



MINUTES OF THE MEETING
EXECUTIVE/ADMINISTRATION COMMITTEE (EAC)
THURSDAY, JUNE 27, 2024 – FRIDAY, JUNE 28, 2024

THE FOLLOWING MINUTES IS A SUMMARY OF ACTIONS TAKEN BY THE EXECUTIVE/ADMINISTRATION COMMITTEE (EAC). AN AUDIO RECORDING OF THE ACTUAL MEETING IS AVAILABLE AT: <http://scag.iqm2.com/Citizens/>.

The Executive/Administration Committee (EAC) of the Southern California Association of Governments (SCAG) held its annual retreat meeting at the Doubletree by Hilton-Ontario Airport, Lake Arrowhead Ballroom, 222 N. Vineyard Avenue, Ontario, CA 91764. A quorum was present.

THURSDAY, JUNE 27, 2024

Members Present

Sup. Curt Hagman, President

Hon. Cindy Allen, 1st Vice President

Hon. Ray Marquez, 2nd Vice President

Hon. Art Brown, Imm. Past President

Hon. David J. Shapiro, Chair, CEHD

Hon. Rocky Rhodes, Vice Chair CEHD

Hon. Luis Plancarte, Chair, EEC

Hon. Jenny Crosswhite, Vice Chair, EEC

Hon. Patricia Lock Dawson, Chair, LCMC

Hon. Jose Luis Solache, Vice Chair, LCMC

Hon. Jan Harnik, President Appt.

Hon. Larry McCallon, President Appt.

Hon. Andrew Masiel, Sr.

Hon. Lucy Dunn

Long Beach

Chino Hills

Buena Park

Calabasas

Simi Valley

Santa Paula

Riverside

Lynwood

Pechanga Dev. Corp.

San Bernadino County

District 30

District 10

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RCTC

Air District Representative

TGRP Representative

Business Representative

Members Not Present

Hon. Tim Sandoval, Chair, TC

Hon. Mike Judge, Vice Chair, TC

Hon. Karen Bass, President Appt.

Hon. Wendy Bucknum, President Appt.

Pomona

Los Angeles

Mission Viejo

District 38

VCTC

Member-At-Large

District 13

Staff Present

Kome Ajise, Executive Director
Darin Chidsey, Chief Operating Officer
Cindy Giraldo, Chief Financial Officer
Erika Bustamante, Deputy Director Finance
Sarah Jepson, Chief Planning Officer
Elizabeth Carvajal, Deputy Director Land Use
Annie Nam, Deputy Director Transportation
Javiera Cartagena, Chief Government and Public Affairs Officer
Julie Schroyer, Chief Information Officer
Carmen Flores, Chief Human Resources Officer
Jeffery Elder, Chief Counsel/Director of Legal Services
Richard Lam, Senior Legal Counsel
David James, Internal Auditor
Ruben Duran, Board Counsel
Maggie Aguilar, Clerk of the Board
Perla Lopez, Special Events Producer
Edward Venegas, Senior Audio/Visual Technician

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

The Honorable Curt Hagman called the meeting to order at 12:16 p.m. and lead the Pledge of Allegiance.

PUBLIC COMMENT PERIOD

President Hagman opened the Public Comment Period.

The Clerk acknowledged there no written public comments for items not listed on the agenda.

Seeing no public comment speakers, President Hagman closed the Public Comment Period.

REVIEW AND PRIORITIZE AGENDA ITEMS

There was no prioritization of agenda items.

INFORMATION/DISCUSSION ITEMS

1. Welcome, Opening Remarks, Introductions, Agenda Review and Expectations

There were no public comments speakers for Item No. 1.

President Hagman provided opening remarks and had EAC members and staff introduce themselves.

2. SCAG 101: Overview of Organization

There were no public comments speakers for Item No. 2.

Darin Chidsey, Chief Operating Officer provided an overview of the organization which included a review of the SCAG region, vision, mission, core values, primary roles and responsibilities, strategic plan implementation, Executive Team Organizational Chart, agency budget and overall work program, five-year budget history, five-year staffing history, and funding horizon.

