
    - 22% (8 jurisdictions) offer Fee Waivers.
    - 14% (5 jurisdictions) offer Tax Subsidies.



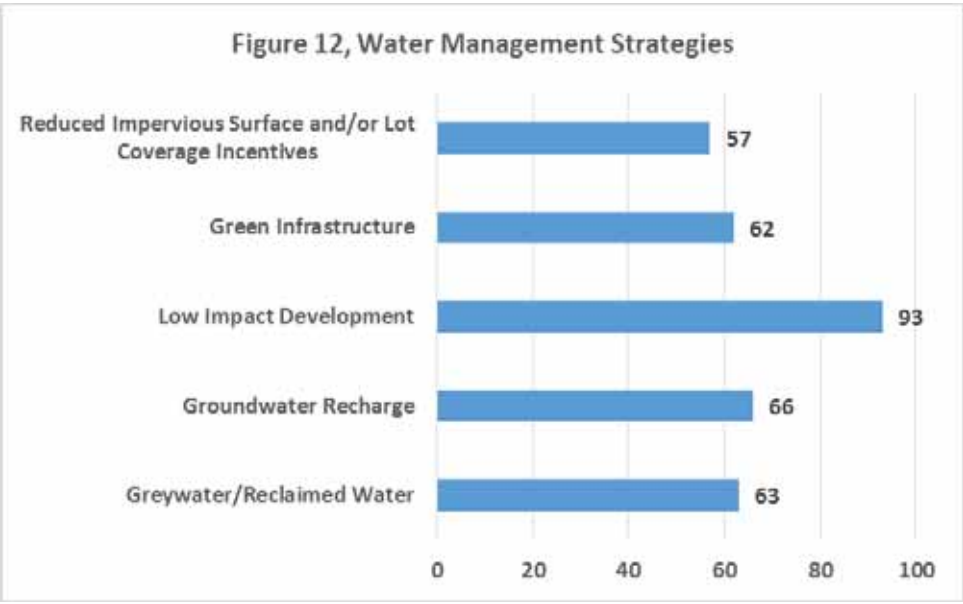
Parking Strategies

- 75% (85 jurisdictions) of respondents have implemented parking strategies. Of the 85 jurisdictions, 76% have implemented at least two strategies, and 44% have implemented three or more strategies.
- Based on the responses from the 85 jurisdictions, the results regarding the implementation of parking strategies are as follows (*See Figure 11, Parking Strategies (Regionwide)*):
    - 90% (77 jurisdictions) have implemented additional Bicycle Parking.
    - 86% (73 jurisdictions) have implemented Shared Parking.
    - 67% (57 jurisdictions) have implement implemented Waiving or Reducing Minimum Parking Requirements.
    - 27% (23 jurisdictions) have implemented Park Once Districts.
    - 24% (20 jurisdictions) have implemented Innovative Parking Design.
    - 22% (19 jurisdictions) have implemented Right Sized Parking.
    - 16% (14 jurisdictions) have implemented Parking Maximums in Designated Areas.
    - 13% (11 jurisdictions) have implemented Unbundled Parking.



Water Management Strategies:

- 96% (108 jurisdictions) of respondents have implemented water management strategies within their jurisdiction.
- Based on the responses from the 108 jurisdictions, the results regarding the implementation of Water Management Strategies are as follows (*See Figure 12, Water Management Strategies*):
    - 91% (93 jurisdictions) implement Low Impact Development.
    - 62% (63 jurisdictions implement Greywater/Reclaimed Water Strategies.
    - 61% (62 jurisdictions) implement Green Infrastructure.
    - 56% (57 jurisdictions) offer Reductions to Impervious Surface and/or Lot Coverage Incentives.



Transportation:

- 94% (105 jurisdictions) of respondents have implemented various Transportation Strategies.
- Based on the responses from the 105 jurisdictions, the results regarding the implementation of Transportation Strategies are as follows (*See Figure 13, Transportation Strategies – Part 1 and Figure 14, Transportation Strategies – Part 2*):
    - 82% (87 jurisdictions) have implemented a Bicycle Master Plan.
    - 74% (78 jurisdictions) have implemented Truck Route/Truck Prohibit Route Plans.
    - 69% (72 jurisdictions) have implemented Streetscape Standards.
    - 65% (68 jurisdictions) have implemented Traffic Calming measures.
    - 61% (64 jurisdictions) have implemented a Safe Routes to School Program.
    - 48% (50 jurisdictions) have implemented TDM Ordinances.
    - 45% (47 jurisdictions) have implemented a Complete Streets Policy.
    - 50% (53 jurisdictions) have implemented TDM Programs.
    - 43% (45 jurisdictions) have implemented Industrial Land Use Ordinances.
    - 39% (41 jurisdictions) have implemented a Parking Management Plan.
    - 36% (38 jurisdictions) have implemented an Active Transportation Plan.
    - 36% (38 jurisdictions) have implemented a Safety Plan or Safety Targets.
    - 32% (34 jurisdictions) have implemented provisions for commercial access.
    - 30% (32 jurisdictions) have implemented a Bicycle Master Plan.
    - 29% (30 jurisdictions) have implemented Intelligent Transportation Systems Plan.
    - 26% (27 jurisdictions) have implemented Provisions for Delivery or Truck Access.
    - 25% (23 jurisdictions have implemented a Scenic Roadway Plan.
    - 25% (26 jurisdictions) have implemented provisions for truck parking.
    - 16% (17 jurisdictions) have implemented First/Last Mile Strategies.
    - 15% (16 jurisdictions) have implemented Transit Overlay District.
    - 11% (12 jurisdictions) have implemented Multimodal Performance.
    - 8% (8 jurisdictions) have implemented Intermodal Facility Plans.
    - 6% (6 jurisdictions) have implemented Vision Zero Policies.

Figure 13, Transportation Strategies - Part 1

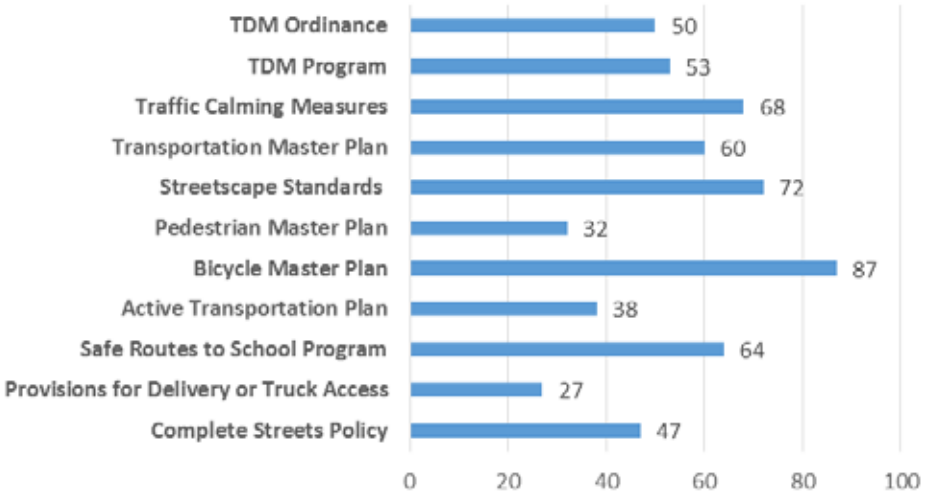
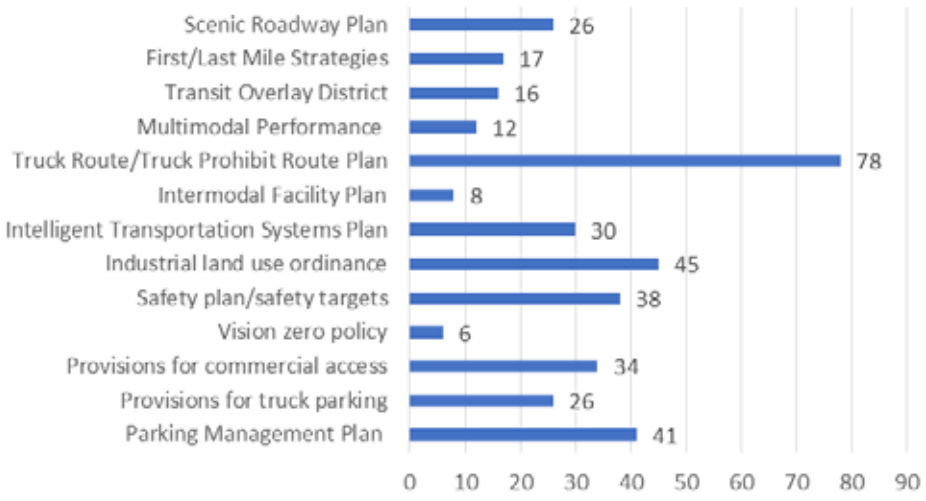


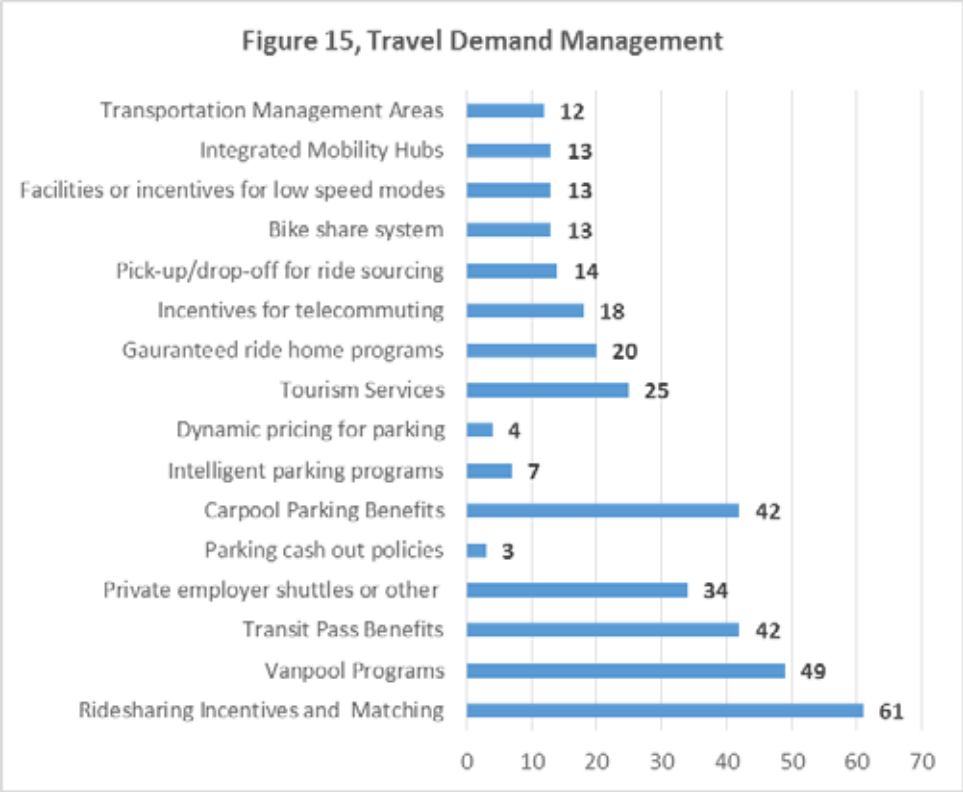
Figure 14, Transportation Strategies - Part 2



Travel Demand Management:

- 74% (83 jurisdictions) of respondents have implemented various Travel Demand Management Strategies.
- Based on the responses from the 105 jurisdictions, the results regarding the implementation of Transportation Strategies are as follows (*See Figure 15, Travel Demand Management)*:
    - 73% (61 jurisdictions) offer Ridesharing and Matching Incentives.
    - 59% (49 jurisdictions) offer Vanpool Programs.
    - 51% (42 jurisdictions) offer Transit Pass Benefits.
    - 51% (42 jurisdictions) offer Carpool Parking Benefits.
    - 41% (34 jurisdictions) offer Private Employer Shuttles or Similar Programs.
    - 30% (25 jurisdictions) offer Tourism Services.

- 24% (20 jurisdictions) offer Guarantee Ride Home Programs.
- 22% (18 jurisdictions) offer Incentives for Telecommuting.
- 17% (14 jurisdictions) have implemented Pick-up/drop-off for ride sourcing.
- 16% (13 jurisdictions) have implemented Integrated Mobility Hubs.
- 16% (13 jurisdictions) have offer Facilities or Incentives for low speed nodes.
- 16% (13 jurisdictions) offer a Bike Share System.
- 14% (12 jurisdictions) have implemented Transportation Management Areas
- 8% (7 jurisdictions) have implemented Intelligent Parking Programs.
- 5% (4 jurisdictions) have implemented Dynamic Pricing for Parking.
- 4% (3 jurisdictions) offer Parking Cash Out Policies.



Climate Change:

- 50% (57 jurisdictions) of the survey respondents have implemented Climate Action Plans *(See Figure 16, Jurisdictions with Climate Action Plans)*.
- 36% (40 jurisdictions) of survey respondents have implemented Greenhouse Gas Reduction Targets *(See Figure 17, Jurisdictions with GHG Reduction Targets).*
- Only 29% (32 jurisdictions) of survey respondents have staff capacity to apply for Green House Gas Reduction Funds.
- 72% (81 jurisdictions) of respondents have considered the threat of hazards related to climate change in their general plans and to support their local programs *(See Figure 18, Staff Capacity to Apply for GHG Funds)*.

