



SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS
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REMOTE PARTICIPATION ONLY

LEGISLATIVE/ COMMUNICATIONS AND MEMBERSHIP COMMITTEE

Tuesday, December 21, 2021
8:30 a.m. – 10:00 a.m.

To Attend and Participate on Your Computer:
<https://scag.zoom.us/j/805439887>

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Call-in Number: 1-669-900-6833
Meeting ID: 805 439 887

***Please see next page for detailed
instructions on how to participate in the meeting.***

PUBLIC ADVISORY

Given the declared state of emergency (pursuant to State of Emergency Proclamation dated March 4, 2020) and local public health directives imposing and recommending social distancing measures due to the threat of COVID-19, and pursuant to Government Code Section 54953(e)(1)(A), the meeting will be held telephonically and electronically.

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Kevin Gilhooley at (213) 236-1878 or via email at gilhooley@scag.ca.gov. Agendas & Minutes are also available at: www.scag.ca.gov/committees.

SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation in order to participate in this meeting. SCAG is also committed to helping people with limited proficiency in the English language access the agency's essential public information and services. You can request such assistance by calling (213) 630-1420. We request at least 72 hours (three days) notice to provide reasonable accommodations and will make every effort to arrange for assistance as soon as possible.



Instructions for Public Comments

You may submit public comments in two (2) ways:

1. **In Writing:** Submit written comments via email to: ePublicComment@scag.ca.gov by 5pm on Monday, December 20, 2021. You are **not** required to submit public comments in writing or in advance of the meeting; this option is offered as a convenience should you desire not to provide comments in real time as described below.

All written comments received after 5pm on Monday, December 20, 2021 will be announced and included as part of the official record of the meeting.

2. **In Real Time:** If participating in real time via Zoom or phone, during the Public Comment Period (Matters Not on the Agenda) or at the time the item on the agenda for which you wish to speak is called, use the “raise hand” function on your computer or *9 by phone and wait for SCAG staff to announce your name/phone number. SCAG staff will unmute your line when it is your turn to speak. Limit oral comments to 3 minutes, or as otherwise directed by the presiding officer. For purpose of providing public comment for items listed on the Consent Calendar, please indicate that you wish to speak when the Consent Calendar is called; items listed on the Consent Calendar will be acted on with one motion and there will be no separate discussion of these items unless a member of the legislative body so requests, in which event, the item will be considered separately.

If unable to connect by Zoom or phone and you wish to make a comment, you may submit written comments via email to: ePublicComment@scag.ca.gov.

In accordance with SCAG’s Regional Council Policy, Article VI, Section H and California Government Code Section 54957.9, if a SCAG meeting is “willfully interrupted” and the “orderly conduct of the meeting” becomes unfeasible, the presiding officer or the Chair of the legislative body may order the removal of the individuals who are disrupting the meeting.

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

OUR VISION

Southern California’s Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous



Instructions for Participating in the Meeting

SCAG is providing multiple options to view or participate in the meeting:

To Participate and Provide Verbal Comments on Your Computer

1. Click the following link: <https://scag.zoom.us/j/805439887>
2. If Zoom is not already installed on your computer, click “Download & Run Zoom” on the launch page and press “Run” when prompted by your browser. If Zoom has previously been installed on your computer, please allow a few moments for the application to launch automatically.
3. Select “Join Audio via Computer.”
4. The virtual conference room will open. If you receive a message reading, “Please wait for the host to start this meeting,” simply remain in the room until the meeting begins.
5. During the Public Comment Period, use the “raise hand” function located in the participants’ window and wait for SCAG staff to announce your name. SCAG staff will unmute your line when it is your turn to speak. Limit oral comments to 3 minutes, or as otherwise directed by the presiding officer.

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1. Call **(669) 900-6833** to access the conference room. Given high call volumes recently experienced by Zoom, please continue dialing until you connect successfully.
2. Enter the **Meeting ID: 805 439 887**, followed by #.
3. Indicate that you are a participant by pressing # to continue.
4. You will hear audio of the meeting in progress. Remain on the line if the meeting has not yet started.
5. During the Public Comment Period, press *9 to add yourself to the queue and wait for SCAG staff to announce your name/phone number. SCAG staff will unmute your line when it is your turn to speak. Limit oral comments to 3 minutes, or as otherwise directed by the presiding officer.

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LCMC - Legislative/Communications and Membership Committee
Members – December 2021

- 1. Hon. Alan Wapner**
LCMC Chair, SBCTA Representative
- 2. Hon. Peggy Huang**
LCMC Vice Chair, TCA Representative
- 3. Hon. Sean Ashton**
Downey, RC District 25
- 4. Hon. Letitia Clark**
Tustin, RC District 17
- 5. Hon. Margaret Finlay**
Duarte, RC District 35
- 6. Sup. Curt Hagman**
San Bernardino County
- 7. Hon. Jan C. Harnik**
RCTC Representative
- 8. Hon. Clint Lorimore**
Eastvale, RC District 4
- 9. Hon. Steve Manos**
Lake Elsinore, RC District 63
- 10. Hon. Ray Marquez**
Chino Hills, RC District 10
- 11. Hon. Frank Navarro**
Colton, RC District 6
- 12. Hon. David Pollock**
Moorpark, RC District 46
- 13. Hon. Deborah Robertson**
Rialto, RC District 8
- 14. Hon. Ali Saleh**
Bell, RC District 27
- 15. Hon. David J. Shapiro**
Calabasas, RC District 44

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LEGISLATIVE/COMMUNICATIONS AND MEMBERSHIP COMMITTEE AGENDA

16. Hon. Jose Luis Solache
Lynwood, RC District 26

17. Hon. Cheryl Viegas-Walker
El Centro, RC District 1

18. Sup. Donald Wagner
Orange County

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LEGISLATIVE/COMMUNICATIONS AND MEMBERSHIP COMMITTEE AGENDA

Southern California Association of Governments
Remote Participation Only
Tuesday, December 21, 2021
8:30 AM

The Legislative/Communications and Membership Committee may consider and act upon any of the items listed on the agenda regardless of whether they are listed as information or action items.

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

(The Honorable Alan D. Wapner, Chair)

PRESENTATION

(The Honorable Blanca Rubio, Assemblymember (D-West Covina))

PUBLIC COMMENT PERIOD (Matters Not on the Agenda)

This is the time for persons to comment on any matter pertinent to SCAG's jurisdiction that is **not** listed on the agenda. Although the committee may briefly respond to statements or questions, under state law, matters presented under this item cannot be discussed or acted upon at this time. Public comment for items listed on the agenda will be taken separately as further described below.

General information for all public comments: Members of the public are encouraged, but not required, to submit written comments by sending an email to: ePublicComment@scag.ca.gov by 5pm on Monday, December 20, 2021. Such comments will be transmitted to members of the legislative body and posted on SCAG's website prior to the meeting. Any writings or documents provided to a majority of the Legislative/Communications and Membership Committee regarding any item on this agenda (other than writings legally exempt from public disclosure) are available at the Office of the Clerk, located at 900 Wilshire Blvd., Suite 1700, Los Angeles, CA 90017 during normal business hours and/or by contacting the office by phone, (213) 630-1420, or email to aguilarm@scag.ca.gov. Written comments received after 5pm on Monday, December 20, 2021, will be announced and included as part of the official record of the meeting. Members of the public wishing to verbally address the Legislative/Communications and Membership Committee in real time during the meeting will be allowed up to a total of 3 minutes to speak on items on the agenda, with the presiding officer retaining discretion to adjust time limits as necessary to ensure efficient and orderly conduct of the meeting. The presiding officer has the discretion to equally reduce the time limit of all speakers based upon the number of comments received. If you desire to speak on an item listed on the agenda, please wait for the chair to call the item and then indicate your interest in offering public comment by either using the "raise hand" function on your computer or pressing *9 on your telephone. For purpose of providing public comment for items listed on the Consent Calendar (if there is a Consent Calendar), please indicate that you wish to speak when the Consent Calendar is called; items listed on the Consent Calendar will be acted upon with one motion and there will be no separate discussion of these items unless a member of the legislative body so requests, in which event, the item will be considered separately.

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LEGISLATIVE/COMMUNICATIONS AND
MEMBERSHIP COMMITTEE
MEETING AGENDA

REVIEW AND PRIORITIZE AGENDA ITEMS

CONSENT CALENDAR

Approval Items

1. Minutes of the Meeting – November 16, 2021
2. SCAG Memberships and Sponsorships

Receive and File

3. Legislative Advocacy Update
4. Federal Legislative Update

ACTION ITEM

5. Legislative Bill Concepts
(Kevin Gilhooley, Legislation Manager)

RECOMMENDED ACTION:

Evaluate the five policy concepts for a potential SCAG-sponsored legislative bill and forward a recommendation to the Executive/Administration Committee (EAC) and Regional Council (RC), as follows:

- (1) Select a first and second choice concept for sponsoring a legislative bill.
- (2) Direct staff to pursue opportunities to introduce the first-ranked concept as a legislative bill.
- (3) Direct staff to pursue opportunities to introduce the second-ranked concept as a legislative bill if the first-ranked concept proves infeasible, redundant with existing law, or fails to attract legislative support.
- (4) Direct staff to provide regular updates to the Legislative/Communications and Membership Committee (LCMC) on the progress of the legislative concept and advise on partnership, coalition building, and advocacy opportunities and efforts.

INFORMATION ITEMS

6. Communications Update
(Margaret de Larios, Public Affairs Specialist III)
-



LEGISLATIVE/COMMUNICATIONS AND
MEMBERSHIP COMMITTEE

MEETING AGENDA

POLICY AND PUBLIC AFFAIRS DIVISION UPDATE

(Javiera Cartagena, Director of Policy and Public Affairs)

FUTURE AGENDA ITEMS

ANNOUNCEMENTS

ADJOURNMENT



Southern California Association of Governments
Remote Participation Only
December 21, 2021

LEGISLATIVE/COMMUNICATIONS AND MEMBERSHIP COMMITTEE (LCMC)
MINUTES OF THE MEETING
TUESDAY, NOVEMBER 16, 2021

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE LEGISLATIVE/COMMUNICATIONS AND MEMBERSHIP COMMITTEE (LCMC). A DIGITAL RECORDING OF THE MEETING IS AVAILABLE AT: <http://scag.iqm2.com/Citizens/>.

