



SOUTHERN CALIFORNIA  
ASSOCIATION OF GOVERNMENTS  
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## MEETING NO. 670

# REGIONAL COUNCIL

*Thursday, February 6, 2025*

*12:15 p.m. – 2:00 p.m.*

*Members of the Public are Welcome to Attend  
In-Person & Remotely*

### *To Attend In-Person:*

**SCAG Main Office - Regional Council Room  
900 Wilshire Blvd., Ste. 1700  
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### *To Attend and Participate on Your Computer:*

**<https://scag.zoom.us/j/83115565458>**

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**Call-in Number: 1-669-900-6833  
Meeting ID: 831 1556 5458**

### *To Watch or View Only:*

**<https://scag.ca.gov/scag-tv-livestream>**

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If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Maggie Aguilar at (213) 630-1420 or via email at [aguilarm@scag.ca.gov](mailto:aguilarm@scag.ca.gov). Agendas & Minutes are also available at: <https://scag.ca.gov/meetings-leadership>.

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**Attend In-Person:** Go to the SCAG Main Office located at 900 Wilshire Blvd., Ste. 1700, Los Angeles, CA 90017. The meeting will take place in the Regional Council Meeting Room on the 17<sup>th</sup> floor starting at 12:15 p.m.

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## Instructions for Participating and Public Comments

**In Writing:** Written comments can be emailed to: [ePublicComment@scag.ca.gov](mailto:ePublicComment@scag.ca.gov). Written comments received by 5pm on **Wednesday, February 5, 2025**, will be transmitted to members of the legislative body and posted on SCAG's website prior to the meeting. 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. Written comments received after 5pm on Wednesday, February 5, 2025, will be announced and included as part of the official record of the meeting. Any writings or documents provided to a majority of this committee regarding any item on this agenda (other than writings legally exempt from public disclosure) are available at the Office of the Clerk, at 900 Wilshire Blvd., Suite 1700, Los Angeles, CA 90017 or by phone at (213) 630-1420, or email to [aguilarm@scag.ca.gov](mailto:aguilarm@scag.ca.gov).

**Remotely:** If participating in real time via Zoom or phone, please wait for the presiding officer to call the item for which you wish to speak and use the "raise hand" function on your computer or \*9 by phone and wait for SCAG staff to announce your name/phone number.

**In-Person:** If participating in-person, you are invited but not required, to fill out and present a Public Comment Card to the Clerk of the Board or other SCAG staff prior to speaking. It is helpful to indicate whether you wish to speak during the Public Comment Period (Matters Not on the Agenda) and/or on an item listed on the agenda.

## General Information for Public Comments

Verbal comments can be presented in real time during the meeting. Members of the public are allowed a total of 3 minutes for verbal comments. The presiding officer retains discretion to adjust time limits as necessary to ensure efficient and orderly conduct of the meeting, including equally reducing the time of all comments.

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.

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## REGIONAL COUNCIL AGENDA

Southern California Association of Governments  
900 Wilshire Boulevard, Suite 1700 – Regional Council Room  
Los Angeles, CA 90017  
**Thursday, February 6, 2025**  
**12:15 PM**

The Regional Council may consider and act upon any of the items on the agenda regardless of whether they are listed as Information or Action items.

### **CALL TO ORDER AND PLEDGE OF ALLEGIANCE** *(The Honorable Curt Hagman, President)*

### **PUBLIC COMMENT PERIOD (Matters Not on the Agenda)**

This is the time for public comments on any matter of interest within SCAG’s jurisdiction that is *not* listed on the agenda. For items listed on the agenda, public comments will be received when that item is considered. 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.

### **REVIEW AND PRIORITIZE AGENDA ITEMS**

#### **ACTION ITEM**

1. 2025 Draft Regional Transportation Safety Targets PG 10  
*(Sarah Dominguez, Department Manager, SCAG)*

#### **RECOMMENDED ACTION:**

Adopt the draft calendar year 2025 SCAG Regional Transportation Safety Targets.