- Based on the responses from the 81 jurisdictions, the results regarding the consideration of Climate Change Hazards are as follows (*See Figure 19, Consideration of Climate Change Hazards)*:
    - 91% (74 local jurisdictions) consider Flood Impacts.
    - 84% (68 local jurisdictions) consider Fire Impacts.
    - 60% (49 local jurisdictions) consider Drought Resistance.
    - 35% (23 local jurisdictions) consider Heat Island Effect.
    - 28% (23 local jurisdictions) consider Sea Level Rise.

Figure 16, Jurisdictions with Climate Action Plans

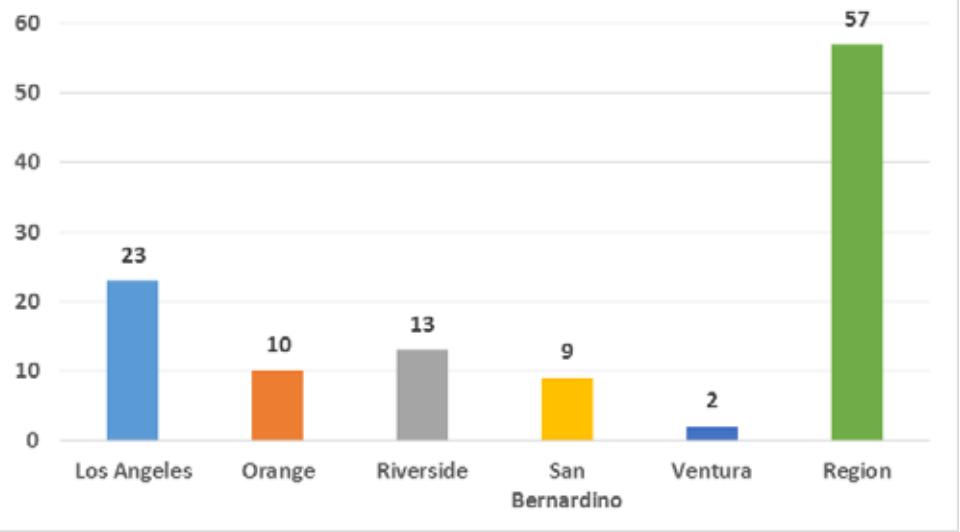
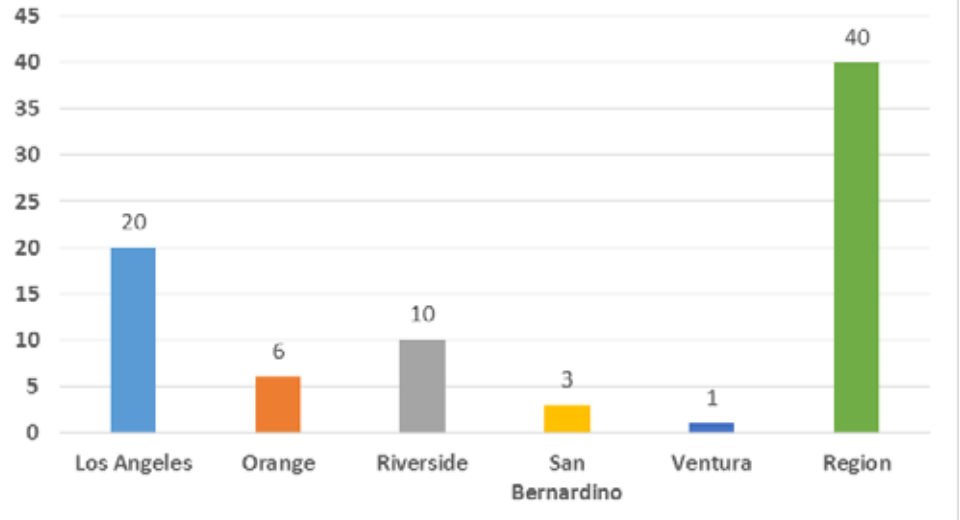
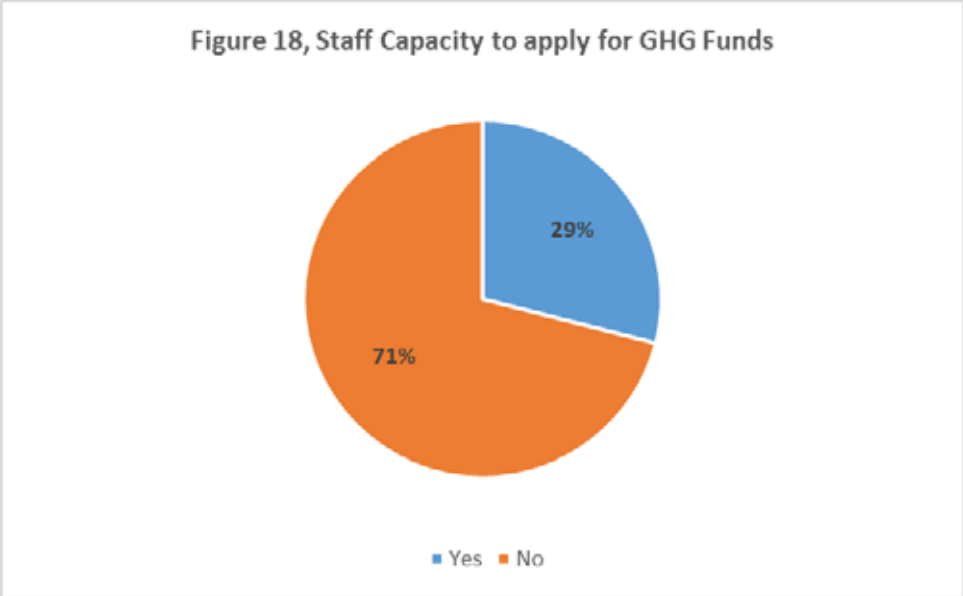
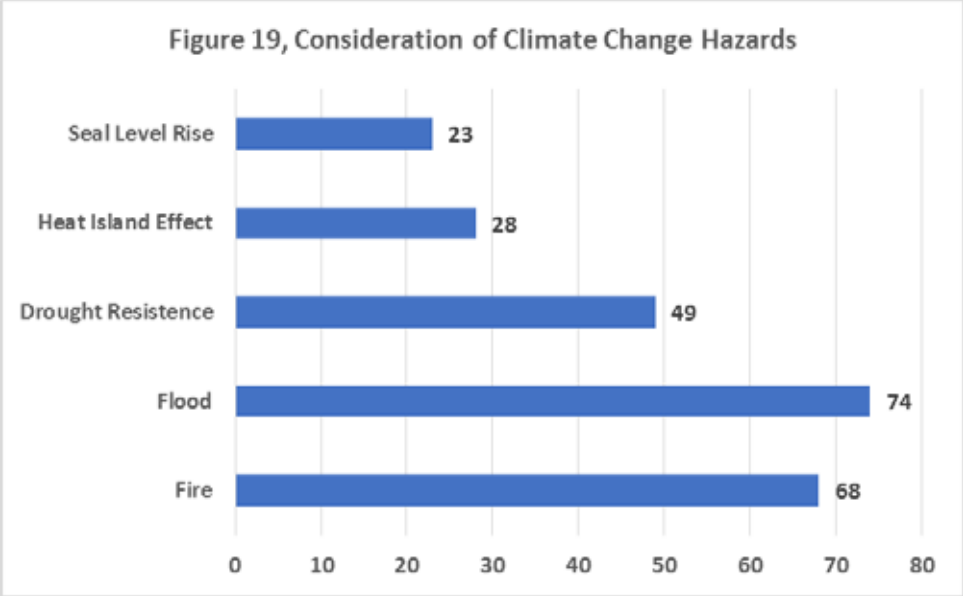


Figure 17, Jurisdictions with GHG Reduction Targets

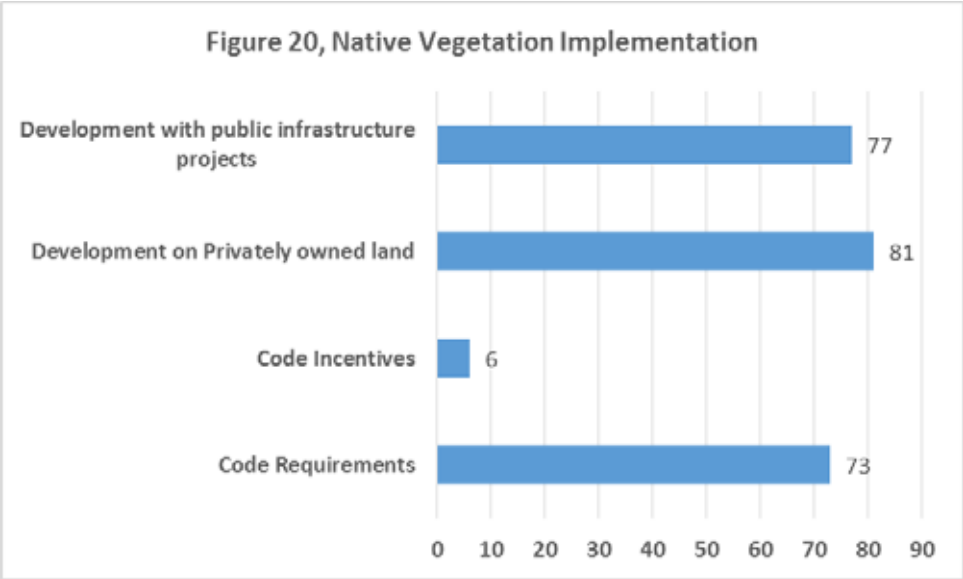






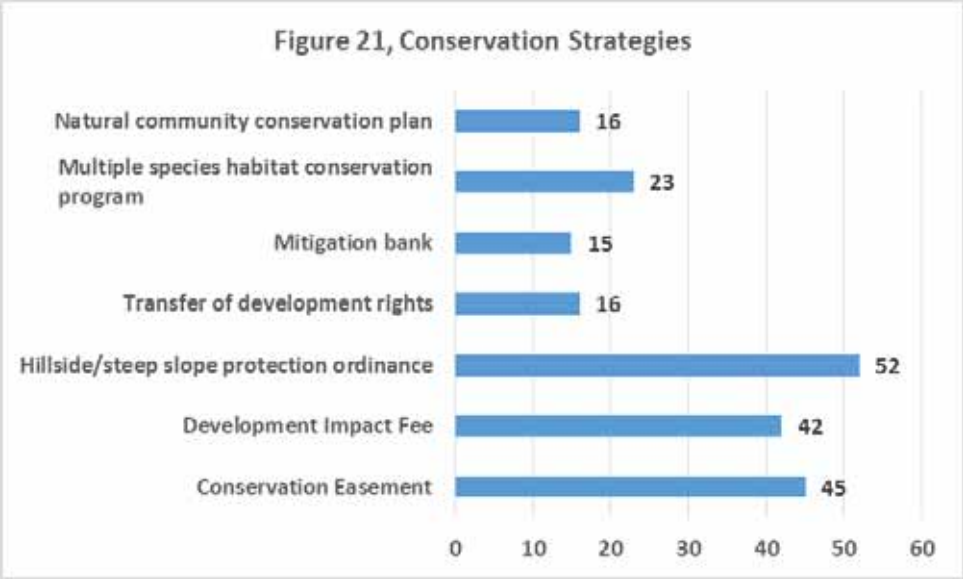
Native Vegetation:

- 85% (95 jurisdictions) of respondents have implemented various methods to support the use of native vegetation within their jurisdiction.
- Based on the responses from the 95 jurisdictions, the results regarding the implementation of Native Vegetation are as follows (*See Figure 20, Native Vegetation Implementation)*:
    - 85% (81 local jurisdictions) implement through the Development on Privately Owned Land.
    - 81% (77 local jurisdictions) implement through the Development of Public Infrastructure Projects.
    - 77% (73 local jurisdictions) implement and enforce Code Requirements.
    - 6% (6 local jurisdictions) offer Code Incentives.