The Legislative/Communications and Membership Committee (LCMC) of the Southern California Association of Governments (SCAG) held its regular meeting virtually (telephonically and electronically), given the declared state of emergency (pursuant to State of Emergency Proclamation dated March 4, 2020) and local public health directives imposing and recommending social distancing measures due to the threat of COVID-19, and pursuant to Government Code Section 54953(e)(1)(A). A quorum was present.

MEMBERS PRESENT

Alan D. Wapner (Chair)
Peggy Huang (Vice Chair)

Sean Ashton	<i>Downey</i>
Letitia Clark	<i>Tustin</i>
Margaret Finlay	<i>Duarte</i>
Jan Harnik	
Clint Lorimore	<i>Eastvale</i>
Steve Manos	<i>Lake Elsinore</i>
Ray Marquez	<i>Chino Hills</i>
Frank J. Navarro	<i>Colton</i>
David Pollock	<i>Moorpark</i>
Deborah Robertson	<i>Rialto</i>
Ali Saleh	<i>Bell</i>
David J. Shapiro	<i>Calabasas</i>
Jose Luis Solache	<i>Lynwood</i>
Cheryl Viegas-Walker	<i>El Centro</i>
Donald P. Wagner	

SBCTA
TCA

District 25
District 17
District 35
RCTC
District 4
District 63
District 10
District 6
District 46
District 8
District 27
District 44
District 26
District 1
Orange County

MEMBERS NOT PRESENT

Curt Hagman San Bernardino County

CALL TO ORDER

Chair Alan D. Wapner called the meeting to order at 8:31 a.m. and called on Mr. Kevin Gilhooley, Legislation Manager, to lead the Pledge of Allegiance. Staff confirmed a quorum was present.

PUBLIC COMMENT PERIOD

Chair Wapner opened the Public Comment Period for five minutes and outlined the instructions for public comments.

SCAG staff confirmed that there were no public comments submitted via email to ePublicComment@scag.ca.gov. During the public comment period, Mr. Michael Houston, Chief Counsel and Director of Legal services, provided the Committee an update on new proceedings with the recent changes to the Brown Act.

During the public comment period, Vice Chair Peggy Huang brought it to Chair Wapner's attention that Mayor Bill Brand, City of Redondo Beach, wanted to speak on the Community Planning Voter Initiative, Agenda Item No. 7. Chair Wapner acknowledged Mayor Brand's request and kindly asked him to wait until Agenda Item No. 7 was called to make his public comment.

Seeing there were no additional public comment speakers, Chair Wapner closed the Public Comment Period.

REVIEW AND PRIORITIZE AGENDA ITEM

There were no prioritized agenda items.

CONSENT CALENDAR

Approval Items

1. Minutes of the Meeting – September 21, 2021
2. SCAG Membership and Sponsorships

Receive and File

3. Legislative Advocacy Update
-

4. End of Session Update

5. Federal Legislative Update

A MOTION was made (Finlay) to approve the Consent Calendar. The MOTION was SECONDED (Shapiro) and APPROVED by a majority roll call vote as follows:

AYES: Ashton, Finlay, Harnik, Huang, Lorimore, Manos, Marquez, Navarro, Pollock, Robertson, Saleh, Shapiro, Viegas-Walker, Wagner, and Wapner (15)

NOES: None (0)

ABSTAINS: None (0)

ACTION ITEMS

6. Public Participation Plan

Ms. Margaret de Larios, Public Affairs Specialist, provided a presentation, on SCAG's Public Participation Plan, which serves as a guide for the agency's public involvement as well as the continuing, comprehensive, and coordinated planning process among stakeholders to ensure the ongoing opportunity for broad-based participation in the development and review of the agency's regional plans and programs. Ms. de Larios reported the goals of this update included making the plan more accessible to a general audience and more adaptable in anticipation of evolving technologies and practices. She also noted that the survey that was conducted in English and Spanish had the highest number of responses from previous Public Participation Plans. Ms. de Larios stated staff's recommendation was for the LCMC members to approve the release of the draft Public Participation Plan for a 45-day period of public review and comment.

President Clint Lorimore inquired about the platforms being used for social media engagement. Ms. de Larios mentioned being active on Facebook, Twitter, and LinkedIn. President Lorimore expressed concern that SCAG was not active on commonly used platforms like Instagram and recommended staff reexamine our outreach.

A MOTION was made (Finlay) to APPROVE the release of the draft Public Participation Plan for a 45-day period of public review and comment. The MOTION was SECONDED (Manos) and APPROVED by a majority roll call vote as follows:

AYES: Ashton, Finlay, Harnik, Huang, Lorimore, Manos, Marquez, Navarro, Pollock, Robertson, Saleh, Shapiro, Viegas-Walker, Wagner, and Wapner (15)

NOES: None (0)

ABSTAIN: None (0)

INFORMATION ITEMS

7. Community Planning Voter Initiative

Ms. Estee Sepulveda, Legislation Analyst, provided a brief status update on the latest actions taken on the Community Planning Voter Initiative. She briefly reminded the Committee members that this initiative was originally brought to the LCMC meeting in September 2021 where the Committee unanimously voted to forward the report to share the information with the Regional Council and other policy committees. Ms. Sepulveda reported that on November 1, 2021, the State Attorney General issued the official title and summary for the proposed initiative. Ms. Sepulveda also reported that for the initiative to appear on the ballot for the November 8, 2022 election, proponents would have 180 days or until the end of April 2022 to collect nearly 1 million signatures.

After Ms. Sepulveda's report, Chair Wapner opened the public comment period and called on public comment speaker, Mayor Bill Brand, City of Redondo Beach.

Mayor Brand provided public comment and shared a visual presentation supporting this initiative.

Chair Wapner asked if anyone had any questions for Mayor Brand.

Hon. Margaret Finlay, Duarte, District 35, asked a question and Mayor Brand responded.

Chair Wapner asked if there were any questions from the public before closing the public comment portion. Hearing none, Chair Wapner asked staff to re-confirm if there were any raised hands and staff confirmed there were none.

Hon. David Pollock, Moorpark, District 46, briefly stated that the League of California Cities had not taken a position on this initiative but noted they would possibly have a recommendation by the following weekend.

Vice Chair Huang, TCA, addressed Legal Counsel and asked if he could provide direction, as to whether a motion could be taken that day to support the initiative.

Hon. Cheryl Viegas-Walker, El Centro, District 1, commented that with the Regional Council not meeting in December, she would propose revisiting this initiative at the following LCMC meeting to allow time to study the initiative and collect more information.

Vice Chair Huang addressed Hon. Viegas-Walker's proposal by recommending the Committee still consider taking a position in support of this initiative even if the Regional Council did not meet in December because of the short timeline to gather signatures.

Hon. Steve Manos, Lake Elsinore, District 63, agreed with Vice Chair Huang about taking a position instead of waiting another month. He noted he had all the resources necessary to take a support position on this initiative.

Hon. Deborah Robertson, Rialto, District 8, agreed with Hon. Viegas-Walker and requested this item be moved to December's LCMC agenda as an action item.

Chair Wapner, addressed the Committee by informing them that the item although listed as an information item, was noted as an item that the LCMC could consider making a motion on, and emphasized it was posted on the agenda pursuant to the Brown Act Rules.

Hon. Cheryl Viegas-Walker continued to express her concern on taking early action on this item and strongly recommended bringing it back to the December LCMC meeting.

Vice Chair Huang made a MOTION to support this initiative as a recommendation to the Regional Council. The MOTION was SECONDED by Hon. Steve Manos.

First Vice President Jan Harnik, RCTC, shared her support for this initiative but expressed concern that this initiative was released to the public as information only and no action required.

Mr. Michael Houston, Chief Counsel and Director of Legal Services, clarified that there was a motion recommending that the Regional Council support this initiative. He emphasized this was not a motion lending SCAG's support at this time.

First Vice President Jan Harnik made a SUBSTITUTE MOTION to send this initiative to the Regional Council with no recommendation. The MOTION was seconded by Hon. Margaret Finlay.

The Committee members engaged in further discussion asking if an emergency or special Regional Council meeting could be arranged if necessary to address the initiative.

Hon. Deborah Robertson addressed concerns on moving forward with a recommendation on something that was listed as an informational item and stated she would rather support the subsequent amendment and go against the first motion if it went through.

Hon. Steve Manos stated he did not feel comfortable taking something to the Regional Council without a recommendation and if the substitute motion were to stand, he would vote against it.

Hon. David Pollock briefly shared that the League of Cities was still having ongoing debate on this initiative, which was the reason they had not made a recommendation. He also added that it would be wiser to wait to make sure they understood all the implications.

Vice Chair Huang reemphasized the importance of moving forward with a recommendation to the Regional Council.

Hon. Jose Luis Solache, Lynwood, District 26, shared his experience as the past Chair of the LCMC and the lessons he learned when deciding not to take a stance early in the process. He also added that he agreed with Vice Chair Huang and supported the initiative and her proposed recommendation to the Regional Council.

First Vice President Jan Harnik stated that after listening to everybody, she would withdraw her SUBSTITUTE MOTION.

Hon. Sean Ashton, Downey, District 25, shared his thoughts on the Committee's discussion and noted he supported moving forward with the initiative, to make sure it got to the Regional Council for further action.

Hon. Frank Navarro, Colton, District 6, shared his support for moving forward with the initiative as simply a recommendation and allowing the Regional Council to make its final decision.

Chair Wapner, addressed the Committee by reminding them that the role of the LCMC was to make recommendations. He also briefly addressed a couple of comments made by the Committee members during this item. He concluded his comments by supporting the recommendation to the Regional Council because he believed action needed to be taken now.

After a robust conversation among the Committee members, a MOTION was made (Huang) to support the Community Planning Voter Initiative as a recommendation to the Regional Council. The MOTION was SECONDED (Manos) and APPROVED by a majority roll call vote as follows:

AYES: Ashton, Clark, Finlay, Harnik, Huang, Lorimore, Manos, Marquez, Navarro, Saleh, Shapiro, Solache, and Wapner (13)

NOES: Pollock, Viegas-Walker (2)

ABSTAIN: Robertson (1)

8. Discussion on Legislative Ideas

Mr. Kevin Gilhooley, Legislation Manager, reported that at President Clint Lorimore's strategic workplan session, which took place on June 24, 2021, the President along with members of SCAG's leadership team expressed the desire to sponsor a legislative bill. He reported that President Lorimore requested the LCMC be tasked to brainstorm ideas for potential legislative sponsorship. Mr. Gilhooley noted his staff reached out to members of the LCMC to understand their legislative priorities. He reported that although staff was unable to meet with every member of the LCMC, the ideas that were shared by those individual members were included in the staff report. Mr. Gilhooley stated staff was requesting the Committee discuss and identify legislative priorities for additional research, which would then be presented at the LCMC's December 21, 2021 meeting with a recommendation that the Committee forward its top priorities to the Regional Council.