The EAC members and staff briefly engaged in discussions about the five-year budget, staffing levels, future projections, and funding sources. Executive Director Ajise also provided background information on STBG/CMAQ funding and SCAG's involvement moving forward.

3. Board Employment Classification Update

There were no public comments speakers for Item No. 3.

Jeffery Elder, Chief Counsel, provided an update on the classification of board members as independent contractors versus employees. He explained that an IRS finding regarding Metrolink, which required their board members to transition from 1099 independent contractors to W-2 employees, had prompted SCAG to reassess its own practices. He described the steps taken by SCAG to assess the situation and his presentation included information on the first legal opinion they requested from Liebert Cassidy Whitmore (LCW), outside counsel for employment and human resources, which came back indicating that the Board was likely employees. He noted that SCAG's legal department found the opinion to be rather conservative on the control and direction aspects since SCAG was unique in the way it was set up, so they asked Best Best & Krieger (BBK) for a second opinion. He reported that Isabel Safie at BBK directed them to Section 530 of the Revenue Act of 1978, a safe harbor provision which allows for an entity to continue to 1099 their independent contractors if they met certain criteria: 1) consistently treated the board as an independent contractor; 2) consistently reported compensation on form 1099; and 3) reasonable basis exists for treating board as non-employees, all of which SCAG met. He further explained that there was another factor that could be considered, and they looked at whether they could demonstrate a long-standing recognized practice at a significant segment of the industry. As a result, he indicated that they reached out to their fellow MPO's, 18 in the state, and got responses from almost all of them. He noted that based on the survey results, they concluded that they would be able to meet Section 530 Safe Harbor provision. He also reported that they asked LCW to look at

this considering these new findings and they had come back indicating that they agreed that Section 530 would likely apply in SCAG's case. To add to this, he also noted that AMBAG let them know that back in 2013 they received notification from the IRS that their board was considered independent contractors and not employees, which was a good precedent to demonstrate that SCAG had a reasonable reason to continue to treat their members as independent contractors under Section 530. Lastly, based on the information presented, staff recommended continuing to treat SCAG's board members as independent contractors, which the EAC agreed with.

President Hagman thanked Board Counsel Duran and staff for going back and researching the issue to come up with a recommendation. President Hagman also noted the liabilities it could bring to SCAG if they needed to start managing breaks, vacation, and workers comp, all expenses that SCAG or other public entities would have to take on.

4. Policy Briefs and Emerging Issues

There were no public comments speakers for Item No. 4.

Executive Director Ajise shared that the following presentation would focus on transportation finance, housing, and Sustainable Communities Strategy.

Transportation Finance

Anni Nam, Deputy Director of Transportation Planning, provided a presentation on the state's effort to prepare a transportation needs assessment for the next 10 years to better understand costs associated with operating, maintaining, and providing for the future growth of the transportation system, including climate change impacts in response to SB 1121. She also noted that the state faces a \$200-300 billion funding shortfall for transportation over the next 10 years and that concerns have been raised about statewide consistency in defining needs and assumptions regarding responsibilities for achieving ambitious statewide goals. She noted that California Transportation Commission staff held two workshops and the focus was on a core set of principles addressing revenue needs, as well as some new funding model scenarios for the state. She also noted that Connect SoCal 2024 included forecasts on the significant revenue decline from Zero-Emission Vehicles (ZEV) adoption and briefly touched upon the guiding principles to identify new revenue sources. She emphasized the importance of sustainable funding sources and the need to address the decline in gas tax revenue to ensure the state's transportation infrastructure can meet future needs. She also touched upon the next steps to advance the revenue conversation and highlighted the importance of being engaged in state process or pilot programs, support for express lanes, the need to elevate equity conversations, and support for local road user charge research and pilots.

The EAC Committee and staff briefly engaged in discussions on next steps to advance the revenue conversation. There was also an emphasis on the importance of continuing advocacy efforts for the region's express lane system. Additionally, discussions focused on how transportation funding is becoming increasingly inequitable and how opportunities to stabilize transportation revenues via a road charge program, can potentially serve to mitigate some of these existing equity challenges.