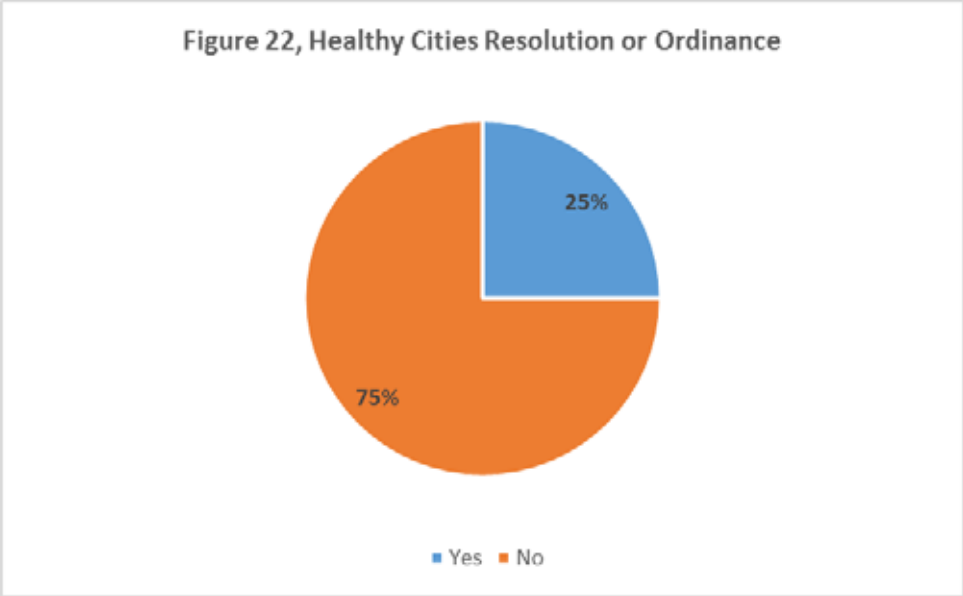
Conservation Strategies:

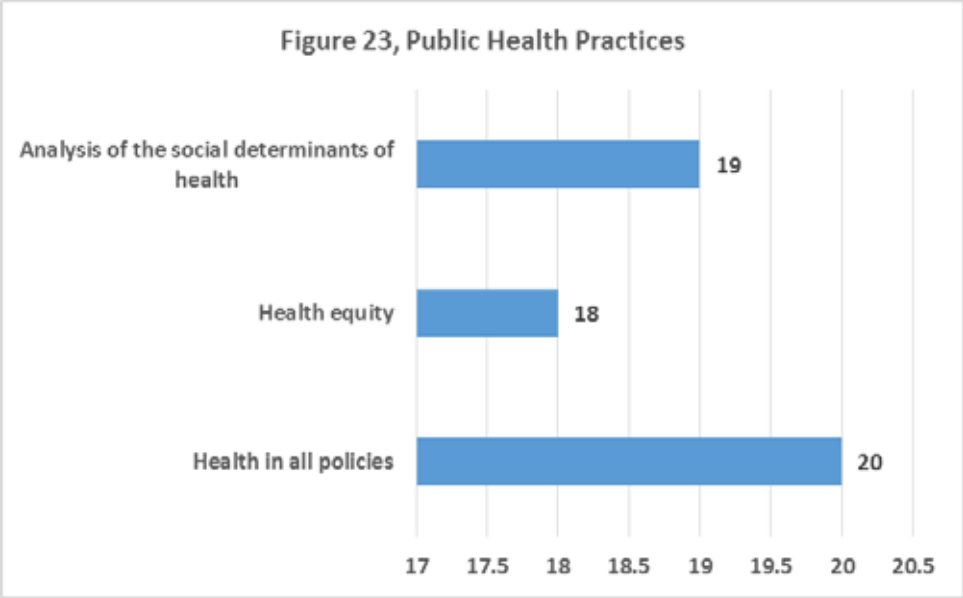
- 66% (74 jurisdictions) of respondents have implemented various conservation strategies.
- Based on the responses from the 74 jurisdictions, the results regarding the implementation of conservation strategies are as follows (*See Figure 21, Conservation Strategies)*
    - 70% (52 local jurisdictions) have implemented a Hillside/Steep Slope Protection Ordinance.
    - 61% (45 local jurisdictions) have implemented Conservation Easements.
    - 57% (42 local jurisdictions) have implemented a Development Impact Fee.
    - 31% (23 local jurisdictions) have implemented a Multiple Species Habitat Conservation Program.
    - 22% (16 local jurisdictions) have implemented a Natural Community Conservation Plan.
    - 22% (16 local jurisdictions) allow for a Transfer of Development Rights.
    - 20% (15 local jurisdictions) have implemented Mitigation Banks.



Public Health:

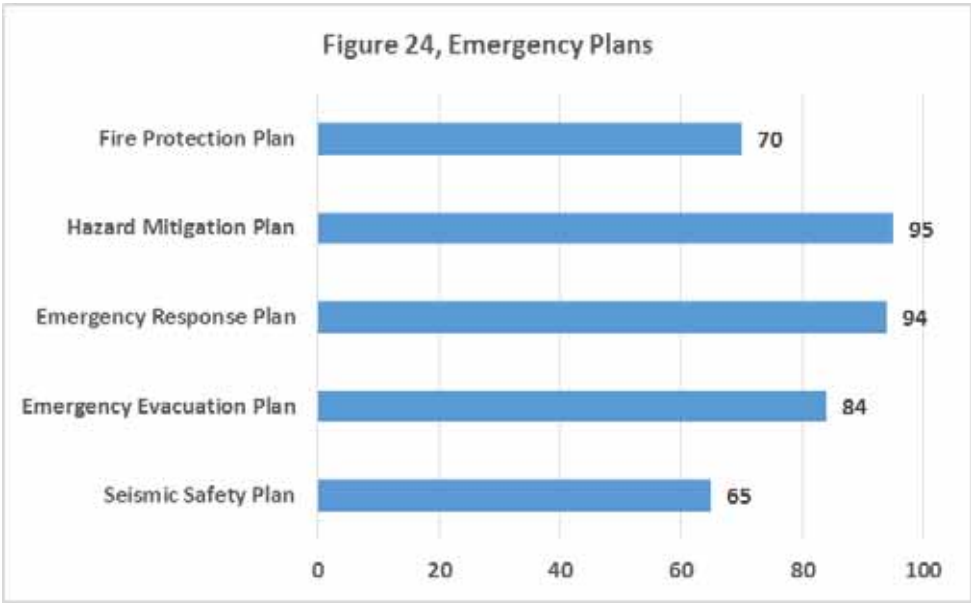
- 25% (28 jurisdictions) of respondents have adopted a Healthy Cities Resolution or Ordinance *(See Figure 22, Healthy Cities Resolution or Ordinance)*.
- 21% (24 jurisdictions) of respondents have implemented Public Health Practices.
- Based on the responses from the 24 jurisdictions, the results regarding the implementation of Public Health Practices are as follows (*See Figure 23, Public Health Practices):*
    - 83% (19 local jurisdictions) have implemented the Analysis of the Social Determinants of Health.
    - 79% (20 local jurisdictions) have implemented Health in all Policies Programs.
    - 75% (18 local jurisdictions) have implemented Health Equity Programs.





Emergency Plans:

- 90% (101 jurisdictions) of respondents have implemented Emergency Plans.
- Based on the responses from the 101 jurisdictions, the results regarding the implementation of Emergency Plans are as follows (*See Figure 24, Emergency Plans)*:
    - 94% (95 local jurisdictions) have implemented a Hazard Mitigation Plan.
    - 93% (94 local jurisdictions) have implemented an Emergency Response Plan.
    - 83% (84 local jurisdictions) have implemented an Emergency Evacuation Plan.
    - 69% (70 local jurisdictions) have implemented a Fire Protection Plan.
    - 64% (65 local jurisdictions) have implemented a Seismic Safety Plan.



FISCAL IMPACT:
Work associated with this item is included in the current Fiscal Year 2018-19 Overall Work Program (OWP), project number 020.0161.04 Regulatory Compliance.

ATTACHMENT(S):
1. SCAG Local Input Survey
2. PowerPoint Presentation - Local Input Survey

SCAG Local Input Survey

The Southern California Association of Governments (SCAG) is currently seeking input from local jurisdictions across the six-county area to begin a new long-range plan for the region, the 2020- 2045 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). The 2020 RTP/SCS is a long-range visioning plan containing transportation projects and land use development strategies, that balances future mobility and housing needs with economic, environmental and public health goals. Additionally, per SB 375, land use strategies developed within the SCS will help the region achieve state greenhouse gas emission reduction goals.

SCAG is collecting information from local jurisdictions related to the implementation of the 2012 and 2016 RTP/SCS, as well as to inform development of the 2020 RTP/SCS. A copy of the 2016 RTP/SCS Local Input Survey from your jurisdiction has also been provided to facilitate the response process. Please respond to each question as it pertains to your jurisdiction. Due to the multidisciplinary nature of the questions, we encourage an interdepartmental collaboration to answer questions within the survey. Responses are due by October 1, 2018. A web version of the survey is available at: https://www.surveymonkey.com/r/FB6QFTT

PART I – LAND USE

General Plan

1. Please enter the year of your jurisdictions most recent general plan element update. Add information for any additional elements contained in the General Plan but not listed:

Element	Year	Web link	Comments
Land Use			
Circulation			
Housing			
Conservation			
Open space			
Noise			
Safety			
[Additional Element]			
[Additional Element]			
[Additional Element]			

[Other Comments]

2. Is your jurisdiction currently in the process of updating its General Plan? Yes ☐ No ☐ If yes, when do you expect to complete the update? Date: [Publish Date]

[Other Comments]

Attachment: SCAG Local Input Survey (Local Input Survey Results)

3. Which elements of the general plan will your jurisdiction plan to update within the next five years?

Element	**Year**	**Comments**
[Title]		
[Title]		
[Title]		
[Title]		
[Title]		

[Other Comments]

4. Does the most recently adopted general plan update support or intend to support any of the following Sustainable Communities Strategies (SCS)?

Strategies	**Yes**	**No**	**Intend**	**Elements**	**Web link**
Transit oriented development (TOD)	☐	☐	☐		
Infill	☐	☐	☐		
Complete communities	☐	☐	☐		
Non-residential mixed use	☐	☐	☐		
Infill along Livable corridors	☐	☐	☐		
Form based code	☐	☐	☐		
Other [Other]	☐	☐	☐		

[Other Comments]

5. Does the circulation element of your General Plan include the following:

Plans and Guidelines	**Yes**	**No**	**Web link**
Guidelines for freight movement and heavy duty vehicles	☐	☐	
Designated truck route system	☐	☐	
Truck circulation plan	☐	☐	
A plan for the development of multimodal transportation networks per the California Complete Streets Act (AB 1358)	☐	☐	

[Other Comments]

6. When was the zoning code last updated to reflect your most recent amendments?
Date: [Publish Date] Web link: [link]

Attachment: SCAG Local Input Survey (Local Input Survey Results)

[Other Comments]

7. Is your jurisdiction currently in the process of updating its land use designation and zoning code? Yes ☐ No ☐ If yes, when do you expect to complete the update? Date: [Publish Date]

[Other Comments]

8. Did your jurisdiction's most recent land use designation and/or zoning code update include provisions supporting any of these policies?

Land Use Designation and/or Zoning Code	Yes	No	Designation/Code	Web link
Transit oriented development (TOD)	☐	☐		
Infill	☐	☐		
Complete communities	☐	☐		
Non-residential mixed use	☐	☐		
Infill along Livable corridors	☐	☐		
Form based code	☐	☐		
Accessory dwelling units	☐	☐		
Other [Other]	☐	☐		

[Other Comments]

9. Does your jurisdiction have TOD building standards and design guidelines? Yes ☐ No ☐

[Other Comments]

10. Does your jurisdiction offer incentives for infill development? Yes ☐ No ☐
If yes, which of the following apply:

Incentives	Yes	No	Web link
Fast track permitting	☐	☐	
Fee Waivers	☐	☐	
Density bonus	☐	☐	
Increased floor area ratio	☐	☐	
Building height waivers	☐	☐	
Tax subsidies or other benefits	☐	☐	
Waived or reduced minimum parking requirement	☐	☐	
Reduced open space requirements	☐	☐	
Transfer of development rights	☐	☐	

Attachment: SCAG Local Input Survey (Local Input Survey Results)

Other [Other]	☐	☐	

[Other Comments]

11. Does your jurisdiction overlap with a High Quality Transit Area (HQTA) as included in the 2016 RTP/SCS? (Please refer to the HQTA Map located at SCAG's Scenario Planning Model (SPM)'s Data Management site at https://spmdm.scag.ca.gov to check out HQTA boundaries in your jurisdiction). Yes ☐ No ☐

[Other Comments]

12. Does your jurisdiction have policy incentives to encourage development of TODs? Yes ☐ No ☐
If yes, which of the following apply:

Incentives and Policies	Yes	No	Web link
Fast track permitting	☐	☐	
Fee waivers	☐	☐	
Density bonus	☐	☐	
Increased floor area ratio	☐	☐	
Building height waivers	☐	☐	
Tax subsidies or other benefits	☐	☐	
Waived or reduced minimum parking requirement	☐	☐	
Reduced open space requirements	☐	☐	
Affordable Housing Set aside	☐	☐	
Other [Other]	☐	☐	

[Other Comments]

13. Do any adopted specific plans and/or community plans with certified EIRs overlap with the existing Transit Priority Areas (TPAs)? Yes ☐ No ☐
If yes, please list their names and years of adoption below.

Name	**Year**	**Comments**
[Title]		
[Title]		
[Title]		
[Title]		
[Title]		

[Other Comments]

Attachment: SCAG Local Input Survey (Local Input Survey Results)

14. Are there any other adopted specific plans and/or community plans that do not overlap with the existing Transit Priority Areas (TPAs)? Yes ☐ No ☐
If yes, please list their name and years of adoption below.