Chair Wapner opened the floor to Committee members to share their ideas or provide feedback.

Hon. Deborah Robertson, asked about the process of finding members willing to author or co-author SCAG's proposed legislative bill. Mr. Gilhooley responded by stating that once the Committee had identified its top proposals and staff had conducted its research, that information would be brought back to the LCMC meeting on December 21, 2021 along with an analysis of potential members they could ask to sponsor a particular bill.

Hon. Steve Manos stated he wanted to see an initiative that closed the loophole on state mandates for local governments. He also mentioned wanting to see a temporary and emergency stay by creating a possible five-year moratorium on certain building standards that would include mandated solar panels or fire sprinklers for single-family residences.

Vice Chair Huang stated she wanted to see advocacy around increased funding for broadband infrastructure and access.

Chair Wapner also shared his list of priorities which included bringing in funding to work as incentives around economic development. He emphasized finding a way to generate funding for affordable housing. He noted looking into reform of the California Environmental Quality Act (CEQA) and the Regional Housing Needs Allocation (RHNA) would be beneficial for them.

Mr. Darin Chidsey, Chief Operating Officer, began his remarks by mentioning the major infrastructure package that President Joe Biden had signed the previous day. Mr. Chidsey continued his remarks by recommending the Committee members list this bill as a priority for possible legislation clean-up at the state level. He stated by doing so, it would allow them to determine if Southern California was getting its fair share of resources or if SCAG would need to sponsor legislation on a particular item.

President Lorimore agreed with Mr. Chidsey's remarks. He thanked staff for reaching out to the members of the Committee and putting the list together which included a lot of great ideas by the members. He noted he agreed with the previous comments made by Chair Wapner, Vice Chair Huang, and Hon. Manos. He concluded his remarks by asking the Committee members where they would like the focus to be and listed the options of transportation, housing, broadband, or all three.

Vice Chair Huang and Hon. Jan Harnik, RCTC, both expressed mutual concerns and reasons why they believed the focus should be on housing and broadband when it came to connectivity issues for Southern California residents.

Chair Wapner noted this was a great discussion and mentioned he would work with Mr. Gilhooley on next month's agenda to make sure most of it is spent on providing specific direction to staff to pursue.

9. Communications Update

Ms. de Larios, provided the Committee with an update on the 12th annual Southern California Economic Summit, scheduled for Thursday, December 2, 2021. She provided details about the agenda and the panels listed in the program. She also shared that Senator Rubio, California State Senate, District 22, would be one of the speakers, and Rana Foroohar, Global Business Columnist at The Financial Times and Global Economic Analyst at CNN, would be the keynote speaker.

POLICY AND PUBLIC AFFAIRS DIVISION UPDATE

Ms. Javiera Cartagena, Director of Government and Public Affairs, provided the Committee with a divisional update report. She mentioned due to her recent appointment as Director to the Government and Public Affairs division, Jonathan Hughes would continue to serve as Acting Manager for the Regional Services Department. Ms. Cartagena also welcomed and introduced Ms. Ivette Macias, a new Limited-Term Regional Affairs Officer, who would be working in the Regional Services Department. She concluded her report by announcing the application launch of the Housing Policy Leadership Academy, which she noted could be found on the SCAG website.



FUTURE AGENDA ITEMS

There were no future agenda items.

ANNOUNCEMENTS

There were no announcements.

ADJOURNMENT

There being no further business, Chair Wapner adjourned the Legislative/Communications and Membership Committee meeting at 10:02 a.m.

[MINUTES ARE UNOFFICIAL UNTIL APPROVED BY THE LEGISLATIVE/COMMUNICATIONS AND
MEMBERSHIP COMMITTEE]

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AGENDA ITEM 2
REPORT

Southern California Association of Governments
Remote Participation Only
December 21, 2021

To: Legislative/Communications and Membership Committee (LCMC)

**EXECUTIVE DIRECTOR'S
APPROVAL**

From: David Angel, Legislative Analyst
(213) 630-1422, angel@scag.ca.gov

Subject: SCAG Memberships and Sponsorships

RECOMMENDED ACTION:

Approve up to \$57,500 for memberships with 1) Mobility 21 (\$25,000); 2) the Southern California Leadership Council (\$20,000); and 3) the METTRANS Transportation Center Associations Program (\$12,500).

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:

The Legislative/Communications and Membership Committee (LCMC) is asked to approve up to \$57,500 to retain memberships with 1) Mobility 21 (\$25,000); 2) the Southern California Leadership Council (\$20,000); and 3) the METTRANS Transportation Center Associations Program (\$12,500).

BACKGROUND:

Item 1: Mobility 21

Type: Membership **Amount:** \$25,000

Mobility 21 is a coalition of public, business, and community stakeholders to pursue regional solutions to transportation challenges facing the SCAG region and San Diego County. Created in 2002 as an effort in Los Angeles County, Mobility 21 became a regional effort in 2007 with the primary goals to:

- Support practical solutions to Southern California's transportation challenges;
- Mobilize regional support for transportation funding and legislative priorities at the federal and state levels;
- Unite political leaders around common priorities for transportation; and

- Bring together residents, civic leaders, business groups, and industry experts to inspire them to act and educate them on how to effectively speak out in support of transportation initiatives.

SCAG is a founding member of Mobility 21, and Kome Ajise, SCAG's Executive Director, is a member of the coalition's board of directors.

Item 2: Southern California Leadership Council
Type: Membership **Amount:** \$20,000

Established in 2005, The Southern California Leadership Council is comprised of business and community leaders from throughout the seven counties of Southern California, including three former California Governors. The SCLC is currently partnered with many business organizations in the SCAG region, including the LA County BizFed, Inland Empire Economic Partnership, LA Area Chamber of Commerce, Orange County Business Council, and the Ventura County Economic Development Association, among others. The SCLC's work and strategic partnerships focus on shaping and solving public policy issues such as business vitality, resources (energy, water, and environment), and transportation (goods and people) that are critical to SCAG and the region's economic vitality and quality of life. The SCLC also co-hosted (with SCAG) the 9th and 10th annual Southern California Economic Summits. SCAG Chief Operating Officer Daring Chidsey serves on the SCLC Board, and SCAG Board officers and executive leadership regularly attend SCLC meetings.

Item 3: METRANS Transportation Center Associations Program
Type: Membership **Amount:** \$12,500

The METRANS Transportation Center is one of the key transportation research, education, and outreach centers in the United States. With its focus on solving transportation problems of large metropolitan areas, it has used Southern California as a laboratory and developed methods to increase the efficiency and sustainability of the region's transportation systems. As a partnership of two of the largest universities in the region—University of Southern California (USC) and California State University, Long Beach (CSULB)—the Center trains the region's transportation professionals in engineering, urban planning, logistics, economics, and public policy. METRANS serves as the regional focus for research dissemination and policy outreach through conferences, workshops, and comprehensive media programs. METRANS is a United States Department of Transportation-designated University Transportation Center.

The METRANS Associates Program provides the core support for METRANS. It serves as a model of collaboration between the University community, corporations, and government agencies who come together to study emerging trends and forecasts in goods movement and international trade, discuss relevant and timely developments in transportation policy and share best practices in the field. METRANS Associates enjoy unparalleled access to USC and CSULB faculty and other policy

experts and leaders in transportation. Additionally, METRANS Associates receive access to exclusive educational opportunities and outreach programming that explore timely and relevant topics in transportation and provide access to an elite network of professionals working in the field. METRANS Associates also have access to the intellectual capital provided by graduate students and faculty at USC and CSULB, who are available to assist with a variety of planning and analysis projects within transportation.

SCAG staff is recommending that the agency maintain membership at the "Silver Partner" level in the amount of \$12,500, which will provide SCAG with the following:

- Membership on the METRANS Advisory Board;
- METRANS approved/recommended intern (master's student) for one semester (20 hours per week);
- Opportunities to propose special topical events related to current transportation issues;
- Customized opportunities for student engagement and recruitment;
- Sponsorship acknowledgment and participation in the annual Careers in Transportation panel;
- Feature article in various METRANS/CITT publications and online media;
- Admission to all METRANS events and VIP receptions, including four (4) complimentary admissions to the biennial International Urban Freight Conference (I-NUF); and
- Recognition on METRANS website and other communication materials and at all METRANS events, including: I-NUF, Town Hall meetings, and the annual Seminar Series.

FISCAL IMPACT:

\$57,500 for SCAG's memberships with Mobility 21, the Southern California Leadership Council, and METRANS is included in the approved FY 21-22 General Fund budget.



AGENDA ITEM 3
REPORT

Southern California Association of Governments
Remote Participation Only
December 21, 2021

To: Legislative/Communications and Membership Committee (LCMC)

**EXECUTIVE DIRECTOR'S
APPROVAL**

From: Kevin Gilhooley, Legislation Manager
(213) 236-1878, Gilhooley@scag.ca.gov

Subject: Legislative Advocacy Update

RECOMMENDED ACTION:

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:

This report provides the Legislative/Communications and Membership Committee (LCMC) with an update on SCAG’s most recent legislative advocacy activities including, meetings building off the roundtable meetings hosted by the State Assembly’s “Housing Working Group,” outreach meetings with freshmen Members of Congress, and SCAG’s regional advocacy relating to the Department of Labor’s recent determination that California’s pension reform law violates collective bargaining rights.

BACKGROUND:

Assembly Housing Working Group

In October, members of the Assembly Housing Working Group hosted a series of regional roundtables to examine barriers and explore solutions to the state’s housing production and affordability crisis. The Working Group’s roundtables took place in the Bay Area, Central Coast, Central Valley, and Southern California and included local elected officials, housing advocates, representatives of labor, non-profit housing developers, and municipal staff. It was expected that discussions from the roundtables would inform policy ideas that the Assemblymembers may want to pursue in the 2022 legislative year.

There were three roundtables conducted in the SCAG region and each was attended by at least one SCAG board officer and staff person. President Clint Lorimore and Second Vice President Carmen Ramirez attended the Roundtable organized by Assemblymember Laura Freidman (D-Glendale) on

October 11, 2021, in Glendale. First Vice President Jan Harnik attended the Roundtable organized by Majority Leader Eloise Gomez Reyes (D-San Bernardino) on October 12, 2021, in San Bernardino. President Lorimore also attended the Roundtable organized by Assemblymember Sharon Quirk-Silva (D-Fullerton) on October 13, 2021, in Fullerton.