Housing

Elizabeth Carvajal, Deputy Director of Land Use, provided an overview on the state of housing, housing production, Regional Housing Needs Assessment (RHNA) housing element compliance, SCAG funding, and technical assistance programs. She briefly provided a historical perspective on building permits issued in the SCAG region for both single family and multi-family units from 1990 to 2023. She also noted in her presentation that as of June 12, 2024, 144 jurisdictions were compliant with their housing elements. She included information on the noncompliant cities and indicated that most of the jurisdictions in this category had a population under 100,000, many having a median household income of \$50,000 or less. She reminded the Committee that SCAG received \$47 million under REAP 1.0, and they were able to allocate funding across the region to over 100 projects and 53 awardees to execute a series of activities that support housing production across the region. Her presentation included information on the REAP 1.0 outcomes and noted that jurisdictions had adopted programs that increased fair housing, developed pre-approved plans, provided technical assistance around housing element work to 121 jurisdictions, and conducted stakeholder engagement which included over 1,500 meetings and engagement by residents, stakeholders, and elected officials. Her presentation also included a brief overview on the REAP 2.0 program and the various efforts that will support housing production through policy, financing and infrastructure planning, and implementation. Lastly, she provided an overview on the State's California's Housing Future 2040: The Next RHNA Report. She noted that AB 101 tasked HCD with preparing a report that outlined how to improve the RHNA process. The report was released in April 2024 and is organized by method of implementation as well as by three topic areas: regional determination process, the COG-led processes, such as methodology and appeals, and consistency with the RTP/SCS and growth forecasts. She shared that staff was in the process of reviewing the report and would provide to Community, Economy, and Human Development (CEHD) Committee a summary of the report and how it does or does not respond to SCAG's comment letter.

Javiera Cartagena, Chief Government and Public Affairs Officer, reported that earlier in the year the Governor had cut REAP 2.0 funding from his proposed budget. Her presentation included an update of the advocacy efforts to save the program and request for funding to be reinstated. Efforts consisted of a letter writing campaign from the cities and counties in the SCAG region, getting support from the GLUE Council to show they had support from the private sector, building coalition letters from the County Transportation Commissions and MPO's, and creating material to showcase the REAP 2.0 program. She also highlighted the Sacramento Summit and Strike teams that met with legislative offices, legislators, and assembly members to advocate for the program. Lastly, she

briefly touched upon the different types of legislation that was coming out as a result of the RHNA report such as: AB 3093 (Ward) that would add two new income categories to the RHNA program; SB 7 (Blakespear) that would require outreach to special needs households, shorten timeframe for appeals, eliminate sub-regional delegation, and shorten HCD review of methodology; AB 1335 (Zbur) that would require the RTP/SCS to assume the development of the full RHNA determination within the first eight years of the RTP/SCS planning cycle; and AB 2485 (Carrillo) which would increase transparency of the RHNA determination process.

The Committee and staff discussed efforts to address the housing crisis through advocacy, highlighting the importance of REAP in the state budget, and streamlining the affordable housing development process. They addressed the issue of ADU's and building permit process. Members emphasized the need to increase building permits to meet population needs and for incentive models to encourage builders to prioritize affordable units. It was also suggested studying obstacles to recovery and advocating for legislation.

Sustainable Communities Strategy (SCS)

Sarah Jepson, Chief Planning Officer, provided an overview of State policies aimed at reducing greenhouse gas emissions and the progress and challenges the SCAG region has faced in meeting ambitious state goals. She briefly addressed the evolution of SCAG's SCS and noted that the goal was to focus on aligning land use planning with transportation investments to achieve greenhouse gas emissions reduction targets. Also, despite the California Air Resources Board (CARB) SCS report indicating that California was not on track to meet greenhouse gas reductions, she noted that the region had made some advancements in increasing the diversity of house types by adding 500,000 more households and one million more jobs near transit since the adoption of SCAG's first RTP/SCS in 2012. The presentation also focused on how the development pattern had changed across Southern California since the adoption of SB 375, as well as, how transportation investments had shifted to support cleaner mobility. She also highlighted that the region had increased investment in local planning, but cities lacked support and capacity for implementation. She briefly addressed the next steps in relation to SB 375 and discussed the lack of support for implementation, the increasing conflict between federal and state objectives for the regional plan, and technology advancements in relation to E-VMT and GHG. She also reported that it would be good to see reform in certain areas as they work on implementation of the plan.