Name	Year	Comments
[Title]		
[Title]		
[Title]		
[Title]		
[Title]		

[Other Comments]

15. Which of the following parking strategies are included in any of your existing specific plans or general plans?

Parking strategies	Yes	No	Web link
Right-sized parking	☐	☐	
Park-once districts	☐	☐	
Shared parking	☐	☐	
Unbundled parking	☐	☐	
Parking maximums in designated areas	☐	☐	
Innovative parking design (i.e. Sustainable features)	☐	☐	
Waived or reduced minimum parking requirement	☐	☐	
Bicycle Parking	☐	☐	
Other [Other]	☐	☐	

[Other Comments]

16. Does your jurisdiction have a small lot development policy? Yes ☐ No ☐ Date: [Publish Date]
Web link: [link]

[Other Comments]

17. Does your jurisdiction have any policies or programs in place to resolve potential impacts related to goods movement activities? Yes ☐ No ☐
If yes, please provide name and years of adoption below.

Policies or Programs	Year	Web link

Attachment: SCAG Local Input Survey (Local Input Survey Results)

[Title]		
[Title]		
[Title]		
[Title]		
[Title]		

[Other Comments]

18. Does your jurisdiction have any design guidelines in place for logistics center, warehouse or distribution facility development? Yes ☐ No ☐ Date: [Publish Date] Web link: [link]

[Other Comments]

19. Does your jurisdiction have any policies or programs in place for the design of industrial neighborhoods? Yes ☐ No ☐
If yes, please provide name and years of adoption below.

Policies or Programs	**Year**	**Web link**
[Title]		
[Title]		
[Title]		
[Title]		
[Title]		

[Other Comments]

20. Does your jurisdiction have a development/impact/linkage fee ordinance? Yes ☐ No ☐ Date: [Publish Date] Web link: [link]
If yes, which of the following does it fund?

Areas that receive funding	**Yes**	**No**	**Web link**
Parks	☐	☐	
Affordable housing	☐	☐	
Natural lands/Open space preservation	☐	☐	
Transit improvements/amenities	☐	☐	
Other [Other]	☐	☐	

[Other Comments]

Attachment: SCAG Local Input Survey (Local Input Survey Results)

21. Does your jurisdiction participate in the Mills Act in an effort to maintain, preserve or rehabilitate historically significant property? Yes ☐ No ☐

[Other Comments]

22. Does your jurisdiction use any of the following water management and efficiency strategies:

Strategies	Yes	No	Web link
Stormwater management best practices	☐	☐	
Greywater/reclaimed water (purple pipes)	☐	☐	
Ground water recharge	☐	☐	
Low impact development	☐	☐	
Green infrastructure	☐	☐	
Reduced impervious surface and/or lot coverage incentives	☐	☐	
Other [Other]	☐	☐	

[Other Comments]

Housing

23. Does your jurisdiction utilize or are considering any of the following zoning or land use strategies for housing?

Strategies	Yes	No	Web link
Inclusionary zoning ordinance	☐	☐	
- **Is there an in-lieu fee component?**	☐	☐	
Rent stabilization ordinance	☐	☐	
- **Maximum annual percentage rent increase allowed**	[Comments]		
Affordable housing preservation ordinance	☐	☐	
Mortgage down payment assistance program	☐	☐	
Special financing district (CRIA, EIFD, Others?)	☐	☐	
Incentives for affordable housing	☐	☐	
- **Fast track permitting**	☐	☐	
- **Fee waivers**	☐	☐	
- **Density bonus**	☐	☐	
- **Increased floor area ratio**	☐	☐	
- **Building height waivers**	☐	☐	
- **Tax subsidies or other benefits**	☐	☐	
- **Waived or reduced minimum parking requirements**	☐	☐	

Attachment: SCAG Local Input Survey (Local Input Survey Results)

- **Reduced open space requirements**	☐	☐	
- **Other relaxed requirements for affordable housing**	☐	☐	
Low-income housing tax credit (LITHC)	☐	☐	
Other [Other]	☐	☐	

[Other Comments]

24. Please fill in the number of affordable and non-affordable units permitted for each Regional Housing Needs Assessment (RHNA) category since the beginning of the reporting period for the current RHNA cycle (October 2013- October 2021). Affordable units are defined as affordable for households with incomes of 80% or less of county median income, or the very low and low income RHNA categories. Data can be found in your submitted annual progress report to the California Department of Housing and Community Development (HCD). (Please note that your housing permit data will not be used to determine the subsequent RHNA).

Year	Affordable Housing (very low and low)	Non-affordable housing (moderate and above moderate)
2014		
2015		
2016		
2017		

[Other Comments]

25. Please indicate if any of the following planning circumstances affect future household growth in your jurisdiction (While this section is not the official local planning survey of the RHNA process, SCAG will use responses to inform the formal local survey as part of the 6th RHNA cycle process, beginning in 2018)

Circumstances	Yes	No
Existing and projected job housing balance	☐	☐
Lack of capacity for sewer or water service due to federal and state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.	☐	☐
Availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities.	☐	☐
Lands preserved or protected from urban development under existing federal and state programs, or both, designed to protect open space, farmland, environmental habitats and natural resources on a long-term basis.	☐	☐
County policies to preserve agricultural land within an unincorporated area.	☐	☐

Attachment: SCAG Local Input Survey (Local Input Survey Results)

Distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.	☐	☐
Loss of low-income housing units in assisted housing developments due to contract expirations or termination of use restrictions.	☐	☐
Market demand for housing	☐	☐
Agreements between a county and cities in a county to direct growth toward incorporated areas of the county	☐	☐
High housing cost burdens	☐	☐
Housing needs of farm workers	☐	☐
Housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction	☐	☐
Demand for rural housing	☐	☐
Other [Other]	☐	☐

[Other Comments]

PART II – TRANSPORTATION

26. Has your jurisdiction adopted or plan to adopt any of the following (check I.D., if currently is in development):

Adopted Policies, Plans and Strategies	Yes	No	I.D.	Year	Web link
Complete streets policy	☐	☐	☐		
- **Does it include provisions for delivery vehicles or truck access?**	☐	☐	☐		
Safe routes to school program or plan	☐	☐	☐		
Active transportation plan	☐	☐	☐		
Bicycle master plan	☐	☐	☐		
Pedestrian master plan	☐	☐	☐		
Streetscape standards and design guidelines	☐	☐	☐		
Transportation master plan	☐	☐	☐		
Traffic calming measures	☐	☐	☐		
Transportation demand management program	☐	☐	☐		
Transportation demand management ordinance	☐	☐	☐		
Parking management plan/ordinance	☐	☐	☐		
- **Provisions for truck parking?**	☐	☐	☐		
- **Provisions for commercial vehicle access?**	☐	☐	☐		
Vision zero policy	☐	☐	☐		
Safety plan/safety targets	☐	☐	☐		
Industrial land use ordinance	☐	☐	☐		
Intelligent transportation systems plan/program	☐	☐	☐		

Attachment: SCAG Local Input Survey (Local Input Survey Results)

Intermodal facility plan	☐	☐	☐		
Truck Route/Truck prohibit route plan	☐	☐	☐		
Multimodal performance measures/targets	☐	☐	☐		
Transit overlay district	☐	☐	☐		
First/Last Mile Strategies	☐	☐	☐		
Scenic Roadway Plan	☐	☐	☐		

[Other Comments]

27. Has your jurisdiction or employers within your jurisdiction adopted or implemented any of the following Travel Demand Management (TDM) Strategies:

Adopted TDM strategies	**Yes**	**No**	**Year**	**Web link**
Ridesharing incentives and rideshare matching	☐	☐		
Vanpool programs	☐	☐		
Transit pass benefits	☐	☐		
Private employer shuttles or other transportation providers	☐	☐		
Parking cash-out policies	☐	☐		
Preferential parking or parking subsidies for carpoolers	☐	☐		
Intelligent parking programs	☐	☐		
Dynamic pricing for parking	☐	☐		
Programs or mobility services aimed at local tourism travel (e.g. Shuttle bus)	☐	☐		
Guaranteed ride home programs	☐	☐		
Incentives for telecommuting	☐	☐		
Designated pick-up/drop-off for ride sourcing or transportation network companies (Lyft or Uber)	☐	☐		
Bike share system	☐	☐		
Facilities or incentives for low speed modes (Neighborhood Electric Vehicles)	☐	☐		
Integrated mobility hubs	☐	☐		
Transportation management areas	☐	☐		

[Other Comments]

28. Is your jurisdiction currently in the process of or planning to address vehicle miles travelled (VMT) related development impacts? Yes ☐ No ☐
If yes, please list applicable projects and measures taken (or proposed) to mitigate VMT impacts.

Project Name	**Comments**

Attachment: SCAG Local Input Survey (Local Input Survey Results)

[Title]	
[Title]	
[Title]	
[Title]	
[Title]	

[Other Comments]

29. Does your jurisdiction provide or plan to provide any of the following Bus Rapid Transit (BRT) infrastructure:

BRT Infrastructure	Yes	No	Web link
Bus-only land	☐	☐	
Signal prioritization	☐	☐	
Ticket vending machines on sidewalks for expediting boarding	☐	☐	
First/Last mile connectivity improvements	☐	☐	
Other [Other]	☐	☐	

[Other Comments]

30. If applicable, please provide the estimated annual expenditures for the following:

Annual expenditures	Annual spending
Bus stops/shelters	
Wayfinding/signage	
Data/trip planner	

[Other Comments]

31. Does your jurisdiction receive local return funding (from a county transportation tax measure)? Yes ☐ No ☐

If yes, does your jurisdiction have an adopted policy for prioritizing spending of these funds? Yes ☐ No ☐ Date: [Publish Date] Web link: [link]

[Other Comments]

32. Does your jurisdiction use local return revenue to fund any of the following:

Funding	Yes	No

Attachment: SCAG Local Input Survey (Local Input Survey Results)

Bike Lanes	☐	☐
Pedestrian improvements	☐	☐
Repair (pavement, potholes)	☐	☐
Signal synchronization	☐	☐
Fixed route transit service	☐	☐
Dial-a-ride or other demand response service	☐	☐
Taxi scrip	☐	☐
Cool streets	☐	☐
Other [Other]	☐	☐

[Other Comments]

33. Does your jurisdiction have a vehicle idling reduction policy or use communication/signage to reduce idling, particularly in sensitive areas such as near schools or hospitals? Yes ☐ No ☐ Date: [Publish Date] Web link: [link]

[Other Comments]

34. Has your jurisdiction recently budgeted a portion of its municipal funding (from the general fund, capital improvement program, or other sources) for bicycle and/or pedestrian improvements? Yes ☐ No ☐ Date: [Publish Date]

[Other Comments]

PART III – ENVIRONMENTAL

Environmental Preferable Purchasing Policy

35. Does your jurisdiction have an environmentally preferable purchasing (EPP) Policy? (Includes office supplies, cleaning products, or electronics that are considered "green". Yes ☐ No ☐

    If yes, what percent of your municipal expenditures goes towards environmentally preferable purchases? Percent: [Comment]

    If no, is your jurisdiction interested in developing or have visions of including one in future general plan updates? Yes ☐ No ☐

CEQA Streamlining

36. Has your jurisdiction approved projects utilizing CEQA streamlining? (SB 743, SB 375, or SB 226) Yes ☐ No ☐
    If yes, please provide projects and approval year below.

Attachment: SCAG Local Input Survey (Local Input Survey Results)

Project	**Year**	**Web link**
[Title]		
[Title]		
[Title]		
[Title]		
[Title]		

[Other Comments]

Natural and Agricultural Lands

37. Does your jurisdiction encourage the use of vegetation native to Southern California? Yes ☐ No ☐

If yes, which of the following mechanisms does your jurisdiction use to promote native vegetation?

Mechanisms	**Yes**	**No**
Through code requirements	☐	☐
Code incentives	☐	☐
In conjunction with development on privately owned land	☐	☐
In conjunction with development on publicly owned land	☐	☐
In conjunction with the development with public infrastructure projects	☐	☐
Other [Other]	☐	☐

[Other Comments]

38. Does your jurisdiction participate in any of the following natural lands conservation strategies?

Natural lands conservation strategies	**Yes**	**No**	**Web link**
Conservation easement	☐	☐	
Development impact fee	☐	☐	
Hillside/steep slope protection ordinance	☐	☐	
Transfer of development rights	☐	☐	
Mitigation bank	☐	☐	
Multiple species habitat conservation program (MSHCP)	☐	☐	
Natural community conservation plan (NCCP)	☐	☐	
Other [Other]	☐	☐	

[Other Comments]

Attachment: SCAG Local Input Survey (Local Input Survey Results)

39. Does your jurisdiction participate in any of the following agricultural lands conservation strategies?

Agricultural Lands Conservation Strategies	Yes	No	Web link
Conservation easement	☐	☐	
In-lieu fee	☐	☐	
Agricultural land mitigation program	☐	☐	
Williamson act	☐	☐	
Cluster ordinance	☐	☐	
Other [Other]	☐	☐	

[Other Comments]

40. What kinds of funds (from your general fund, special allocations, or voter-approved taxes/bonds) or other funding mechanisms are available to implement natural/agricultural conservation programs? Please select all that apply.