As a follow up to these roundtables, President Lorimore and the SCAG board officers are meeting with the Assemblymembers who were in attendance. On December 16, 2021, President Lorimore, LCMC Chair Alan Wapner, and LCMC Vice Chair Peggy Huang met with Assemblymember Robert Rivas (D-Salinas) to convey SCAG's legislative priorities relating to housing policy. Staff will continue to keep the LCMC apprised of future meetings relating to this outreach program.

Congressional Meet and Greets

Over the past month, SCAG had the pleasure of hosting meetings with two freshmen members of the Southern California Congressional Delegation. Representatives Jay Obernolte (R-Hesperia) and Young Kim (R-Fullerton) were elected to the U.S. House in November of last year.

President Clint Lorimore, LCMC Chair Alan Wapner, and LCMC Vice Chair Peggy Huang joined Regional Councilmembers Randall Putz and Larry McCallon to meet with Representative Obernolte on November 16, 2021. Representative Obernolte expressed his long-standing support for core infrastructure, such as roads, highways, and bridges, and even expressed his support for member directed spending.

On November 22, 2021, President Lorimore, 1st Vice President Jan Harnik, 2nd Vice President Carmen Ramirez, and LCMC Vice Chair Huang, joined Regional Councilmembers Marty Simonoff, Art Brown, Tim Shaw, and Ray Marquez in a meeting with Representative Kim. Representative Kim discussed ongoing issues in the goods movement sector and briefed RC Members on the Ocean Shipping Reform Act (H.R. 4996), which she cosponsored. The bill would make various changes to improve ocean shipping and port operations. The bill recently passed the House and has moved to the U.S. Senate for its consideration.

Update on federal transit funding as it relates to the U.S. Department of Labor

In August 2019, the Amalgamated Transit Union (ATU) filed a new lawsuit in federal court against the United States Department of Labor (USDOL) related to California's Public Employees' Pension Reform Act (PEPRA) of 2013. In September 2012, former Governor Jerry Brown signed PEPRA into law, which changed the way retirement and health benefits are applied and placed compensation limits on state retirement system members. ATU asserts that PEPRA violates federal collective bargaining rights protected under Section 13(c) of the Urban Mass Transportation Act of 1964. On June 14, 2019, USDOL issued a new determination reevaluating prior determinations under the Obama Administration and a previous district court ruling and concluded that PEPRA's impact on transit employees did not preclude Section 13(c). ATU's 2019 lawsuit challenged this determination

and contested USDOL's certification of federal grants for California transit agencies over their PEPRAs-based objections.

However, with the Biden administration ushered into Washington D.C., USDOL is reversing its position from under the Trump administration and affirming ATU's stance. On October 28, 2021, USDOL wrote a letter to the Federal Transit Administrations' (FTA) Region IX Administrator stating that it will nullify the 2019 determination and return to its original position. USDOL now finds that PEPRAs precludes certification under Section 13(c) and will no longer certify new federal grants for California transit agencies. This decision will abruptly cut off access to COVID-19 pandemic stimulus and infrastructure funding for California's transit operators. Specifically, SCAG's analysis demonstrates that the October 28 determination will interfere with approximately \$1.469 billion in COVID-19 relief funds slated for the region, which will undermine not only the region's transit service, but its economic recovery.

FTA's Region IX office immediately informed some transit agencies that it would no longer move any of California's grants forward or submit them to USDOL. However, the California Transit Association (CTA), which is coordinating advocacy strategy around this issue, met with FTA Administrator Nuria Fernandez, FTA Region IX Administrator Ray Tellis, and FTA Chief Counsel Subash Iyer. As a result, FTA pledged to begin processing grant applications received from California transit agencies for certification by USDOL.

Since USDOL has not agreed to an administrative delay of its October 28th determination, the State of California filed a motion on November 19, 2021, asking the United States District Court for the Eastern District of California to halt the implementation. This motion was supported by letters from transportation stakeholders from around the state, including a letter from SCAG along with the region's six County Transportation Commissions (CTCs) and Metrolink to U.S. Secretary of Transportation Pete Buttigieg. In the letter, each CTC outlines how the loss of funding for operations, maintenance, and capital projects will impact its county. In response, on December 3, 2021, ATU and USDOL filed briefs opposing California's motion for interim relief.

The next flashpoint will happen on December 17, 2021, at which time there will be a hearing on California's motion for a stay of USDOL's October 28 determination. All parties have requested that the Court issue its decision on California's request for interim injunctive relief by December 21, 2021.

FISCAL IMPACT:

Work associated with the Legislative Advocacy Update is contained in the Indirect Cost budget, Legislation 810-0120.10.

ATTACHMENT(S):

1. 2021-11-19 (Joint Letter on PEPRAs DOL Transit Impacts)
2. Governor Newsom to USDOL PEPRAs Letter 11.10.21
3. Senators Feinstein Padilla to USDOL PEPRAs Letter 11.10.21
4. ATU to Senators Feinstein Padilla PEPRAs Letter 11.19.21
5. House Members PEPRAs Letter to Secretary Walsh 12.13.2021



November 19, 2021

The Honorable Pete Buttigieg
Secretary of Transportation
1200 New Jersey Avenue, SE
Washington, D.C. 20590

Re: Impacts to transit funding and capital projects from the U.S. Department of Labor’s new determination regarding California pension law.

Dear Secretary Buttigieg:

On behalf of the undersigned transportation agencies, we write to convey our concern with the new determination issued by the U.S. Department of Labor (USDOL) on October 28, 2021 relative to California pension law.

USDOL asserts that California transit agencies that implement the State’s Public Employees’ Pension Reform Act of 2013 (PEPRA), violate federal collective bargaining rights under Section 13(c) of the Urban Mass Transportation Act of 1964. Subsequently, USDOL has withheld certification of Federal Transit Administration grants intended for California’s transit agencies. **We join Governor Gavin Newsom, Senator Dianne Feinstein, and Senator Alex Padilla in calling immediately to restore California’s access to federal transit grants.**

The COVID-19 pandemic and resulting recession has had devastating impacts on California. Transportation agencies have seen steep declines in ridership and revenues, putting immense strain on budgets and personnel to continue providing services and keep a pipeline of job-creating infrastructure projects moving forward. Fortunately, Congress took extraordinary action to provide direct funding to transit agencies through three emergency relief packages: (1) Coronavirus Aid, Relief, and Economic Security Act (CARES Act; P.L. 116-136), (2) Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA; P.L. 116-260), and (3) American Rescue Plan Act (ARPA; P.L. 117-2).

SCAG’s analysis demonstrates that USDOL’s new determination will abruptly cut off access to approximately \$1.469 billion in COVID-19 relief funds slated for transit agencies in our region. Specifically in Southern California, transit agencies anticipate submitting grant applications for

Attachment: 2021-11-19 (Joint Letter on PEPRA DOL Transit Impacts) (Legislative Advocacy Update)

COVID-19 assistance over the next several months in the amounts of \$123,098 from the CARES Act, \$17 million from CRRSAA, and \$1.45 billion from ARPA. All require USDOL certification to be obligated. Delay in the certification and subsequent obligation of these grants undermines our economic recovery by hindering the ability of transit agencies to maintain essential transit service that is overwhelmingly used by low-income and/or people of color and puts at risk many ongoing capital investment projects severely impacting well-paying construction jobs.

Furthermore, USDOL's determination will impact other federal funding opportunities and new funding authorized by the Infrastructure Investment and Jobs Act (IIAJ; P.L. 117-58) that was championed by President Joe Biden and signed into law just this week. We are seriously concerned that the SCAG region's transit agencies may become uncompetitive as the new infrastructure law is implemented. Below you will find an abbreviated list of anticipated grant applications at risk of delays or loss of funding due to the new determination:

Los Angeles County Metropolitan Transportation Authority (LA Metro)

Metro relies on federal funds to support the operation of their rail and bus system and capital program. Metro is currently engaged in a major expansion of their rail system. This expansion supports thousands of jobs and is providing transit service to disadvantaged communities across Los Angeles County. They are also engaged in an ambitious effort to convert the bus fleet of over 2,200 buses to zero emissions technology. All of these efforts would be threatened by a cessation of federal funding. Additionally, Metro is in the process of submitting two key rail projects for consideration in the Capital Investment Grant Program. They recently submitted the East San Fernando Valley light rail line and will soon submit the West Santa Ana light rail line. Both of these projects will bring transit to disadvantaged communities that currently do not have access to the rail system and will create additional jobs in the region.

Orange County Transportation Authority (OCTA)

OCTA has approximately \$228 million in grant applications that will be submitted over the next year, which could be jeopardized if this issue is not resolved quickly. This includes funding to support significant transit capital improvements in Orange County including the OC Streetcar, a 4.2 mile modern streetcar system that will provide transit service for commuters in the heart of Orange County including through several disadvantaged communities, providing direct links to commuter and intercity rail service. In addition, funding for replacement of 40-ft, articulated and paratransit buses that have reached their useful life, and help to meet and maintain air quality standards, will be at risk. This is all additional to federal funding that helps support the operations of Orange County's fixed-route and paratransit services, which could be disrupted if federal funds are unable to flow.

- a. Federal Section 5307 in the estimated amount of \$60.1 million of funding for operating assistance (fixed-route and paratransit) and preventative maintenance.
- b. Federal Section 5337 in the estimated amount of \$2.7 million for preventative maintenance.
- c. Federal Section 5339 in the amount of \$6.2 million to purchase 15 paratransit rolling stock vehicles and to support paratransit operating assistance.

- d. Federal Section 5339 in the amount of \$6.2 million to support additional paratransit operating costs.
- e. Capital Investment Grant Amendment to OCTA's existing Federal Funding Grant Agreement CA-2019-018-00 in the amount of \$9.4 million to amend and reduce the local contribution for the OC Streetcar Project, and potentially affecting the remaining balance of \$66.6 million. The Project will build a 4.2-mile streetcar providing transit service for commuters traveling to employment centers in the heart of Orange County.
- f. Federal Section 5307 Congestion Management and Air Quality grant funds that will contribute to attainment or maintenance of the National Ambient Air Quality Standards for ozone, carbon monoxide, and particulate matter, in the estimated amount of \$77.1 million to support multiple State-of-Good-Repair and Accessibility Projects, including:
 - 1. Purchase of sixty-seven (67) 40-foot alternative fuel replacement vehicles that have reached their useful life.
 - 2. Purchase new engines for one hundred fifty-seven (157) 40-foot and sixteen (16) 60-foot buses to maintain safe and reliable transit service.
 - 3. Rideshare Vanpool Lease to support subsidy, marketing, database, ride guide and associated costs related to providing transportation alternatives to the public.
 - 4. Laguna Niguel Passing Siding Project to add approximately two miles of new railroad track adjacent to the existing track, including slope stabilization to sustain safe and reliable rail infrastructure.
 - 5. OC Streetcar Project construction.