#### **CONSENT CALENDAR**

##### Approval Items

2. Minutes of the Meeting – December 5, 2024 Approval Items PG 32
3. SCAG Participation in Vienna Social Housing Field Study: International Best Practices in Mixed-Income Housing, April 6-12, 2025 PG 43
4. AB 226 (Calderon & Alvarez) – California FAIR Plan Association PG 45
5. 2025-26 State Legislative Platform Update PG 55
6. SCAG Memberships and Sponsorships PG 66





Receive and File

- 7. February 2025 State and Federal Legislative Update PG 69
- 8. Purchase Orders, Contract and Amendments below Regional Council's Approval Threshold PG 94
- 9. CFO Monthly Report PG 103

**BUSINESS REPORT**

*(Lucy Dunn, Ex-Officio Member; Business Representative)*

**PRESIDENT'S REPORT**

*(The Honorable Curt Hagman, President)*

**EXECUTIVE DIRECTOR'S REPORT**

*(Kome Ajise, Executive Director)*

**FUTURE AGENDA ITEMS**

**ANNOUNCEMENTS**

**ADJOURNMENT**



# AGENDA ITEM 1

## REPORT

Southern California Association of Governments  
February 6, 2025

To: Regional Council (RC)

EXECUTIVE DIRECTOR'S  
APPROVAL

From: Michael Gainor, Senior Regional Planner  
(213) 236-1822, gainor@scag.ca.gov

Subject: 2025 Draft Regional Transportation Safety Targets

**RECOMMENDED ACTION:**

Adopt the draft calendar year 2025 SCAG Regional Transportation Safety Targets.

**STRATEGIC PRIORITIES:**

This item supports the following Strategic Priority 2: Be a cohesive and influential voice for the region.

**EXECUTIVE SUMMARY:**

*SCAG staff will present the proposed regional safety targets for calendar year 2025. In addition, staff will highlight safety resources available to local agencies to reduce fatalities and serious injuries.*

*The Federal Highway Administration (FHWA) issued a Final Rule, effective April 14, 2016, to establish performance measures for State Departments of Transportation (DOTs) to implement the Highway Safety Improvement Program (HSIP) as required by the Moving Ahead for Progress in the 21st Century Act (MAP-21). The Final Rule requires that State DOTs, in coordination with Metropolitan Planning Organizations (MPOs), establish targets for reducing the numbers and rates of transportation fatalities and serious injuries. The California Department of Transportation (Caltrans) released the updated statewide safety performance targets in August 2024 for calendar year 2025. The Final Rule provides MPOs with 180 days from the date that statewide targets are established to determine regional targets. Therefore, SCAG will have until February 28, 2025, to adopt regional safety targets for calendar year 2025.*

*SCAG maintains the option to agree to support the statewide targets as established by Caltrans, establish a separate set of targets specific to the region, or use a combination of both approaches. SCAG staff recommend adopting regionally specific targets that are consistent with SCAG's existing transportation safety modeling capabilities which account for traffic, travel behavior, socioeconomic, and other emergent trends that impact regional safety performance. This recommended approach still provides the ability for SCAG to accurately monitor ongoing regional transportation safety performance relative to the statewide targets. However, since the safety*

*targets are updated annually, SCAG will have the opportunity to revisit and update the regional targets each calendar year.*

#### **BACKGROUND:**

##### Safety Performance Management Measures Final Rule

The Federal Highway Administration (FHWA) issued a Final Rule, effective April 14, 2016, to establish performance measures for State Departments of Transportation (DOTs) to implement the Highway Safety Improvement Program (HSIP) as required by the Moving Ahead for Progress in the 21st Century (MAP-21) federal transportation authorization package. State DOTs and Metropolitan Planning Organizations (MPOs) are expected to use the information and data generated by the federally established performance management program to inform statewide and regional transportation planning and programming decision-making and to link investments to performance outcomes. The transportation safety performance measures and targets are intended to facilitate statewide and regional transportation investment decision-making that will provide the greatest possible reduction in fatalities and serious injuries resulting from collisions occurring on the multimodal transportation system.

The following five transportation safety performance measures were established through the federal rulemaking for which annual statewide and regional performance targets are required:

- **Number of fatalities**
- **Rate of fatalities per 100 million vehicle miles traveled (VMT)**
- **Number of serious injuries**
- **Rate of serious injuries per 100 million VMT**
- **Number of non-motorized fatalities and non-motorized serious injuries**

The development of annual performance targets for these five measures requires State DOTs to coordinate with MPOs to assess the number and rate of fatalities and serious injuries occurring on all public roads, regardless of ownership or functional classification. Caltrans established statewide safety targets in August 2024 for calendar year 2025. SCAG has until February 28, 2025, to establish the updated annual regional safety targets.

The Final Rule also established the process for State DOTs and MPOs to develop and report safety targets, and the process used by FHWA to assess whether states have made significant progress toward meeting their safety targets.