EAC members reflected on the opportunities and challenges the region has faced, including a lag in housing production, and discussed factors to be considered as part of the target update process and/or legislative reform. Members also discussed the role of technology and the need to reexamine the framework for SB 375 as gas-powered vehicles are replaced by a zero-emission fleet. The need for more resources to address transit safety issues was also addressed. The conversation also centered around alternative transportation solutions and funding strategies.



ADJOURNMENT

There being no further business, President Hagman adjourned the EAC Retreat of the Executive Administration Committee at 3:57 p.m. to Friday, June 28, 2024 at 8:00 a.m.

FRIDAY, JUNE 28, 2024

Members Present

Sup. Curt Hagman, President

Hon. Cindy Allen, 1st Vice President

Hon. Ray Marquez, 2nd Vice President

Hon. Art Brown, Imm. Past President

Hon. David J. Shapiro, Chair, CEHD

Hon. Rocky Rhodes, Vice Chair CEHD

Hon. Luis Plancarte, Chair, EEC

Hon. Jenny Crosswhite, Vice Chair, EEC

Hon. Tim Sandoval, Chair, TC

Hon. Patricia Lock Dawson, Chair, LCMC

Hon. Jose Luis Solache, Vice Chair, LCMC

Hon. Wendy Bucknum, President Appt.

Hon. Jan Harnik, President Appt.

Hon. Larry McCallon, President Appt.

Hon. Andrew Masiel, Sr.

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Jeffery Elder, Chief Counsel/Director of Legal Services

David James, Internal Auditor
Ruben Duran, Board Counsel
Maggie Aguilar, Clerk of the Board
Perla Lopez, Special Events Producer
Edward Venegas, Senior Audio/Visual Technician

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

The Honorable Hagman called the meeting to order at 8:08 a.m. and lead the Pledge of Allegiance.

INFORMATION/DISCUSSION ITEMS

1. Recap on Day 1

There were no public comments speakers for Item No. 1.

President Hagman indicated they had great conversations the day before and thanked staff for putting a lot of thought into this. He also acknowledged the work that the Policy Committee Chairs would be doing to get business done as they focused on the year ahead.

2. 2024 Regional Conference and General Assembly Evaluation

There were no public comments speakers for Item No. 2.

Javiera Cartagena, Chief Government and Public Affairs Officer, provided a report on the 2024 Regional Conference and General Assembly and highlighted metrics used in evaluating the event. The 2024 event exceeded the past year's events in registration, attendance and sponsorship revenue. She also indicated that many attendees reported high satisfaction with the event, indicating that it met or exceeded their expectations.

Committee members provided feedback on the event as well as thoughts for how to improve it in future years. Some points of discussion included ideas for creating more focused networking opportunities during portions of the event, feedback on the use of media during the event and opportunities throughout the program to highlight specific issues in each county. Additionally, the committee expressed interest in receiving updates on event planning throughout the year and the potential for integrating Regional Conference and General Assembly programming with other workshops and panels throughout the year.

3. Presidential Priorities: Regional Council and Policy Committee Outlooks

There were no public comments speakers for Item No. 3.

President Hagman and the Committee members engaged in discussions regarding the meeting schedule of the EAC, Policy Committees and Regional Council. Additionally, President Hagman expressed interest in having members return to in-person for all Regional Council meetings, while allowing for both in-person and remote participation options for the Policy Committees and other committees of SCAG. He also reiterated his interest in SCAG playing a leadership role on emerging technologies across all policy areas, including through more dialogue and information sharing during the Regional Council meetings.