Riverside County Transportation Commission (RCTC)

The total amount of critical funding provided to Riverside County for operations and capital projects in rural and urbanized areas for Fiscal Year 2021-2022, which could go unfunded due to the USDOL determination, is estimated at \$21.4 million. Federal funding accounts for approximately 21 percent of transit operators' budgets annual operating funding. Potential delays include preventative maintenance for fixed-route and ADA paratransit services, upgrades to transit stops and facilities, replacement of fixed-route and ADA paratransit vehicles, and additional Intelligent Transportation Systems (ITS) projects. RCTC is attempting to provide short-term relief to its operators in Fiscal Year 2021-2022 in the form of loans, however, if this persists into Fiscal Year 2022-2023, there will likely be service reductions and delayed capital projects that will impact Riverside County's efforts to service its residents, in which, many of those users are transit dependent. Annually, Riverside County transit operator budgets range from \$180 million to \$190 million a year. If PEPR continues into Fiscal Year 2022-2023, RCTC estimates that Riverside County transit operators will see an impact of approximately \$38 to \$40 million in federal funding for operating assistance and approximately \$10 to \$20 million in capital assistance. Many transit agencies are currently trying to recover from the COVID-19 pandemic and delayed funding will slow recovery. Like other transit operators nationwide, Riverside County operators are struggling to recover ridership, having supply chain constraints, and driver shortages. This leads to increased costs both in operations and higher capital costs to meet each operators' supply needs. Like other transit operators in California, this may significantly impact its ability to meet other statewide goals of fleet and facility transitions to zero emission.

Fiscal Year 2021-2022 Federal Funding Impacts

- a. City of Corona – \$1.1 million
- b. City of Riverside – \$300,000
- c. Riverside Transit Agency – \$16.4 million
- d. SunLine Transit Agency – \$ 3.6 million

San Bernardino County Transportation Authority (SBCTA)

The total amount of critical funding provided to San Bernardino County for operations and capital projects, which could go unfunded due to the USDOL determination, is estimated at approximately \$551 million.

- a. Federal Section 5307 in the amount of \$8.65 million of funding for Redlands Passenger Rail in Fiscal Year 2022.
- b. CMAQ Transfer in the amount of \$25 million of funding for Arrow Operating in Fiscal Years 2022 to 2026.
- c. Federal Section 5309 in the amount of \$86.75 million of funding for West Valley Connector (BRT) in Fiscal Years 2022 to 2025.
- d. ARPA COVID-19 relief assistance in the amount of \$26 million of funding for West Valley Connector (BRT) in Fiscal Years 2022 and 2023.
- e. CMAQ Transfer in the amount of \$7 million of funding for West Valley Connector (BRT) in Fiscal Years 2025 to 2031.
- f. CMAQ/STIP Transfer in the amount of \$7.5 million of funding for ZEMU Conversion in Fiscal Years 2027 to 2031.
- g. CMAQ Transfer in the amount of \$137.7 million of funding for Zero Emission Bus Initiative in Fiscal Years 2024 to 2031.
- h. Federal Section 5307 in the amount of \$94.3 million of funding for Omnitrans in Fiscal Years 2022 to 2026.
- i. Federal Section 5339 in the amount of \$10.2 million of funding for Omnitrans in Fiscal Years 2022 to 2026.
- j. CMAQ Transfer in the amount of \$18.2 million of funding for Omnitrans in Fiscal Years 2025 and 2026.
- k. Federal Section 5307 in the amount of \$43.2 million of funding for Victor Valley Transit Authority in Fiscal Years 2022 to 2026.
- l. Federal Section 5339 in the amount of \$5.5 million of funding for Victor Valley Transit Authority in Fiscal Years 2022 to 2026.
- m. CMAQ Transfer in the amount of \$15.1 million of funding for Victor Valley Transit Authority in Fiscal Years 2022 to 2026.
- n. Federal Section 5307 in the amount of \$30.8 million of funding for Metrolink in Fiscal Years 2022 to 2026.
- o. Federal Section 5337 in the amount of \$35 million of funding for Metrolink in Fiscal Years 2023 to 2026.

Southern California Regional Rail Authority (Metrolink)

The total amount of critical funding provided to Metrolink for operations, maintenance, and capital projects, which could go unfunded due to the USDOL determination, is estimated at \$55 million.

- a. Annual Rehabilitation/New Capital Budget. The FTA will fund approximately \$23 million of the adopted Fiscal Year 2022 capital budget. That \$23 million is spread across numerous projects, so a delay would prevent a significant number of projects from starting until the grant is ultimately approved. A cascading effect would be the inability to utilize other grant funding allocated to stalled projects (e.g., state funds), some of which have looming expiration dates. Those funds would be at risk of expiring.
- b. Annual Preventive Maintenance (PM). The FTA will provide approximately \$10 million of formula funding towards the preventive maintenance expenses in the annual operating budget, which is at risk from the DOL determination.
- c. CRRSAA. Metrolink estimates that approximately \$4 million in funding for operations under the CRRSAA Act is at risk due to the DOL determination.
- d. ARPA. Metrolink estimates that approximately \$18 million in funding under the ARP Act used for operations are at risk due to the DOL determination.

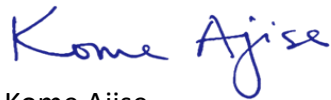
Ventura County Transportation Commission (VCTC)

The total amount of critical funding provided to Ventura County for operations and capital projects, which could go unfunded due to the USDOL determination, is estimated at approximately \$ 27.2 million.


- a. ARPA Funds of \$8.1 million for Gold Coast Transit Operating Assistance.
- b. CMAQ Transfer of \$4.66 million to replace 12 Gold Coast Transit buses that have reached the end of their service life.
- c. CMAQ Transfer of \$2.4 million to replace 12 Simi Valley Transit paratransit vehicles that have reached the end of their service life.
- d. Section 5339 of \$490,000 to provide Thousand Oaks Transit electric vehicle charging infrastructure and bus washer, and Camarillo Area Transit bus that has reached the end of its service life.
- e. Section 5307 of \$4.9 million for Gold Coast Transit operating assistance, preventive maintenance, paratransit operations, and debt service.
- f. Section 5307 of \$2 million for VCTC Intercity Bus operating assistance and preventive maintenance.
- g. Section 5307 of \$2.6 million for Valley Express, Thousand Oaks Transit, and Camarillo Area Transit operating assistance, preventive maintenance, vehicle leases, and planning
- h. Section 5307 of \$1.9 million for Simi Valley Transit operating assistance, preventive maintenance, and paratransit operations.

We respectfully oppose the new determination and ask the U.S. Department of Transportation to work with USDOL and take rapid action to ensure that California's transit agencies continue to receive federal transit funding. Thank you for your prompt attention to this matter. If you have questions, I am always available at (213) 236-1835 or via email at Ajise@scag.ca.gov.

Sincerely,



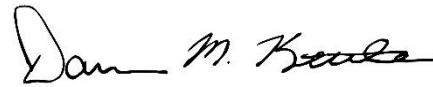
Kome Ajise
Executive Director
Southern California Association of
Governments



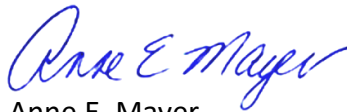
Mark Baza
Executive Director
Imperial County Transportation Commission



Darrell E. Johnson
Chief Executive Officer
Orange County Transportation Authority



Darren M. Kettle
Chief Executive Officer
Southern California Regional Rail Authority



Anne E. Mayer
Executive Director
Riverside County Transportation Commission



Mark Watkins
Interim Executive Director
Ventura County Transportation Commission

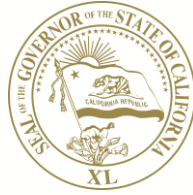


Ray Wolfe
Executive Director
San Bernardino County Transportation
Authority



Stephanie Wiggins
Chief Executive Officer
Los Angeles County Metropolitan
Transportation Authority

cc: The Honorable Martin J. Walsh, Secretary of Labor
The Honorable Nuria Fernandez, Administrator of the Federal Transit Administration
The Honorable Ray Tellis, Federal Transit Administration Region IX Administrator
The Honorable Dianne Feinstein, Senator of California
The Honorable Alex Padilla, Senator of California
The Honorable Gavin Newsom, Governor of California



OFFICE OF THE GOVERNOR

November 10, 2021

The Honorable Marty J. Walsh
Secretary of Labor
200 Constitution Avenue, NW
Washington, DC 20210

Dear Secretary Walsh,

The recent decision by the Department of Labor's Office of Labor-Management Standards (OLMS) to cut off California transit agencies from billions of dollars in federal transit funding, on the purported basis of Section 13(c) of the Urban Mass Transportation Act of 1964, is extremely concerning. That OLMS is doing this during the national emergency caused by the COVID-19 pandemic and in disregard of multiple federal judicial decisions is even more troubling. For the reasons below, I urge you to restore California's access to federal transit grants.

OLMS's decision deprives financially beleaguered California public transit agencies that serve essential workers and our most vulnerable residents of critical support, including American Rescue Plan Act funds that those agencies need to survive through the pandemic. Because of a dramatic decline in ridership, public transit agencies rely more than ever on these federal grants just to keep trains and buses running and their workforces employed. The grants being withheld also help provide vital mobility to low-income seniors, individuals with disabilities, and other transit-dependent riders.

This decision is a complete reversal of OLMS's final determination in 2019 that California's statewide pension reform legislation, the Public Employees' Pension Reform Act of 2013 (PEPRA), "does not present a bar to certification under section 13(c)"—a determination upon which California and local transit agencies have justifiably relied for budgeting, planning, and strategy. By reversing itself, OLMS has created tremendous confusion and uncertainty for

numerous infrastructure projects on which California has closely partnered with the federal government and local transit agencies, and in which it has already invested hundreds of millions of dollars in state funding. For example, the Transbay Corridor Core Capacity Program—which is intended not only to improve service and increase system ridership in the Bay Area, but also to improve regional air quality and lower greenhouse gas emissions—cannot be completed as planned without continued federal funding. Other major transit infrastructure projects in California will suffer similar adverse impacts. Furthermore, OLMS's decision directly undermines the goals of the recently enacted infrastructure bill by cutting off transit agencies in the nation's most populous state from the very infrastructure funds just approved by Congress.