Funds	Yes	No
General Fund	☐	☐
Grant Funds	☐	☐
Development impact fee	☐	☐
Other [Other]	☐	☐

[Other Comments]

41. Do you have any pending or future plans to develop natural/agricultural programs or policies in your jurisdiction in the near future? Yes ☐ No ☐
If yes, please provide projects and approval year below:

Project	Year	Web link
[Title]		
[Title]		
[Title]		
[Title]		
[Title]		

[Other Comments]

42. Do you face any barriers to implementing conservation programs in your jurisdiction? Yes ☐ No ☐
If yes, please indicate which barriers from the list below:

Attachment: SCAG Local Input Survey (Local Input Survey Results)

Barriers	Yes	No
Funding	☐	☐
Capacity (staff time)	☐	☐
Lack of interest from constituents	☐	☐
Other [Other]	☐	☐

[Other Comments]

43. Is your jurisdiction interested in applying for conservation grants through the California Greenhouse Reduction Fund (i.e. Cap and Trade)? Yes ☐ No ☐
    If yes, which of the following would be most helpful to your jurisdiction:

Grants	Yes	No
Sustainable agricultural lands conservation program	☐	☐
Urban greening grant program	☐	☐
Wetlands restoration for greenhouse gas reduction program	☐	☐
Other [Other]	☐	☐

[Other Comments]

44. Are there any additional data, resources, tools or examples you need for considering conservation planning or mitigation? What types of data would be useful to have?
    Please list: [Comments]

[Other Comments]

45. What other agencies, non-profits, or private entities are particularly active in conservation planning, mitigation and conservation in your jurisdiction? Who else should we talk to?
    Please list: [Comments]

[Other Comments]

Environmental Justice

46. Does your jurisdiction have any disadvantaged areas? Yes ☐ No ☐
    If no, please skip to question 52.

[Other Comments]

47. Does your jurisdiction take into account disadvantaged areas in planning, when seeking grant funding? Yes ☐ No ☐

Attachment: SCAG Local Input Survey (Local Input Survey Results)

[Other Comments]

48. Does your jurisdiction make use of the CalEnviroScreen tool developed by CalEPA to help identify disadvantaged communities within your jurisdiction? Yes ☐ No ☐

[Other Comments]

49. Does your jurisdiction have a program to mitigate air quality in environmentally sensitive areas (for example: hospitals, schools, hospices, or daycare facilities located within 500 feet of a freeway)? Yes ☐ No ☐ Date: [Publish Date] Web link: [link]

[Other Comments]

50. Which of the following strategies does your jurisdiction employ to engage low-income, minority groups and Tribal Governments when pursuing community infrastructure projects?

Strategies	**Yes**	**No**
We host community workshops in targeted locations to solicit feedback from low-income and minority residents	☐	☐
We regularly engage community groups that have a large membership from low-income and minority residents	☐	☐
We advertise in media outlets that aim to serve low income and minority residents	☐	☐
We go out to community events and activities to engage residents who may not be able to attend workshops	☐	☐
All of the above	☐	☐
Other [Other]	☐	☐

[Other Comments]

51. If your jurisdiction leads federally funded infrastructure or transportation programs, how do you identify and resolve potential severe and adverse impacts to low income and minority populations?

Strategies	**Yes**	**No**
We conduct an environmental justice impacts analysis and seek input from community residents to minimize, mitigate, or avoid potentially severe or adverse impacts for low income and minority communities	☐	☐
We engage low income and minority residents early in the planning process to avoid impacts	☐	☐

We work with our County Transportation Commission to address impacts	☐	☐
Other [Other]	☐	☐

[Other Comments]

52. Does your jurisdiction promote the use of New Markets Tax Credit Benefits to revitalize the community? Yes ☐ No ☐

[Other Comments]

Environmental Sustainability

53. Has your jurisdiction adopted or plan to adopt a Climate Action Plan? Yes ☐ No ☐ Date: [Publish Date] Web link: [link]
If yes, what is your greenhouse gas reduction target and anticipated horizon year? Target/Horizon Year: [Year]

[Other Comments]

54. Does your jurisdiction have plans or policies in place to implement a local version of the State's climate goal of reducing greenhouse gases by 40% below 1990 levels by 2030? Yes ☐ No ☐ Date: [Publish Date] Web link: [link]

[Other Comments]

55. Does your jurisdiction have the capacity (i.e. staffing and resources) to apply for Greenhouse Gas Reduction Fund (cap-and-trade) or other federal, state or local grants? Yes ☐ No ☐

[Other Comments]

56. Does your general plan and/or specific plan consider implications resulting from any of the following climate change hazards:

Topics	**Yes**	**No**	**Web link**
Fire	☐	☐	
Flood	☐	☐	
Drought resistance	☐	☐	
Heat island effect	☐	☐	
Sea level rise	☐	☐	
Other [Other]	☐	☐	

Attachment: SCAG Local Input Survey (Local Input Survey Results)

[Other Comments]

57. Does your jurisdiction monitor energy use in order to employ energy efficiency measures? Yes ☐ No ☐

If yes, how frequently is energy use reviewed?

Frequency	**Yes**	**No**
Weekly	☐	☐
Monthly	☐	☐
Quarterly	☐	☐
Annually	☐	☐
Other [Other]	☐	☐

[Other Comments]

58. Please indicate if your jurisdiction promotes the usage of Electrical Vehicles and/or Alternative Fuel Fleet stations or strategies:

Stations/Fleet	**Yes**	**No**	**Comments**
Electrical Vehicle Station	☐	☐	
- **Heavy Duty Vehicles**			
- **Passenger/Light Duty Vehicles**			
- **How many in municipal fleet?**			
Alternative Fuel Fleet	☐	☐	
- **Heavy Duty Vehicles**			
- **Passenger/Light Duty Vehicles**			
- **How many in municipal fleet?**			
Other [Comments]	☐	☐	

[Other Comments]

PART IV – PUBLIC HEALTH AND SAFETY

59. Does your jurisdiction have a 'Healthy Cities' resolution or ordinance? Yes ☐ No ☐ Date: [Publish Date] Web link: [link]

[Other Comments]

Attachment: SCAG Local Input Survey (Local Input Survey Results)

60. Does your jurisdiction have a Health Element as part of its general plan or has your jurisdiction incorporated health as a consideration into the general plan? Yes ☐ No ☐ Date: [Publish Date] Web link: [link]

[Other Comments]

61. Has your jurisdiction incorporated any of the following planning practices?

Planning practices	**Yes**	**No**	**Web link**
Health in all policies	☐	☐	
Health equity	☐	☐	
Analysis of the social determinants of health	☐	☐	

[Other Comments]

62. Does your jurisdiction have any of the following plans to address emergencies caused by natural disasters?

Emergency and Natural Disaster Plans	**Yes**	**No**	**Web link**
Seismic safety plan	☐	☐	
Emergency evacuation plan	☐	☐	
Emergency response plan	☐	☐	
Hazard mitigation plan	☐	☐	
Fire protection plan	☐	☐	
Other [Other]	☐	☐	

[Other Comments]

PART V – DATA

63. Does your jurisdiction have or collect any of the following:

Data	**Yes**	**No**	**Contact Name**	**Email**
Bicycle or pedestrian volume data	☐	☐		
Sidewalk data	☐	☐		
Traffic counts	☐	☐		
Truck traffic counts	☐	☐		
Automated traffic counters	☐	☐		
Warehousing/distribution centers	☐	☐		
Number of manufacturing firms	☐	☐		

Attachment: SCAG Local Input Survey (Local Input Survey Results)

Local road pavement management and performance data	☐	☐		
Public health data	☐	☐		
Bike lane mileage data (bike lane, bike path, Class 3 bike routes, separated bike lanes (cycle tracks))	☐	☐		
Collision data	☐	☐		
Bridge condition data	☐	☐		
Pavement condition index (PCI) or International roughness index (IRI) data for local roads.	☐	☐		
Open data portal	☐	☐		
New Housing starts data	☐	☐		
Allowed parking and restricted parking areas	☐	☐		

[Other Comments]

Highlights of the 2020 Local Input Survey Results

Roland Ok, Senior Regional Planner
June 6, 2019

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2020 Local Input Survey

- Survey Objectives
- Process
- Survey Questions
- Key Findings

Attachment: PowerPoint Presentation - Local Input Survey (Local Input Survey Results)

Survey Objectives

- SCAG developed a Local Input Survey to assist in the development of Connect SoCal
- Document and track the implementation of 2012 and 2016 RTP/SCS
- Establish baseline conditions to develop Connect SoCal
- Utilize information to develop and/or bolster new and/or existing programs to assist local jurisdictions

Process

- Surveys were distributed to local jurisdictions in October 2017
- Surveys discussed with jurisdictions during Local Input one-on-one meetings
- Multiple follow-ups to encourage submittal
- Responses were due by October 2018

Attachment: PowerPoint Presentation - Local Input Survey (Local Input Survey Results)

Survey Questions

- Local Input Survey was comprised of 62 questions within 5 categories
  - Land Use Policies
  - Transportation Policies
  - Environmental Sustainability Policies
  - Public Health and Safety
  - Data

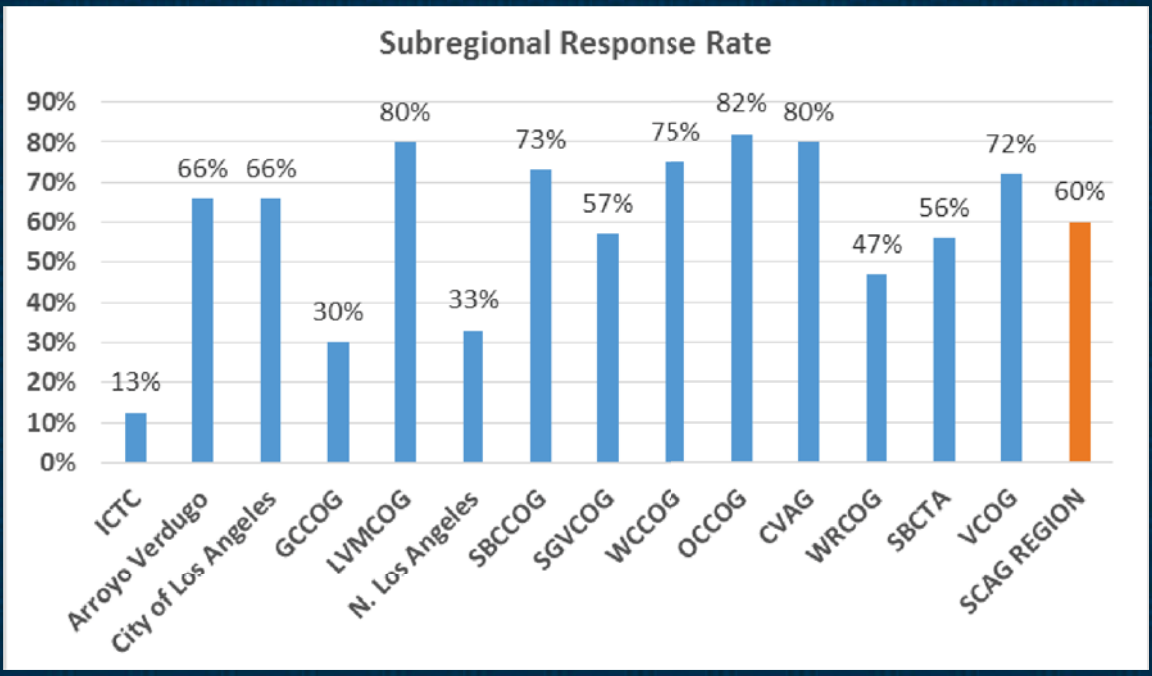
KEY FINDINGS

Attachment: PowerPoint Presentation - Local Input Survey (Local Input Survey Results)