The EAC discussed the structure of the Regional Council meeting and members' interest in reserving time to discuss cross-cutting issues by relying more upon the Policy Committees to take a larger role in addressing the business issues within their purview. This approach would minimize duplicative presentations at the Policy Committees and Regional Council, and instead, Policy Committee Chairs would be asked to briefly report out to the Regional Council on the recommended action items from their respective Policy Committees.

Ms. Jepson also acknowledged the accomplishments from the previous year and shared a preliminary set of priorities for 2024-2025 that were developed with feedback from President Hagman. She noted that they would continue progress on the Presidential Priorities focusing Regional Council leadership on goods movement, transit recovery, and clean transportation technology with an emphasis on optimizing emerging technologies. She also shared with the EAC preliminary outlooks for each of the Policy Committees and noted that individual meetings would be set up with the Chairs and Vice Chairs prior to the September meetings to finalize the Policy Committee Outlooks.

Ms. Cartagena briefly discussed the ways members could get involved, whether through legislative advocacy, participating in the mobile workshops or attending project milestone events.

4. Wrap up

Kome Ajise, Executive Director, provided a brief recap of the discussions from the prior day regarding transportation finance, housing, and the SCS revamp. He also expressed appreciation for the member feedback on the General Assembly and how they could make the 60th Anniversary General Assembly a great event next year. He also highlighted the conversation they had on the priorities, the Policy Committee Outlooks, and the meeting schedule for the Regional Council and Policy Committees.



ADJOURNMENT

There being no further business, President Hagman adjourned the EAC Retreat of the Executive Administration Committee at 10:16 a.m.

[MINUTES ARE UNOFFICIAL UNTIL APPROVED BY THE EAC]

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Executive / Administration Committee Attendance Report

2024-25																	Total Mtgs: Attended To Date
MEMBERS	CITY	Representing	6-Jun	27-Jun	28-Jun	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	
Hon. Curt Hagman, President, Chair		San Bernardino County	1	1	1												3
Hon. Cindy Allen, 1st Vice Chair	Long Beach	District 30	1	1	1												3
Hon. Ray Marquez, 2nd Vice Chair	Chino Hills	District 10	1	1	1												3
Hon. Art Brown, Imm. Past President	Buena Park	District 21	1	1	1												3
Hon. David J. Shapiro, Chair, CEHD	Calabasas	District 44	1	1	1												3
Hon. Rocky Rhodes, Vice Chair, CEHD	Simi Valley	District 46	1	1	1												3
Sup. Luis Plancarte, Chair, EEC		Imperial County	1	1	1												3
Hon. Jenny Crosswhite, Vice Chair, EEC	Santa Paula	District 47	1	1	1												3
Hon. Tim Sandoval, Chair, TC	Pomona	District 38	0	0	1												1
Hon. Mike Judge, Vice Chair, TC		VCTC	1	0	0												1
Hon. Patricia Lock Dawson, Chair, LCMC	Riverside	District 68	0	1	1												2
Hon. Jose Luis Solache, Vice Chair, LCMC	Lynwood	District 26	1	1	1												3
Hon. Karen Bass, President's Appt.	Los Angeles	Member-At-Large		0	0												0
Hon. Wendy Bucknum, President's Appt.	Mission Viejo	District 13	1	0	1												2
Hon. Jan Harnik, President's Appt.		RCTC	1	1	1												3
Hon. Larry McCallon, President's Appt.		Air District Representative		1	1												2
Hon. Andrew Masiel, Sr.	Pechanga Dev. Corporation	Tribal Government Regional Planning Board	0	1	1												2
Ms. Lucy Dunn, Ex-Officio Member	Lucy Dunn Strategic Issues Mar	Business Representative	0	1	1												2
			12	14	16	0	0	0	0	0	0	0	0	0	0	0	41

Attachment: EAC Attendance Sheet 2024-25 (Minutes of the Meeting - June 27, 2024 through June 28,