The Department's approach also disregards its past assurances to California that it would abide by the federal judiciary's resolution of the PEPR/Section 13(c) issue and work cooperatively to avoid disrupting California's access to federal funding during litigation. After multiple years of litigation, the reviewing federal court found in California's favor three times, and the Department did not pursue appeals. The Department's own lawyers noted that the federal court's decisions were "thoroughly reasoned," and in 2019 OLMS formally concluded that PEPR "does not impermissibly impair collective bargaining rights." That should conclude the matter. In addition, far from merely reverting to its prior position under the Obama-Biden Administration (as OLMS has claimed), the Department has taken the extraordinary step of cutting off California's access to federal transit grants—something the Obama-Biden Administration avoided.

The Department's decision rests on the false premise that PEPR has impaired collective bargaining in California. But federal and state courts alike have repeatedly rejected this argument, finding that PEPR does not impair collective bargaining agreements or collective bargaining rights. The numerous agreements successfully negotiated over the last nine years by transit workers utilizing collective bargaining processes under PEPR further directly refute OLMS's position. And it is undisputed that California's public employees continue to enjoy some of the most robust collective bargaining rights in the country, which I have championed as Governor. In fact, in 2019, I signed legislation expanding collective bargaining rights to tens of thousands of childcare workers.

Finally, OLMS's central position—that PEPR conflicts with federal labor policy—is no sounder now than when the federal district court rejected it. Among other

The Honorable Marty Walsh
November 10, 2021
Page 3

things, OLMS continues to base that position on the National Labor Relations Act, which by its terms does not apply to public employees. OLMS's position is also surprising given that the federal government itself instituted similar pension reforms after the Federal Employees' Retirement System Act was enacted in 1986 by Congress with broad bipartisan support. OLMS has never explained why the same kinds of reforms that the federal government adopted (which apply to the Department's own employees) are inconsistent with federal labor policy.

California objects in the strongest possible terms to the premature and inappropriate effort to unilaterally implement OLMS's deeply flawed decision pending federal judicial review. I respectfully urge you instead to restore California's access to federal transit grants pending judicial resolution of these issues. Withholding billions of dollars in crucial funding on the basis of a nine-year-old state law, while California wrestles with the COVID-19 pandemic, does great harm and injustice to the people of California. If not set aside by the federal court or otherwise corrected, California will be forced to ask its delegation in Congress to remedy this situation as a matter of highest priority.

Sincerely,



Gavin Newsom
Governor of California

cc: Merrick Garland, Attorney General, U.S. Department of Justice
Pete Buttigieg, Secretary, U.S. Department of Transportation
Ron Klain, Chief of Staff to the President

Attachment: Governor Newsom to USDOL PEPRA Letter 11.10.21 (Legislative Advocacy Update)

United States Senate

November 10, 2021

The Honorable Marty Walsh
Secretary of Labor
U.S. Department of Labor
200 Constitution Ave., NW
Washington, D.C. 20210

Dear Secretary Walsh:

We write to express our concern over the U.S. Department of Labor's October 28, 2021 determination regarding California state pension law, which would have the effect of making California ineligible for federal transit grants.

We strongly support Governor Gavin Newsom's request in the attached letter asking that the Department of Labor restore California's access to federal transit grants. As the Governor noted, state and federal courts have ruled multiple times against the Department's efforts to strip transit funding from California. California's pension law was passed in 2013 and transit grants were made during each of the past two administrations. We are not aware of any new court action or change in state law that would lead the Department to suddenly reverse its compliance with previous court decisions.

To be clear, we also strongly support federal and state labor laws that protect workers' rights, including the right to collectively bargain. As Governor Newsom wrote in his letter to you, "... it is undisputed that California's public employees continue to enjoy some of the most robust collective bargaining rights in the country[.]" While this matter remains subject to ongoing litigation, we agree with the Governor that nothing should preclude California from receiving federal transit grants while the case proceeds.

As you know, California is leading the way on reducing carbon emissions, and increasing transit use is a key part of that effort and supporting the Biden-Harris Administration's climate goals. For this and other longstanding reasons, we have serious concerns that the Department of Labor's new determination will put billions of dollars in transit grants, as well as continued emission reductions, for California at risk. Further, the Department's determination was made just after Congress passed major COVID economic relief and infrastructure legislation to fund billions of dollars in new transit grants. We have grave concerns with such a

Attachment: Senators Feinstein Padilla to USDOL PEPR Letter 11.10.21 (Legislative Advocacy Update)

determination that puts California transit agencies and millions of Californians at such a disadvantage.

We are available to discuss this matter at your convenience, and we urge you to take rapid action to ensure the eligibility of California to receive transit grants. We stand ready to assist in any way that we can.

Sincerely,



Dianne Feinstein
United States Senator



Alex Padilla
United States Senator

Enclosure: Letter from Governor Newsom dated November 10, 2021

cc: The Honorable Merrick Garland, Attorney General
The Honorable Pete Buttigieg, Secretary of Transportation
Mr. Ron Klain, Chief of Staff to the President
The Honorable Gavin Newsom, Governor of California



Amalgamated Transit Union

10000 New Hampshire Avenue, Silver Spring, MD 20903-1706
(301) 431-7100 Fax (301) 431-7117

Office of the International President

November 19, 2021

The Honorable Dianne Feinstein
331 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Alex Padilla
112 Hart Senate Office Building
Washington, D.C. 20510

Dear Senators Feinstein and Padilla:

On behalf of nearly 16,000 members of the Amalgamated Transit Union (ATU) living in California, I am writing in response to your November 10, 2021, letter to Secretary Walsh regarding the state's PEPRA legislation as it relates to federal transit funding. ATU has local unions headquartered in Arcadia, Concord, Fresno, Los Angeles, Oakland, Sacramento, San Bernardino, San Diego, San Francisco, San Jose, San Mateo, San Rafael, and Stockton, and our members operate and maintain transit systems in these and many other cities in California.

As you know, the California Public Employees' Pension Reform Act (PEPRA), which took effect in 2013, changes collectively bargained pension formulas and restricts future bargaining over pensions for covered employees. Significantly, by limiting the collective bargaining rights of public employees, PEPRA conflicts with long-standing eligibility requirements for federal transit grants which protect the collective bargaining rights of transit workers. In fact, PEPRA is incompatible with 49 U.S.C. 5333(b), also known as "Section 13(c)" of the original Federal Transit Act of 1964. Under Section 13(c), in order for a public transit agency to receive federal transit funding, the U.S. Department of Labor (DOL) must certify that arrangements are in place for the "continuation of collective bargaining rights" for employees affected by the assistance. Since PEPRA stripped transit employees of their right to bargain fully over pensions, the DOL is unable to make such a certification.

Litigation in this matter has been ongoing for several years, through three Presidential Administrations (Obama, Trump, and now Biden). Not surprisingly, only the Trump Administration took the position that PEPRA did not conflict with the requirements of Section 13(c). The Trump Administration's 2019 decision was an aberration. It asserted that transit agencies should be allowed to continue to receive federal funds while state legislatures prevent free and full bargaining over workers' most important terms and conditions of employment, such as pension benefits.

On October 28, 2021, the Biden Administration's DOL returned to the Obama Administration's position on PEPRA, noting that Section 13(c) requires that "changes to transit employees' wages and benefits be brought

about by collective bargaining rather than state fiat.” ATU applauds this decision by DOL, and as rock solid supporters of workers and unions, we hope that you will too.

Given your long record in support of organized labor, if California State Legislators had passed a bill in direct conflict with federal Davis-Bacon labor standards (requiring local prevailing wages on public works projects for laborers and mechanics), we are certain that you would stand up in support of workers. Similarly, Section 13(c) provides labor protections for transit employees, and we know we can count on you to preserve our rights, as you voted to reauthorize the statute for the next five years just this past summer as part of the *Infrastructure Investment and Jobs Act* (IIJA). **That is what Democrats do.**

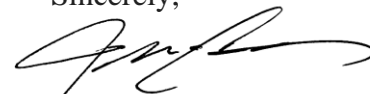
I am sure you realize that if PEPPRA was found not to violate 13(c), this would create an extremely dangerous precedent. If California can restrict bargaining over pensions, it may be an open question as to whether other states can, for example, ban the deduction of union dues as has been attempted in many state legislatures recently.

When **Republican** Governors such as Scott Walker and Chris Christie signed legislation in recent years that curtailed collective bargaining rights, their State Legislatures, after being informed by U.S. DOL that federal transit funds would be jeopardized, quickly amended their anti-Labor statutes and exempted transit workers so that federal transit funds could flow without interruption. We are confident that once the PEPPRA case concludes and the courts take into account more than 50 years of precedent and uphold our position, California’s **Democratic supermajority** State Legislature and **Democratic** Governor will work quickly to restore full collective bargaining rights to transit workers so the state may continue to receive FTA funds. The Legislature created this problem and it is in the position to solve it. In fact, the Legislature could choose to act before the case is closed.

Since the pandemic began, ATU and all transit Labor have led the charge to save our transit systems from shutting down. With help from Congressional Democrats and your leadership, nearly \$70 billion in emergency operating aid has been provided to the nation’s transit systems through the three COVID-19 relief bills. In addition, the IIJA included \$106.9 billion for public transit, an increase of \$41.1 billion (63%) from previous levels. We fought extremely hard for this funding, and fully understand that a significant portion of this money may be used for operating assistance to keep service on the road and help the agencies make payroll. The workers’ interests and priorities are the same as our riders: the provision of safe, affordable, convenient and high quality public transit service. **Therefore, since PEPPRA was passed, no grants have been permanently denied certification – all federal funds have flowed eventually.** Although California is acting as if the Department of Labor’s October 28, 2021, decision has created a crisis, it is merely a return to the status quo that existed for a number of years before the Trump Administration’s 2019 decision.

Given the fact that no crisis exists, we respectfully request that you and all members of the **progressive Democratic Delegation** in California **stand up for Labor by sitting back** and letting the case work its way through the process.