Response Rate and General Overview

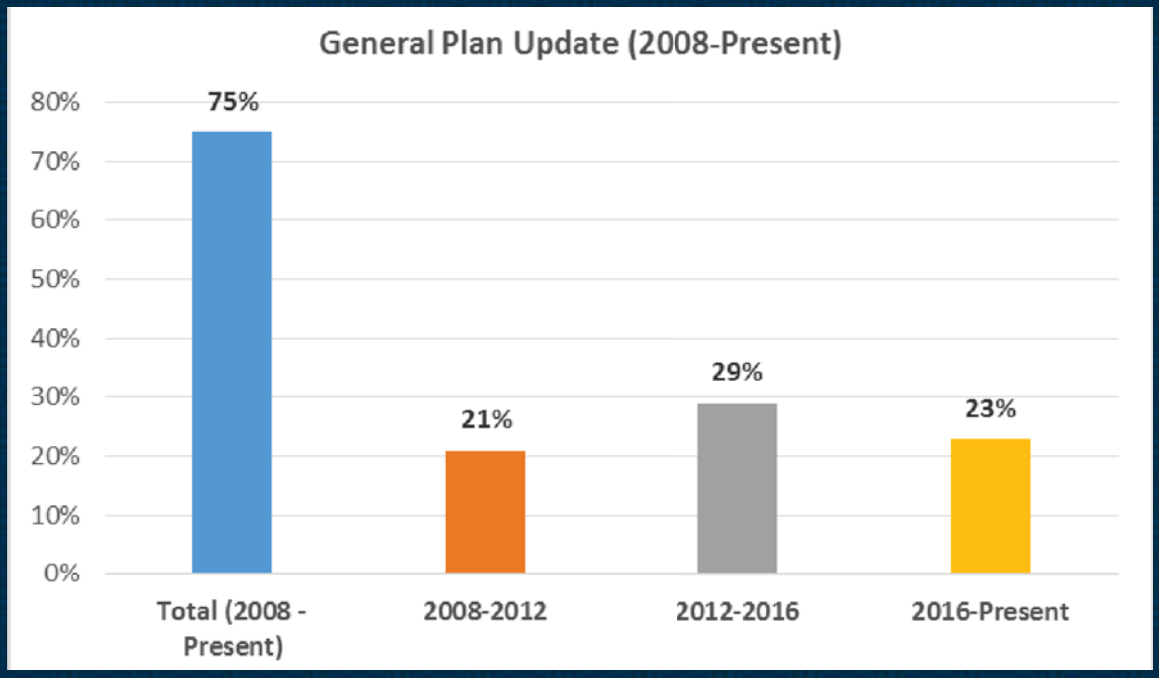
- Approximately 60% (112 out of 197 local jurisdictions) provided responses
  - Response rates per topic area and questions differed amongst respondents
- SCAG found that several strategies noted in the previous plans (2012 and 2016) have been successfully implemented throughout the region
- Whereas others were not as frequently implemented and are key indicators for improvement opportunities

Subregional Response Rate

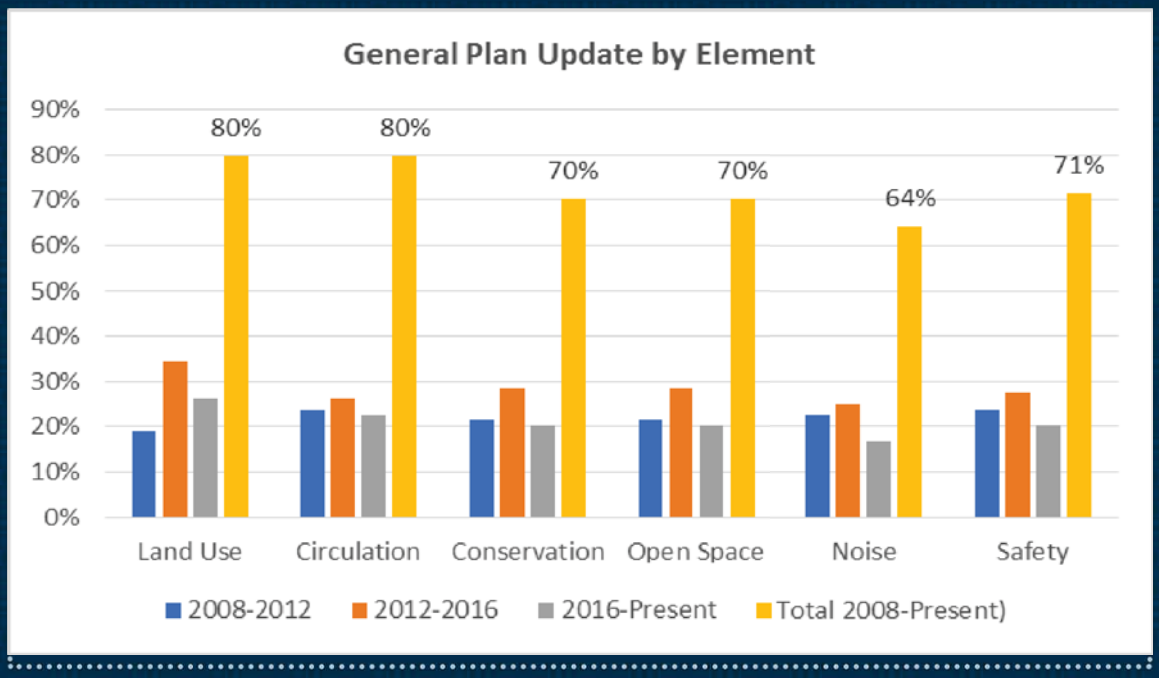


Attachment: PowerPoint Presentation - Local Input Survey (Local Input Survey Results)

General Plan Updates (Part 1)

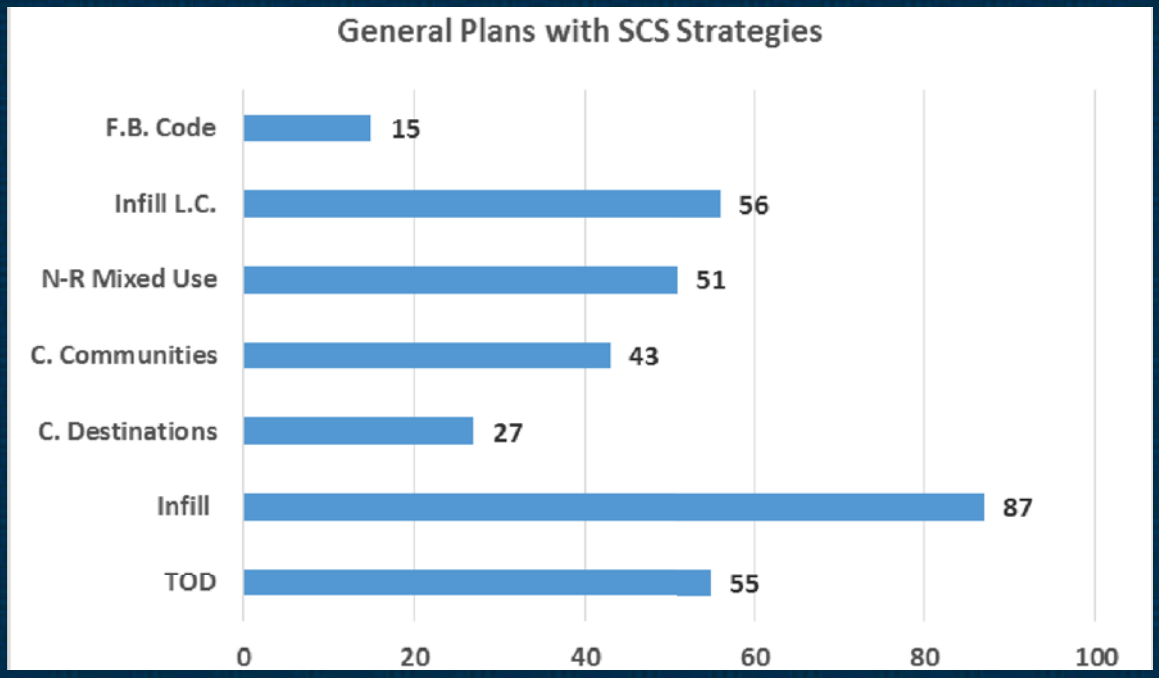


Key Findings – General Plan Updates (Part 2)

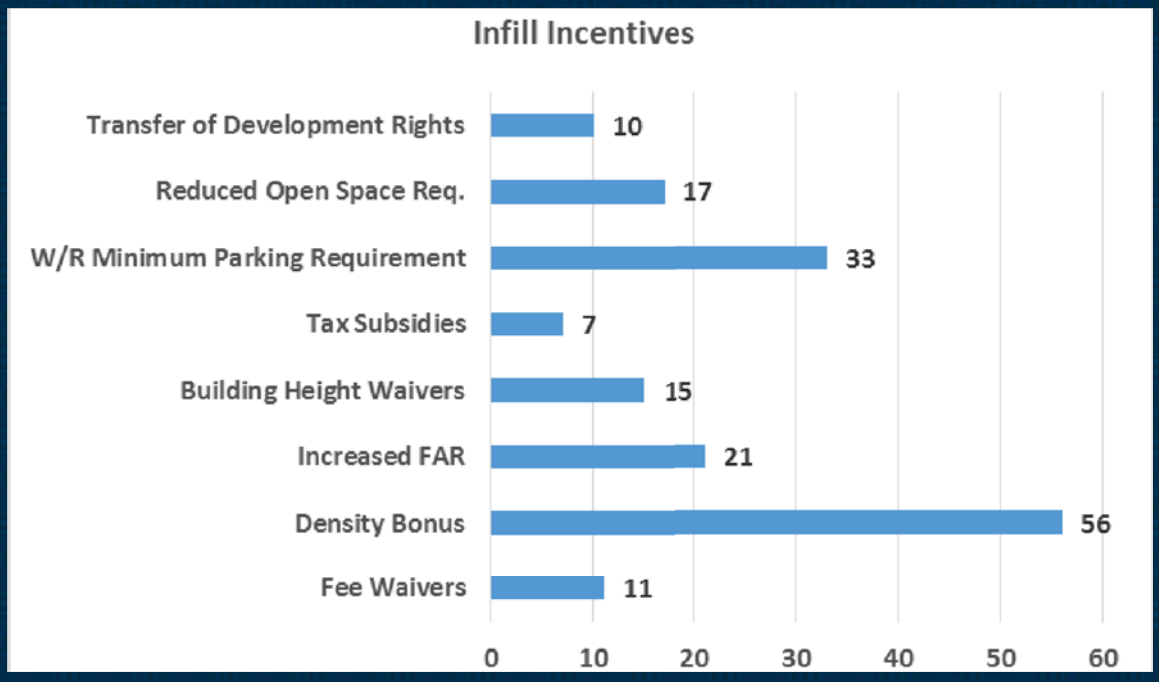


Attachment: PowerPoint Presentation - Local Input Survey (Local Input Survey Results)

General Plan with SCS Strategies

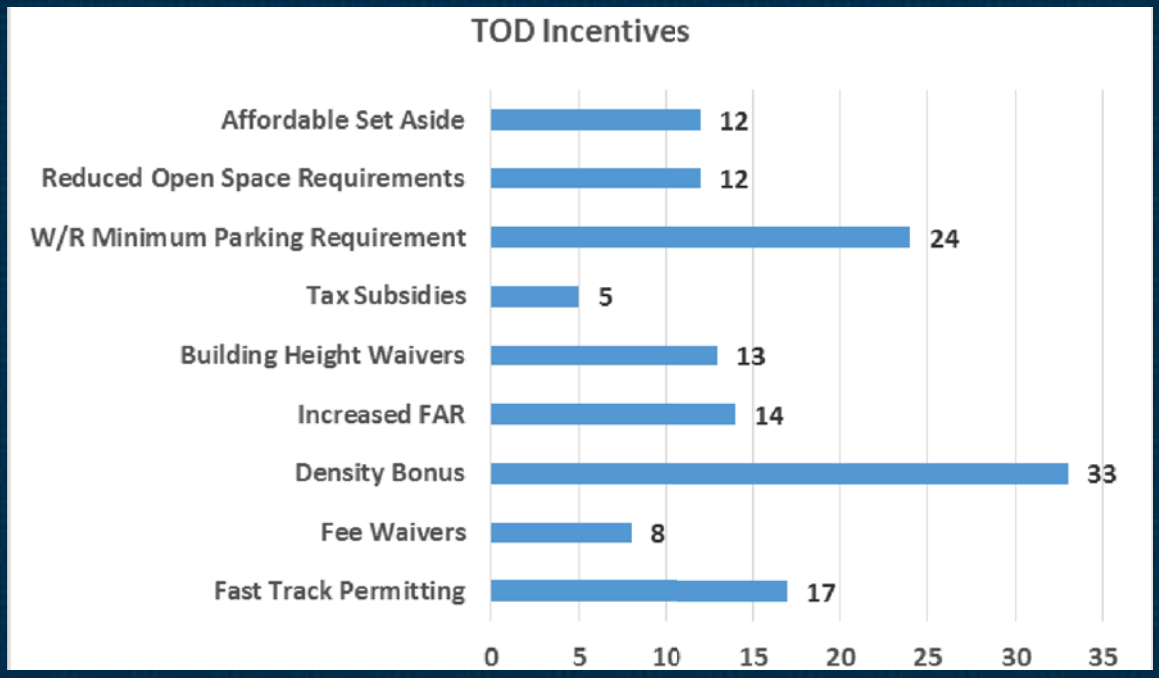


Infill Incentives

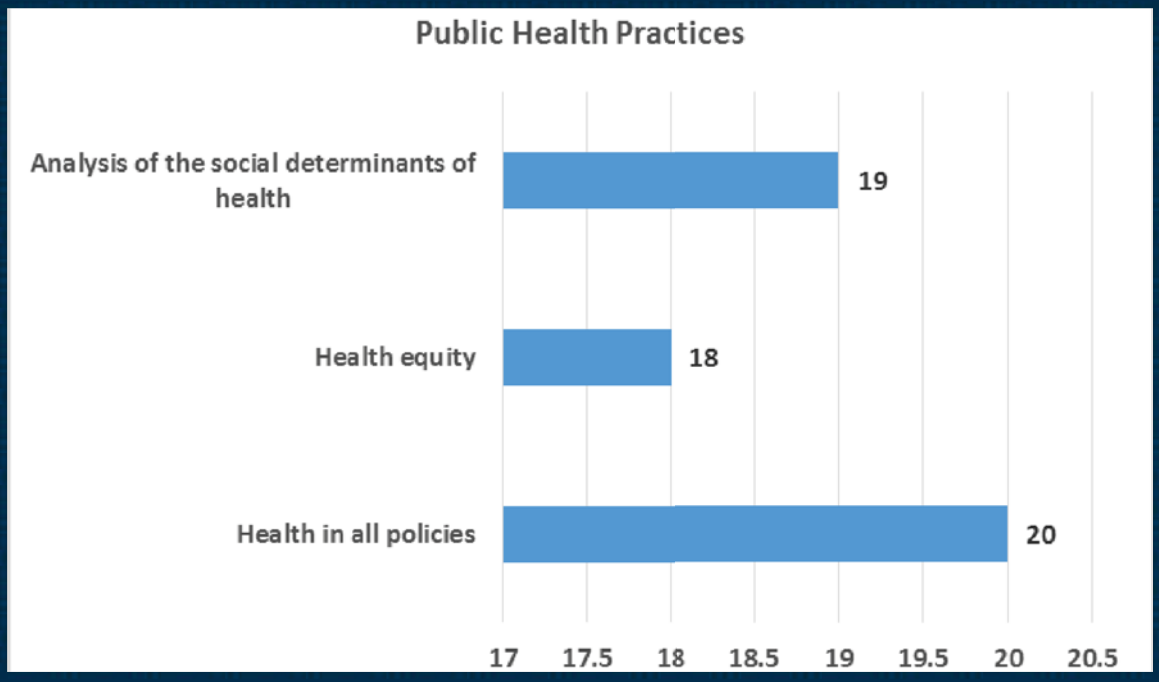


Attachment: PowerPoint Presentation - Local Input Survey (Local Input Survey Results)