Caltrans is required to annually update the statewide targets in August of each year. SCAG is then required to adopt targets for the same five safety performance measures within 180 days of Caltrans establishing the statewide targets. Calendar year 2025 is the eighth year for which annual

transportation safety targets are being produced pursuant to federal transportation performance management and reporting requirements. SCAG has the option to either agree to support the statewide targets as provided by Caltrans, establish a separate set of safety targets specific to the SCAG region, or use a combination of both approaches.

In previous years, SCAG opted to support the statewide targets by adopting a set of regionally specific transportation safety targets based on the existing Caltrans methodology. However, starting 2021, SCAG began developing regional targets based on a methodology that is supportive of the national ‘Toward Zero Deaths’ strategy. SCAG is fully committed to working toward achieving annual reductions in fatalities and serious injuries until 2050, at which time the region would be anticipated to experience zero traffic-related fatalities. SCAG provides regular updates on its progress towards achieving its regional transportation safety targets, including performance reports provided within the RTP/SCS (Connect SoCal), and in updates to the Federal Transportation Improvement Program (FTIP).

FHWA determines whether significant progress has been made toward achieving the statewide safety targets when at least four of the five safety targets are either met or the reported outcomes are better than the observed baseline performance. The significant progress determination only applies to the statewide targets, not to the regional targets set by MPOs. If FHWA determines that the state has not made significant progress toward achieving its targets, a State Implementation Plan must be developed by Caltrans to identify a pathway for meeting the targets in subsequent years. Additionally, any flexibility in the use of HSIP funds will be suspended.

For example, in March 2021, FHWA notified Caltrans that California had not met or made significant progress towards its calendar year 2019 safety targets. In response to this determination, the State was required to obligate authority equal to its Fiscal Year 2018 HSIP apportionment for HSIP projects in Fiscal Year 2022 (Caltrans was already doing this). Caltrans was also required to submit an HSIP Implementation Plan to FHWA. The purpose of the HSIP Implementation Plan is to identify tangible actions the State would take in federal Fiscal Year 2022 to make progress toward achieving the targets. SCAG was also unsuccessful in achieving its 2019 regional safety targets. However, this resulted in no federal or state repercussions. However, to improve future performance outcomes, SCAG sought opportunities to further improve coordination with Caltrans on statewide and regional transportation safety activities.

### Target Setting Approaches

There are two primary types of transportation safety target setting, vision-based target setting and evidence-based target setting. When developing aspirational, vision-based targets, agencies use the term “target” to refer to a long-term vision for future performance. Many transportation agencies set vision-based targets for zero fatalities and equally ambitious metrics for assessing progress toward achieving that vision. The evidence-based approach is focused specifically on what may

feasibly be achieved within the context of an identified set of investments, policies, and strategies defined within an implementation plan and subject to a shorter timeframe. While these two approaches are distinct, they are not necessarily conflicting. A vision-based target is useful for galvanizing support around a planning effort and for ensuring successful strategies are considered or implemented while keeping the focus on a clear goal. Evidence-based targets promote accountability and emphasize feasibility. Being able to demonstrate the benefits of different levels of investment in transportation safety may strengthen understanding of the performance implications of transportation system investment decisions.

#### Statewide Transportation Safety Targets

Starting in 2018, the statewide targets developed by Caltrans were supportive of 'Toward Zero Deaths', a core objective of California's Strategic Highway Safety Plan (SHSP), the statewide transportation safety plan. The Toward Zero Deaths National Strategy provides a framework for reducing fatalities and serious injuries on all public roads based on the understanding that even one traffic-related fatality is unacceptable. Toward Zero Deaths was launched in 2014, adopting the zero-focused imperative along with a strong commitment to fostering an integrated national transportation safety culture. The guiding principles of the Toward Zero Deaths framework include:

- People make mistakes which may lead to collisions, but no one should be killed or seriously injured on the roadway network because of these mistakes.
- The human body has a limited physical ability to tolerate crash forces.
- Road safety is a shared responsibility of everyone, including those that design, build, operate and use the road system.
- All parts of the road system must be strengthened to multiply its collective protective effects so that, if one part fails, the others will still protect people.

Caltrans now uses a trend line approach toward statewide safety performance target setting that extrapolates existing trends in rates of fatalities and serious injuries into the future with the assumption that the impacts of external factors are realized and that planned safety improvements, including development and implementation of local safety plans and the allocation of transportation safety grant funding, are implemented as expected. Caltrans does not currently use a safety model for purposes of target setting and it is challenging to precisely forecast the full impact of safety investments.