Sincerely,



John A. Costa
International President

- C: The Honorable Martin J. Walsh, Secretary, U.S. Department of Labor
The Honorable Gavin Newsom, Governor of California
The Honorable Pete Buttigieg, Secretary, U.S. Department of Transportation
The Honorable Nuria Fernandez, Administrator, Federal Transit Administration

The Honorable Anthony Rendon, Speaker, California State Assembly
The Honorable Toni G. Atkins, President pro Tempore, California State Senate
The Honorable Nancy Pelosi, Speaker, U.S. House of Representatives
The Honorable Jared Huffman, Member of Congress
The Honorable John Garamendi, Member of Congress
The Honorable Mike Thompson, Member of Congress
The Honorable Doris O. Matsui, Member of Congress
The Honorable Ami Bera, Member of Congress
The Honorable Jerry McNerney, Member of Congress
The Honorable Josh Harder, Member of Congress
The Honorable Mark DeSaulnier, Member of Congress
The Honorable Barbara Lee, Member of Congress
The Honorable Jackie Speier, Member of Congress
The Honorable Eric Swalwell, Member of Congress
The Honorable Jim Costa, Member of Congress
The Honorable Ro Khanna, Member of Congress
The Honorable Anna G. Eshoo, Member of Congress
The Honorable Zoe Lofgren, Member of Congress
The Honorable Jimmy Panetta, Member of Congress
The Honorable Salud Carbajal, Member of Congress
The Honorable Julia Brownley, Member of Congress
The Honorable Judy Chu, Member of Congress
The Honorable Adam Schiff, Member of Congress
The Honorable Tony Cárdenas, Member of Congress
The Honorable Brad Sherman, Member of Congress
The Honorable Pete Aguilar, Member of Congress
The Honorable Grace Napolitano, Member of Congress
The Honorable Ted Lieu, Member of Congress
The Honorable Jimmy Gomez, Member of Congress
The Honorable Norma Torres, Member of Congress
The Honorable Raul Ruiz, Member of Congress
The Honorable Karen Bass, Member of Congress
The Honorable Linda Sánchez, Member of Congress
The Honorable Lucille Roybal-Allard, Member of Congress
The Honorable Mark Takano, Member of Congress
The Honorable Maxine Waters, Member of Congress
The Honorable Nanette Barragán, Member of Congress
The Honorable Katie Porter, Member of Congress
The Honorable J. Luis Correa, Member of Congress
The Honorable Alan Lowenthal, Member of Congress
The Honorable Mike Levin, Member of Congress
The Honorable Juan Vargas, Member of Congress
The Honorable Scott Peters, Member of Congress
The Honorable Sara Jacobs, Member of Congress

Congress of the United States
Washington, DC 20515

December 13, 2021

The Honorable Marty Walsh
Secretary of Labor
U.S. Department of Labor
200 Constitution Ave., NW
Washington, D.C. 20210

Dear Secretary Walsh,

We believe that workers' right to organize and collectively bargain is essential to building a strong economy and a healthy middle class. The American Rescue Plan and the Infrastructure Investment and Jobs Act both reiterated the strong labor protections that have been in place for transit workers for generations. These protections paired with the historic investments we have made this Congress will create hundreds of thousands of good, union jobs in our transportation systems in the coming years.

That is why we are writing to express our concerns with the U.S. Department of Labor's (DOL) decision on October 28, 2021 regarding California's Public Employees' Pension Reform Act (PEPRA). DOL's determination that PEPRA violates Section 13(c) of the Public Employees' Pension Reform Act will make California ineligible for federal transit funding that our communities cannot afford to have withheld.

Since California enacted PEPRA in 2013, there has been ongoing litigation in state and federal courts over whether PEPRA weakens employees' right to bargain. These courts have repeatedly determined that the state of California should not lose access to transit funding. As a result, the Department of Labor in the Obama and Trump administrations continued to provide California with access to federal transit funding.

We are concerned that the Department of Labor's decision jeopardizes California's access to this important federal transit funding. California residents rely on interstate highways, railroads, runways and bridges to keep our economy moving. Without the proper investments in infrastructure over the years, we are facing outdated safety systems, crumbling roads and never-ending traffic. Losing access to transit funding as ongoing litigation pursues will hurt California's economy and prevent California from creating more good-paying jobs for its residents.

We urge the Department of Labor to immediately restore California's access to federal transit grants. Thank you for your attention to this issue and we look forward to working with you to solve this problem.

Sincerely,

Attachment: House Members PEPRA Letter to Secretary Walsh 12.13.2021 (Legislative Advocacy Update)



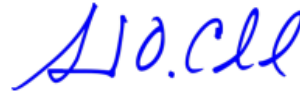
Pete Aguilar
Member of Congress



Jim Costa
Member of Congress



Scott H. Peters
Member of Congress



Salud O. Carbajal
Member of Congress



Tony Cárdenas
Member of Congress



Mike Levin
Member of Congress

CC: The Honorable Pete Buttigieg, Secretary of Transportation



AGENDA ITEM 4
REPORT

Southern California Association of Governments
Remote Participation Only
December 21, 2021

To: Legislative/Communications and Membership Committee (LCMC)

**EXECUTIVE DIRECTOR'S
APPROVAL**

From: Estee Sepulveda, Legislative Analyst III,
(213) 236-1864, sepulveda@scag.ca.gov

Subject: Federal Legislative Update

RECOMMENDED ACTION:

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:

This report provides a summary on the Fiscal Year 2022 appropriations bills, debt limit, and federal infrastructure legislation moving through Congress.

BACKGROUND:

Fiscal Year (FY) 2022 Appropriations Update

Since the start of the fiscal year in October 2021, the federal government has operated under a short-term Continuing Resolution (CR) that maintains the previous year’s funding levels through December 3, 2021. The CR was supposed to give lawmakers additional time to negotiate the FY 2022 appropriations package, which is comprised of 12 spending bills that make up the federal budget. However, the heads of the House and Senate Appropriations Committees failed to make progress on an appropriations framework. In the absence of an agreement, House and Senate leadership settled on another temporary stopgap bill through February 18, 2022. On December 2, 2021, the House approved a CR (H.R. 6119) by a vote of 221 to 212 and then passed the Senate by a vote of 69 to 28. The next day President Biden signed H.R. 6119 into law, funding the federal government and avoiding a shutdown.

This buys Congress a couple months to resolve partisan disputes over funding levels and policy riders that have stalled progress on the FY 2022 appropriations bills. Unfortunately, by extending

the temporary spending measure into the second quarter of the fiscal year, the legislation also delays the full impact of the first year of funding increases provided by the bipartisan infrastructure bill, the Infrastructure Investment and Jobs Act (IIJA). The CR provides the U.S. Department of Transportation with the FY 2021 enacted amount of funding authority, pro-rated by the number of days covered by the CR. Although much of the funding provided by the IIJA is completely independent of this process, \$73.4 billion in contract authority from the Highway Trust Fund for FY 2022 is almost all affected by the appropriations delay. The hope is that an agreement on an appropriations bill for remainder of FY 2022 can be reached by mid-February, and that it will contain the obligation levels promised by the IIJA.

Debt Limit

This past summer, the United States reached the debt limit, which enables the government to keep financing federal spending that has already been authorized by Congresses and presidents of both parties. Since then, the U.S. Department of the Treasury has taken extraordinary measures to prevent the U.S. from defaulting on its obligations.

In October 2021, Congress reached agreement on a short-term solution to increase the federal debt limit by \$480 billion to avoid defaulting. This bill gave Congress until mid-December 2021 to negotiate a longer-term deal, which would need a minimum of 60 bipartisan votes in the Senate to pass. Republicans then indicated that they would no longer assist Democrats in raising the borrowing limit in the future. To work around this disagreement, on December 9, 2021, the Senate voted to approve a measure (S. 610) making a one-time exemption to the 60-vote rule, empowering Democrats to pass a debt ceiling increase with only a simple majority. The vote tally was 59 to 35, with 10 Republicans joining Democrats in this unusual step.

On December 14, 2021, the Senate and House of Representatives approved Senate Joint Resolution 33 to increase the nation's debt ceiling by \$2.5 trillion, an amount intended to be enough to extend U.S. borrowing authority past the 2022 midterm elections into early 2023. The vote totals were 50 to 49 in the Senate and 221 to 209 in the House. President Biden immediately signed the bill into law, preventing the United States from defaulting on its more than \$29 trillion in loans.

Human Infrastructure / Build Back Better Act

On November 19, 2021, the House passed the "human" infrastructure bill, now known as the Build Back Better Act (BBB; H.R. 5376), by a vote of 220 to 213. Representative Jared Golden (D-Maine) was the only Democrat to join all Republicans in opposing the bill. This \$1.75 trillion climate and social spending bill represents the second half of President Biden's domestic agenda. The proposal includes \$10 billion for improving transit connections to low-income neighborhoods, \$10 billion for

high-speed rail projects, and \$4 billion for state/local greenhouse gas (GHG) reduction programs. The social spending package distributes funding as follows:

- Child Care – \$400 billion
 - Universal preschool for all 3- and 4-year-olds
 - Affordable child care
- Home Care – \$150 billion
- Child Tax and Earned Income Tax Credits – \$200 billion
- Clean Energy and Climate Investments – \$555 billion
 - Clean energy tax credits
 - Resilience investments
 - Investments and incentives for clean energy technology, manufacturing and supply chains
 - Clean energy procurement
- Affordable Care Act Credits, including in Covered States – \$130 billion
- Medicare Hearing – \$150 billion
- Housing – \$150 billion
- Higher Education and Workforce – \$40 billion
- Equity and Other Investments – \$90 billion

The bill now heads to the Senate for consideration where it faces unique complications. Senate Majority Leader Chuck Schumer (D-NY) is working to pass the bill before the Christmas holiday. However, on December 13, 2021, Senator Joe Manchin (D-WV) signaled that he has concerns about inflation and the cost of the legislation. The bill is moving through the reconciliation process where President Biden will need the support of all 50 Democrat caucus members to pass the Senate. Furthermore, the Senate Parliamentarian is continuing her work to determine if certain provisions comply with chamber rules on what is germane to a reconciliation measure. Assuming changes are made, and the Senate passes the BBB, the bill would return to the House for another vote. If the House passes that bill without modifications, it will then proceed to the President for his signature.

FISCAL IMPACT:

Work associated with the Federal Legislative Update is contained in the Indirect Cost budget, Legislation 810-0120.10.