Transit Oriented Development Incentives

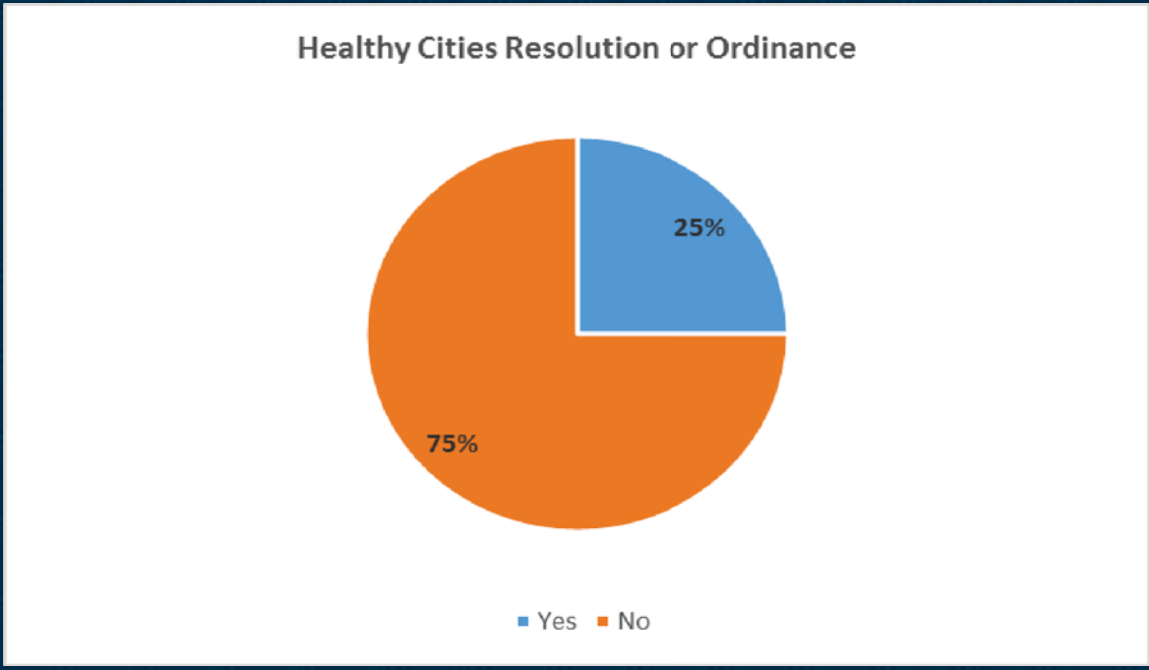


Public Health Practices

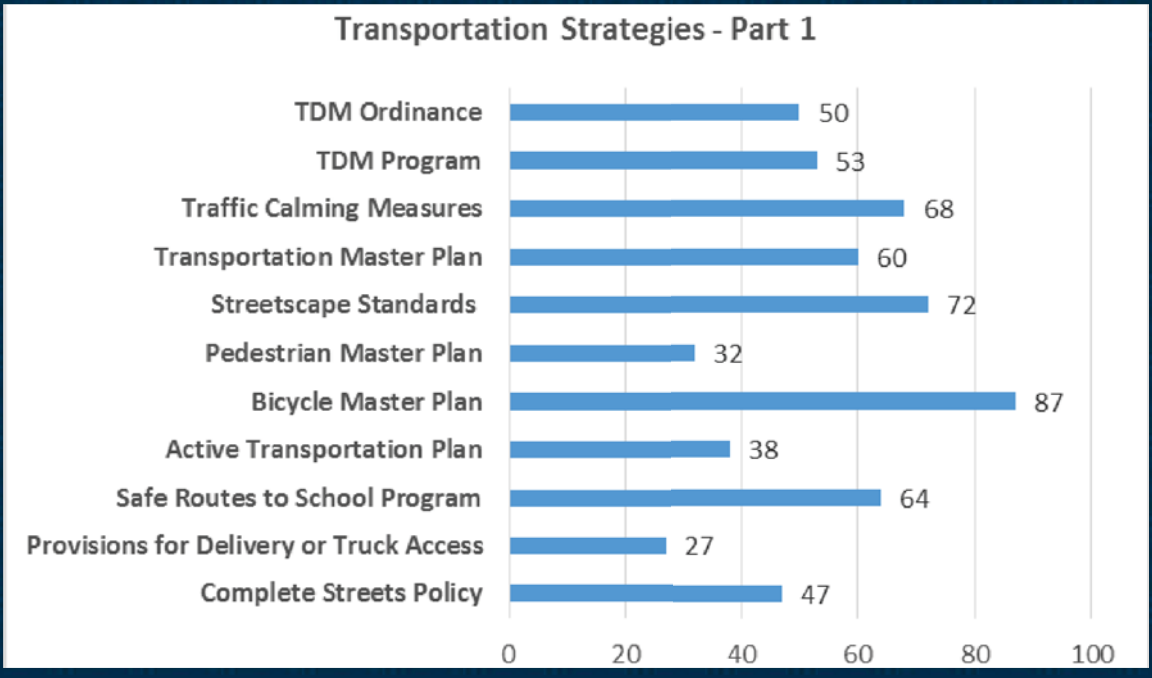


Attachment: PowerPoint Presentation - Local Input Survey (Local Input Survey Results)

Public Health – Healthy Cities Resolution/Ordinance

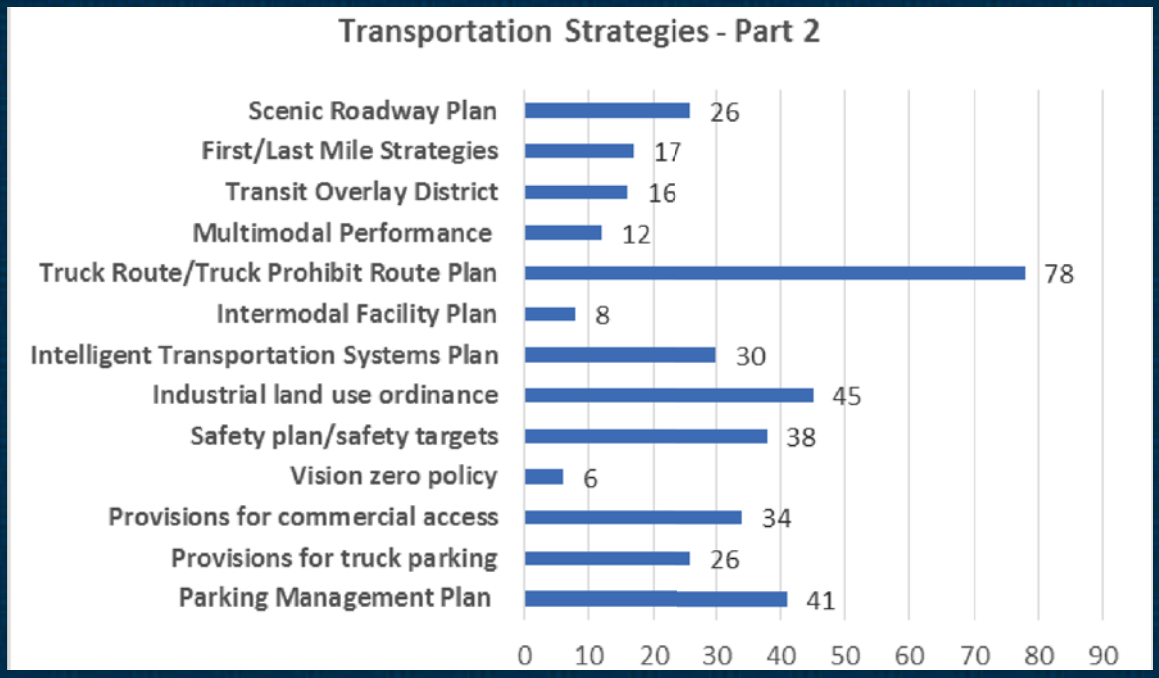


Transportation Strategies – Part 1

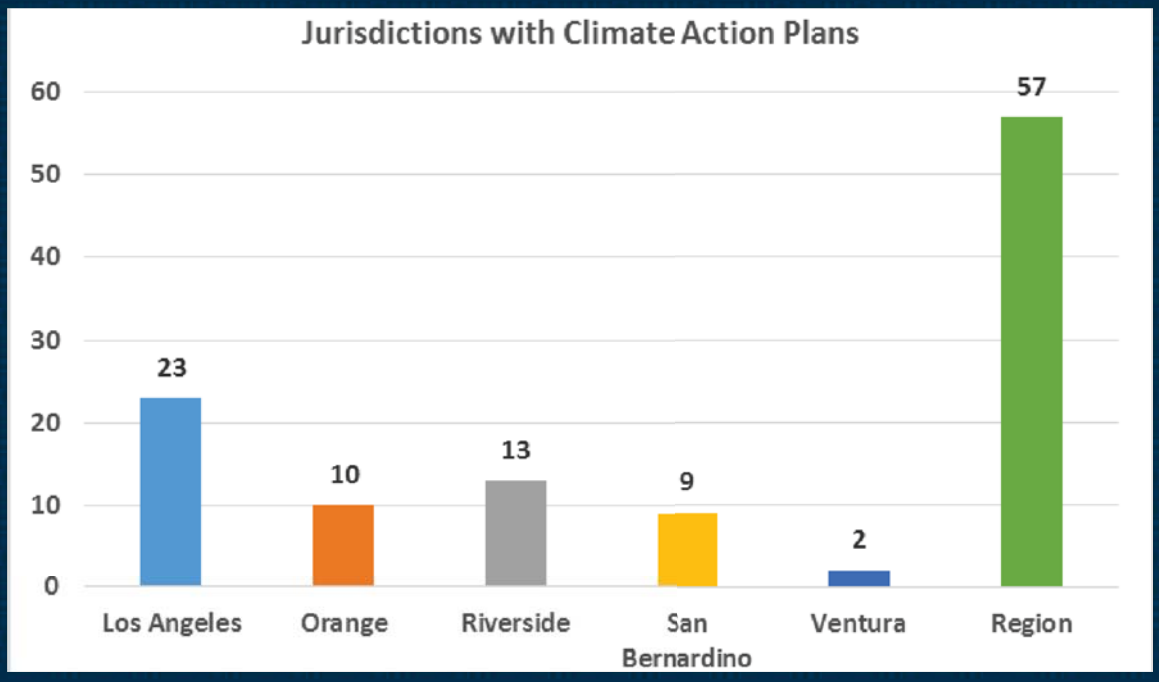


Attachment: PowerPoint Presentation - Local Input Survey (Local Input Survey Results)