The calendar year 2025 statewide targets, reflecting trends based on five-year rolling averages, are as follows:

- Number of fatalities: **4,048.6**
- Rate of fatalities per 100 million VMT: **1.26**
- Number of serious injuries: **16,630.5**
- Rate of serious injuries per 100 million VMT: **4.77**
- Number of non-motorized fatalities and non-motorized serious injuries: **4,373.3**

#### Regional Safety Target Assessment & Recommendation

To develop the annual regional transportation safety performance targets, SCAG follows three basic steps: 1) Evaluation of existing safety data and trends to determine current regional conditions. 2) Identification of external factors that may impact regional safety performance over the upcoming calendar year. 3) Estimation of appropriate performance targets based on forecasted fatality and serious injury reductions due to the implementation of regional safety strategies and investments and local safety plans.

Collisions and collision severity are impacted by a variety of factors, some of which are not under the direct control of transportation planning agencies, including vehicle safety features, weather events, and the state of the economy. The two economic variables of unemployment rate and per capita Gross Domestic Product (GDP) growth may account for a significant share of annual variation collision occurrence, as a more vigorous economy typical results in more vehicles on the road. Other external factors include regional population growth; demographic change (an increasing share of older adults); changes in travel mode share; mobility trends and innovations; and the availability of funding for safety-related projects and programs.

While a multitude of external factors may impact regional transportation safety performance, there are still many actions local and regional agencies may take to influence the number and rate of transportation related fatalities and serious injuries, including implementation of safety improvement projects, roadway engineering adaptations, targeted educational and enforcement activities, and ongoing transportation safety performance evaluation.

The region is better situated to take effective safety improvement actions when existing safety conditions are fully understood. In late 2020, SCAG began coordinating with FHWA in the development of a series of predictive models for safety planning and target setting. This effort resulted in the development of safety target setting modeling capacity that serves to predict fatalities, serious injuries, and non-motorized fatalities and serious injuries in correspondence with federal safety target requirements. This predictive safety modeling capability accounts for a variety of inputs including such spatially referenced variables as proposed transportation safety improvement projects, land use, population growth, VMT growth, roadway type, and intersection density.

A subset of these factors has been integrated into SCAG's new safety target setting model. The SCAG model accounts for the following factors:

#### **Vehicle Miles Traveled (VMT)**

- Total annual VMT
- Proportion of annual VMT by roadway type (Interstate System, principal arterials, major collectors, and local roadways).

#### **Demographics**

- Total population
- Proportion of population aged 65+

#### **Mode Share**

- Proportion of population that commute via driving alone, carpooling, transit, bicycle, and walking

#### **Socioeconomics**

- Median household income
- Total employment
- Unemployment rate
- Gas prices

#### **Miscellaneous**

- Distilled spirit consumption per capita

Using the safety model, SCAG developed the draft regional safety targets for calendar year 2025. The model forecasts future regional safety performance trends which reflect moderate increases in both fatalities and serious injuries. For 2025, SCAG forecasts a two percent increase in fatalities, a four percent increase in serious injuries, and a 2.8 percent increase in the combined non-motorized fatalities and serious injuries.

The proposed SCAG regional targets for calendar year 2025, reflecting five-year rolling averages, are as follows:

- Number of fatalities: **1,824.0**
- Rate of fatalities per 100 million VMT: **1.12**
- Number of serious injuries: **7,879.6**
- Rate of serious injuries per 100 million VMT: **4.84**
- Number of non-motorized fatalities & serious injuries: **2,477.6**

#### **NEXT STEPS**

Following Regional Council action, SCAG will submit the adopted 2025 regional safety targets to Caltrans by February 28th in support of federal transportation safety performance reporting requirements.

To motivate reductions in traffic safety incidents and improvements in regional safety outcomes, SCAG will continue to evolve and promote use of innovative safety resources. These include development of a High Injury Network (HIN) to help local jurisdictions focus improvements where they are most needed, and creation of a Regional Safety Action Plan to provide guidance toward achievement of the goal of zero traffic-related fatalities in the SCAG region. SCAG is also developing safety modeling tools to support local jurisdictional safety planning. The Community Safety Modeling tool provides the capacity to conduct safety performance assessment of various land use scenarios to allow decision-makers to visualize the safety impact of proposed land use changes before they are implemented. The Transportation Safety Predictive Modeling Platform is an OTS grant-funded effort that will allow regional partners to identify high safety risk locations on the roadway network and generate effective intervention strategies. The platform will be equipped with a predictive modeling capacity to forecast future safety performance at the roadway network level, with the objective of minimizing future traffic collisions at identified high risk locations.