**AGENDA ITEM 5
REPORT**

Southern California Association of Governments
Remote Participation Only
December 21, 2021

To: Legislative/Communications and Membership Committee (LCMC)

**EXECUTIVE DIRECTOR'S
APPROVAL**

From: Kevin Gilhooley, Legislation Manager
(213) 236-1878, Gilhooley@scag.ca.gov

Subject: Legislative Bill Concepts

RECOMMENDED ACTION:

Evaluate the five policy concepts for a potential SCAG-sponsored legislative bill and forward a recommendation to the Executive/Administration Committee (EAC) and Regional Council (RC), as follows:

- (1) Select a first and second choice concept for sponsoring a legislative bill.
- (2) Direct staff to pursue opportunities to introduce the first-ranked concept as a legislative bill.
- (3) Direct staff to pursue opportunities to introduce the second-ranked concept as a legislative bill if the first-ranked concept proves infeasible, redundant with existing law, or fails to attract legislative support.
- (4) Direct staff to provide regular updates to the Legislative/Communications and Membership Committee (LCMC) on the progress of the legislative concept and advise on partnership, coalition building, and advocacy opportunities and efforts.

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:

This staff report includes various concepts for members of the LCMC to consider for sponsorship of a legislative bill. Members of the Committee are asked to evaluate the ideas and achieve consensus on a first and second choice for a SCAG sponsored legislative bill. The recommendation would then be forwarded to the next EAC and RC meetings for their consideration and approval.

BACKGROUND:

During a strategic work plan discussion led by President Lorimore on June 24, 2021, members of the SCAG EAC expressed a desire to increase the agency’s leadership and legislative advocacy on important policy issues in Sacramento, including the possible sponsorship of a legislative bill. As

part of this effort, President Lorimore subsequently tasked members of the Legislative/Communications and Membership Committee (LCMC) to discuss and make a recommendation to the RC on a concept for potential legislative sponsorship.

The LCMC discussed this topic at its September 21, 2021, meeting and members of the Committee were asked to return to the November 16, 2021, meeting with their ideas.

In preparation for the November 16, 2021, LCMC meeting, staff conducted outreach to committee members to understand their policy interests and legislative needs. From those outreach conversations, staff identified several recurring themes and several unique ideas that were presented. Committee members discussed the presented ideas, however, due to time constraints the committee did not achieve consensus on a path forward. At the conclusion of the agenda item, the Chair advised that the December 21, 2021, meeting would be used to evaluate legislative concepts and provide specific direction to staff on how to proceed.

For today's meeting, staff is presenting five legislative concepts that could be the basis for a SCAG sponsor bill. The five concepts are as follows:

(1) Transportation Consistency Legislation – Spearhead the development of legislation that would ensure that state law is consistent with the requirements of the recently enacted Infrastructure Investment and Jobs Act (H.R. 3684) and that Southern California's unique transportation needs and priorities are reflected in any such consistency legislation.

On November 15, 2021, President Biden signed the Infrastructure Investment and Jobs Act (IIJA) into law. Over a five-year period, the IIJA provides \$1.2 trillion investments in roads, bridges, rail, transit, ports, airports, electric grid, water systems, broadband, among other priorities. The legislation also includes a five-year authorization of the nation's surface transportation programs.

At least two programs created in the IIJA will likely require states to pass legislation that governs the distribution of those programs' funds. The Promoting Resilient Operations for Transformative, Efficient and Cost-Savings Transportation (PROTECT) Grant Program provides \$7.3 billion over a five-year period, of which California can expect to receive \$631 million in formula funds. In addition, the Carbon Reduction Program provides \$6.42 billion over a five-year period, of which California can expect to receive \$555 million in formula funds. For both programs, and possibly others, state legislation will be required to ensure that the funds are distributed consistent with federal law and guidance.

-
- (2) Infill Infrastructure Grant Program Expansion** – Advocate for a major expansion and investment in the existing Infill Infrastructure Grant (IIG) Program to provide state funding for infrastructure improvements that support infill housing development.

The Health and Safety Code establishes the Infill Incentive Grant Program to promote infill housing development by providing financial assistance for capital investment, such as rehabilitation, demolition, relocation, preservation, and acquisition of infrastructure necessary to facilitate the development of infill housing. From time to time, the Legislature and Governor allocate funding toward this program. The IIG program received a \$250 million allocation in the Fiscal Year 2021-22 Budget Act, however, the program does not always receive funding on an annual basis.

Under the program, grants are available as gap funding for infrastructure improvements necessary for specific residential or mixed-use infill development projects or areas. Both infill projects and areas must have either been previously developed or be largely surrounded by development. Eligible improvements include development or reconstruction of parks or open space, water, sewer or other utility service improvements, streets, roads, parking structures, transit linkages, transit shelters, traffic mitigation features, sidewalks, and streetscape improvements. Cities, counties, housing authorities, non-profit and for-profit housing developers, and redevelopment successor agencies are eligible entities.

In the absence or redevelopment, this existing program is a promising option to provide funding to local governments to address their infrastructure needs in areas that have been prioritized for housing development – namely infill locations. A sizeable budget expansion is a responsible use of a one-time budget surplus. Additionally, the program could be reformed to promote geographic equity targets, allow transportation agencies to apply, and more.

- (3) Fixing Existing Tax Increment Tools** – Increase the state-local partnership by creating a State-run technical assistance program to assist jurisdictions in the establishment of Enhanced Infrastructure Financing Districts (EIFDs) and provide cities, counties, and special districts that establish EIFDs a one-time start-up grant to encourage their cooperation and improvement activities.

Tax increment financing works by freezing the property tax revenues that flow from a designated project area to the city, county, and other taxing entities at the “base level” in the current year. Additional tax revenue in future years (the “increment”) is diverted into a separate pool of money, which can be used either to pay for improvements directly or to pay back bonds issued against the anticipated tax increment revenue. The most common type of tax increment financing program is the former redevelopment program.

Since the dissolution of redevelopment in 2012, several attempts have been made to recreate governance structures that provide tax increment funding for local infrastructure-related purposes. In 2014, Senator Jim Beall (D-San Jose) authored SB 628 which authorizes the legislative body of a city or county “to establish an infrastructure financing district, adopt an infrastructure financing plan, and issue bonds, for which only the district is liable, to finance specified public facilities, such as roads, sidewalks, sewage treatment, water, flood control, parks, brownfield restoration, mass transit, affordable housing, and transit-oriented development.” Subsequent legislation expanded the eligible uses to include climate adaptation projects.

An EIFD is authorized to fund public infrastructure with the property tax increment of the local taxing agencies, which include cities, counties and even special districts, but not schools. EIFDs are also authorized to combine this tax increment with other sources of funding. Under SB 628 an EIFD is a new governmental entity governed by a Public Financing Authority (PFA) comprised of three city council members or county supervisors and two members of the public. The PFA develops and implements an Infrastructure Financing Plan, which describes the public facilities to be constructed and financed.

Although well intentioned, EIFDs have never thrived in California. Currently, EIFDs in La Verne, Carson, Palmdale, and Placentia, are the only four in the SCAG region. Establishing EIFDs is reportedly very complicated and not all cities and counties receive enough property tax revenue for it to make financial sense. Having a dedicated technical assistance program at the state level and dedicated pot of seed money to invest in newly created EIFDs would be a tremendous incentive to assist interested cities, counties, and special districts in establishing an EIFD.

- (4) CEQA Reform** – Support modernization of the California Environmental Quality Act (CEQA) that would both expedite and streamline project development and delivery, especially for infill, transit-oriented, and housing projects.

The California Environmental Quality Act (CEQA) was signed into law by Governor Ronald Reagan in 1970 and since that time the law has had no major reform. Moreover, CEQA has not been modernized to account for the hundreds of other environmental laws passed since then, including SB 375, the Sustainable Communities and Climate Protection Act of 2008, which requires SCAG and other Metropolitan Planning Organizations in California to prepare regional Sustainable Communities Strategies that are additionally environmentally reviewed.

Petitioners or those using CEQA to challenge projects often do not identify the true social, economic or business interests that are behind a CEQA challenge. Over the decades, CEQA has become a tool for organizations to threaten, halt, or indefinitely stop responsible community improvements, such as housing, public transit, infill development, renewable energy, and other

crucial projects throughout California. These projects benefit both the environment and the economy and are precisely the types of projects that must be built if the state is to achieve its climate goals.

For several years, the SCAG legislative platform has expressed support for modernizing CEQA to preserve the original intent of the law—environmental protection and public participation—while limiting CEQA abuses. Governor Newsom recognizes this problem and has supported a categorical exemption to CEQA for activities funded by Project Homekey and an exemption for Low Barrier Navigation Centers. These actions may be the entry point to explore additional types of projects that should be considered for CEQA exemption or streamlining.

Such an effort would not be without its challenges and would likely require a multi-year and extensive engagement process with environmental, labor, business and housing, and other stakeholders.

- (5) Incentives for RHNA Production** – Support the establishment of new incentives that serve as a motivating force for local communities to approve new housing development in the face of “NIMBY” opposition.

Recently, the Governor Newsom announced the creation of a new Housing Accountability Unit (HAU) at the Department of Housing and Community Development. The goal of the new unit is to work with cities and counties to provide technical assistance to jurisdictions to aid their efforts to comply with state legislation mandating housing development, including rezoning and permitting. The HAU will also be authorized to take enforcement steps to bring municipalities into compliance with their RHNA goals in the event of persistent non-compliance. To complement this “stick” approach to housing development, the state should also consider a suite of carrots to assist municipalities in approving development, especially those that may elicit some community opposition.

LCMC members are well positioned to brainstorm the types of programs that would offer the best incentives for local municipalities to approve new housing development. Ideas could include focusing the tax increment (or the incremental growth in property tax revenues) gained from new housing development to local government, the creation of a one-time financial grant for the first cities in each region to meet housing production associated with their RHNA allocations, or other ideas.

- (6) Other** – Other ideas as LCMC Members may wish to discuss.

Staff Recommendation:

After the LCMC has discussed these concepts, staff recommends the Committee achieve consensus on a first and second choice for sponsorship of a legislative bill and forward a recommendation to the EAC and RC, as follows:

- (1) Select a first and second choice concept for sponsorship of a legislative bill.
- (2) Direct staff to pursue opportunities to introduce the first-ranked concept as a legislative bill.
- (3) Direct staff to pursue opportunities to introduce the second-ranked concept as a legislative bill if the first-ranked concept proves infeasible, redundant with existing law, or fails to attract legislative support.
- (4) Direct staff to provide regular updates to the Legislative/Communications and Membership Committee (LCMC) on the progress of the legislative concept and advise on partnership, coalition building, and advocacy opportunities and efforts.

FISCAL IMPACT:

Work associated with the "Legislative Bill Concepts" staff report is contained in the General Fund budget, Legislation 800-0160.02.