Transportation Strategies – Part 2

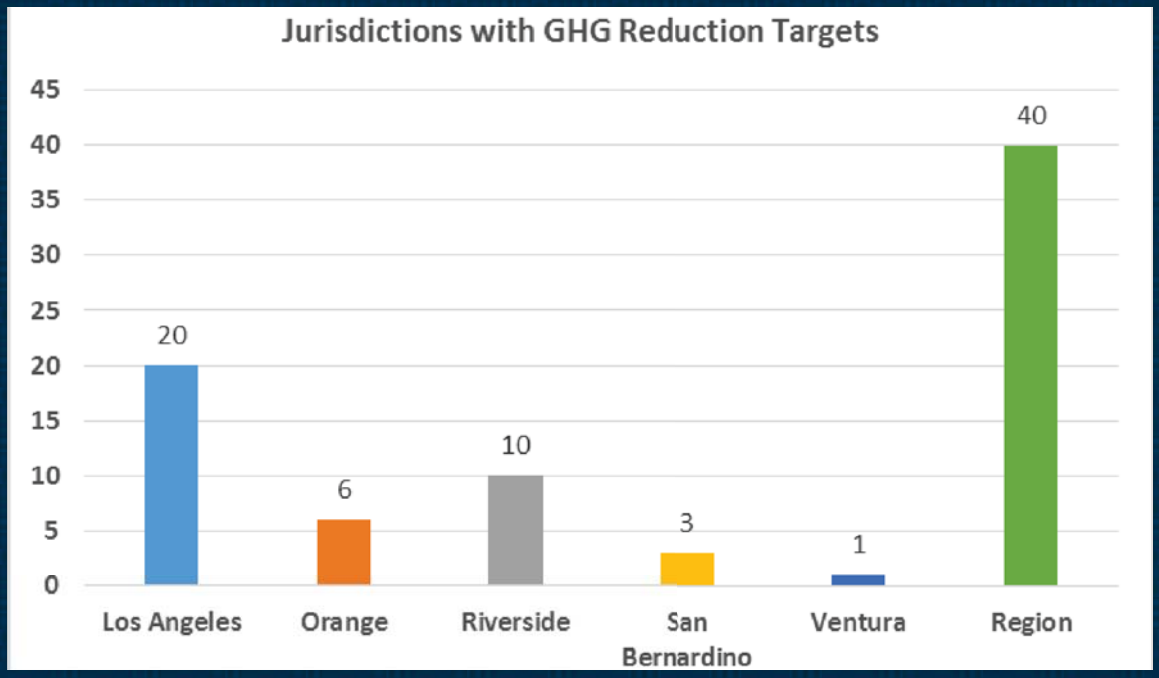


Climate Action Plans

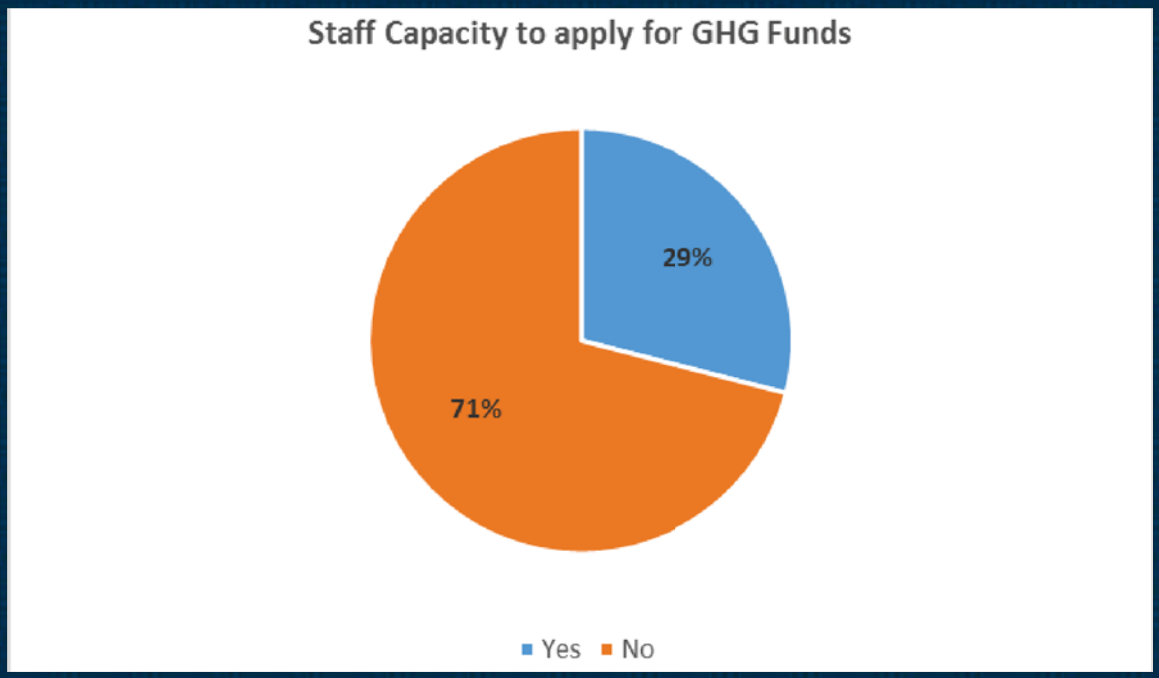


Attachment: PowerPoint Presentation - Local Input Survey (Local Input Survey Results)

Greenhouse Gas Reduction Targets

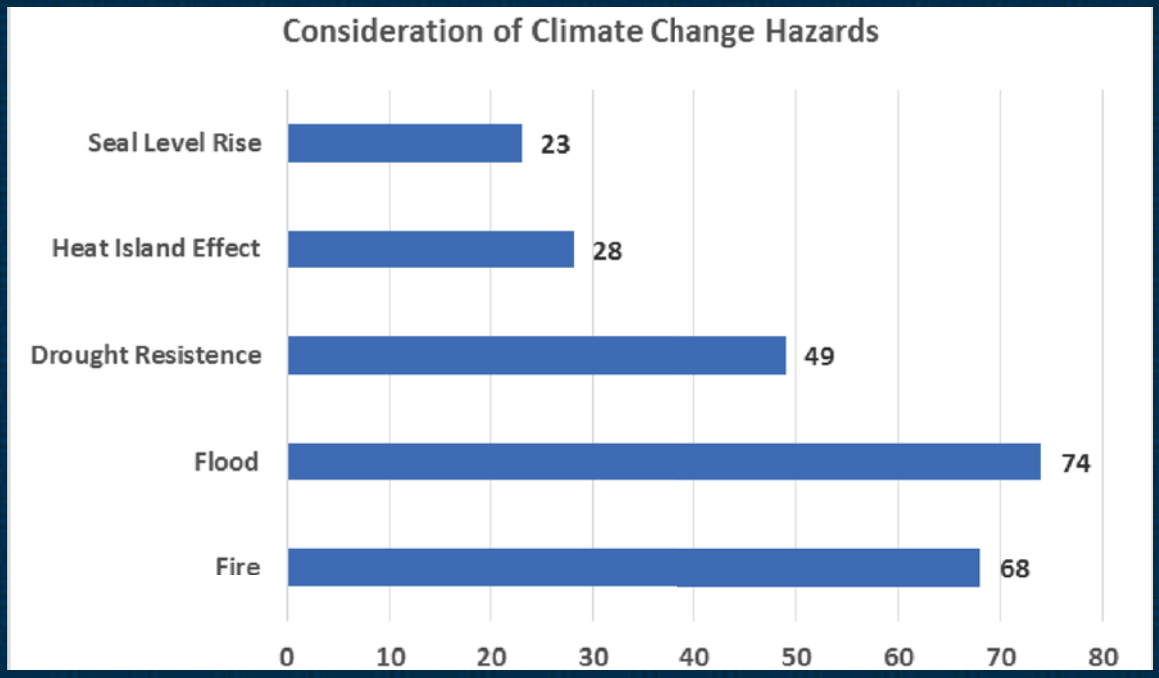


Staff Capacity to Apply for GHG Funds

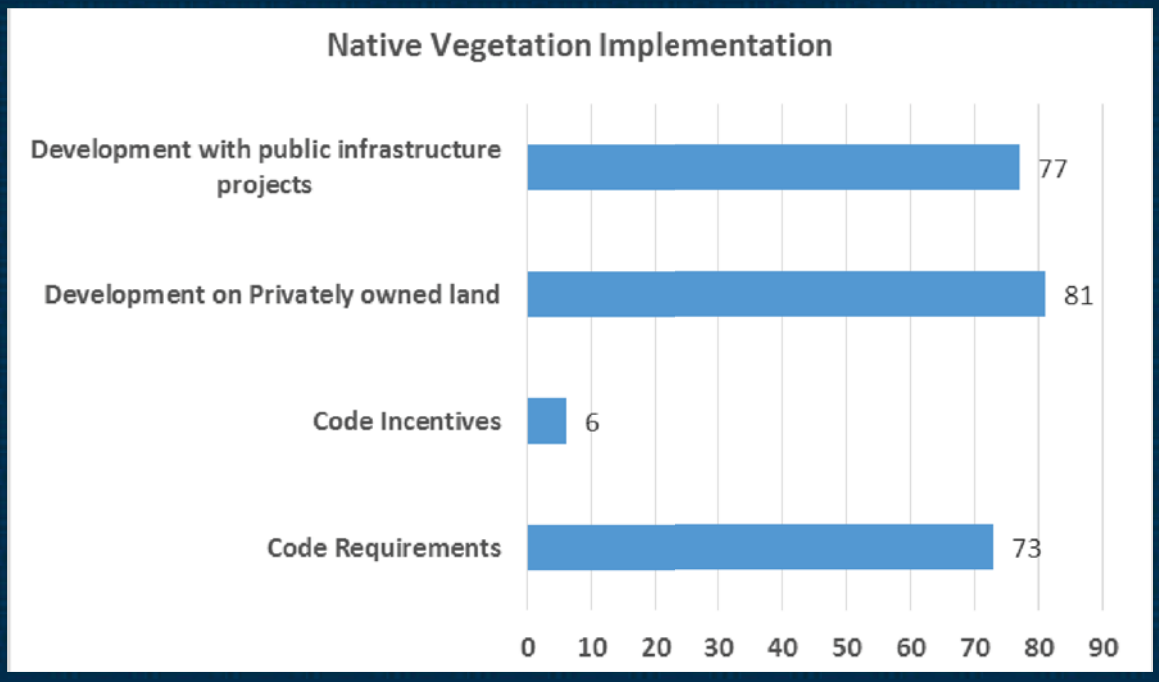


Attachment: PowerPoint Presentation - Local Input Survey (Local Input Survey Results)

Consideration of Climate Change Hazards



Native Vegetation



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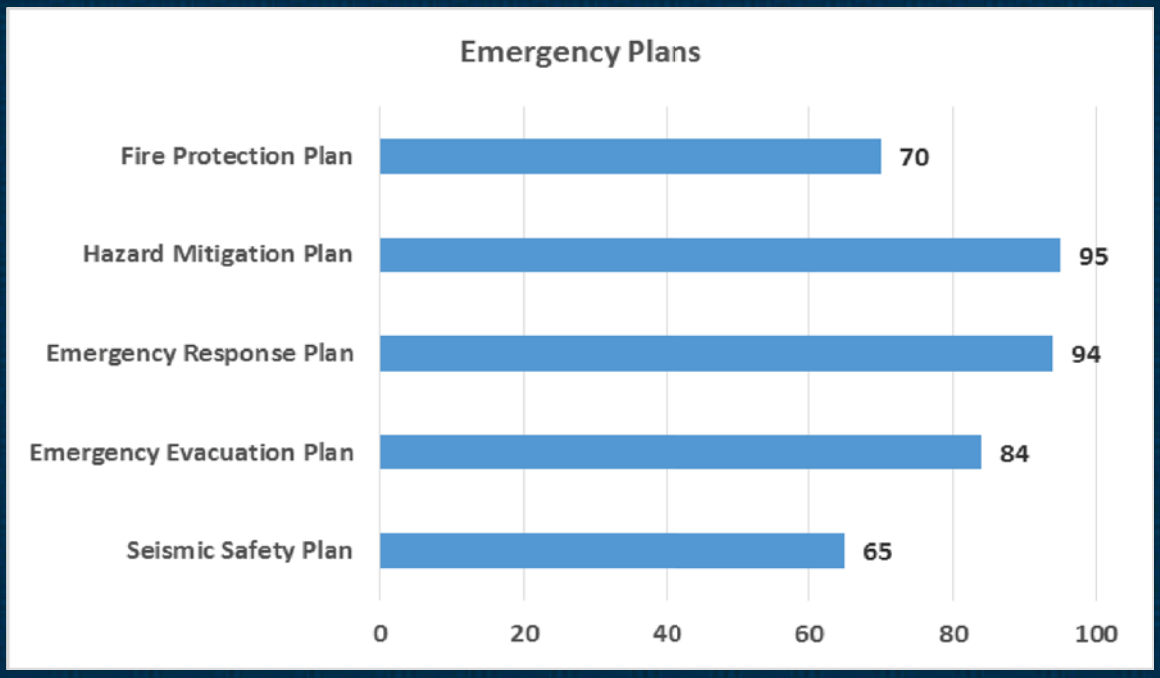
Emergency Plans



Next Steps

- Data received from the survey has been used in developing Connect SoCal
- SCAG will continue to promote successful policies and strategies
- It's important to note that low implementation rates for certain policies and strategies should not be seen as failures but as opportunities
  - There are many factors that could account for low implementation rates
  - Opportunities for new programs and workshops
  - Opportunities for tailoring or suggesting revisions to existing policies and strategies

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Conclusion

Thank you
Any Questions?