In addition, SCAG offers local jurisdictions opportunities to secure regional safety planning grants, including the Safe Steets and Roads for All (SS4A) federal grant program, and convenes the quarterly meetings of the Safe and Active Streets Working Group (SASWG) to facilitate information sharing among regional partners. Additionally, SCAG has implemented a community outreach and advertising campaign, Go Human, which is focused on regional safety, particularly for vulnerable road users. SCAG's current long-range plan, Connect SoCal 2024, provides a framework to assist agencies in the development of local safety plans and strategies.

#### **FISCAL IMPACT:**

Funding for staff work on this program is included in OWP Task #310.4883.01 (Complete Streets: Transportation Safety).





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ATTACHMENT(S):

1. PowerPoint Presentation - 2025 Regional Safety Targets for 2025
2. Statewide Transportation Safety



# SCAG Regional Council

## Draft 2025 Regional Safety Targets

Sarah Dominguez, Planning Strategy Manager, SCAG

February 6, 2025

[WWW.SCAG.CA.GOV](http://WWW.SCAG.CA.GOV)

## Federal Transportation Safety Targets

- **MAP-21 established performance-based federal transportation management & reporting program.**
- **The federal program established several sets of measures to assess transportation system performance.**
- **Performance Management Package 1 (PM 1) established quantitative measures to evaluate transportation system safety.**
- **Caltrans is required to annually update statewide safety targets for all public roads in the state by Aug 31.**

# Federal Transportation Safety Targets

- PM 1 established (5) specific transportation safety performance measures for which annual targets are required:
  - Total number of fatalities
  - Rate of fatalities (per 100 million VMT)
  - Total number of serious injuries
  - Rate of serious injuries (per 100 million VMT)
  - Total (combined) number of non-motorized fatalities & serious injuries
- Data reported as 5-year rolling averages

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# Federal Transportation Safety Targets

- Once Caltrans adopts statewide targets, SCAG has 180 days to either choose to adopt the statewide targets or establish separate set of regional targets.
- SCAG required to report annual regional safety targets to Caltrans by February 28th of each year.
- FHWA assesses whether 'significant progress' has been made toward achieving statewide safety targets.
- 'Significant progress' is determined if at least 4 of the 5 targets are met or outcome is better than performance for previous year.

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# 2025 Statewide Safety Targets

- Caltrans uses a trend-based approach toward setting the annual statewide safety targets.
- Observed performance is monitored for each calendar year.
- Trend analysis is performed by calculating the 5-year running average for each year (observed performance for the current year plus the four preceding years then divided by five).
- The annual percentage change in the 5-year running average is then carried forward into future years.

# 2025 Statewide Safety Targets

Transportation Safety Performance Measure	Data Source	2025 Target
Total Number of Fatalities	FARS	4,048.6
Rate of Fatalities (per 100M VMT)	FARS/HPMS	1.26
Total Number of Serious Injuries	SWITRS	16,630.5
Rate of Serious Injuries (per 100M VMT)	SWITRS/HPMS	4.77
Total Number of Non-motorized Fatalities & Severe Injuries	FARS/SWITRS	4,373.3

# SCAG Regional Safety Targets

The following (3) steps are used in setting regional transportation safety performance targets:

- 1) Estimate existing safety trends to determine baseline conditions.
- 2) Identify any external factors that may impact future safety performance (demographic or socioeconomic changes).
- 3) SCAG Safety Model is used to generate targets based on forecasted fatality & serious injury trends & the impact of existing & planned regional safety plans, strategies, & investments.

# SCAG Regional Safety Targets

SCAG's safety model considers multiple regional factors:

- Vehicle Miles Traveled (VMT)
- Traffic trends by specific road type
- Share of older drivers
- Employment
- Median household income
- Alcohol consumption

# Draft 2025 SCAG Regional Safety Targets

- Number of Fatalities: **1,824.0**
- Rate of Fatalities per 100 million VMT: **1.12**
- Number of Serious Injuries: **7,879.6**
- Rate of Serious Injuries per 100 million VMT: **4.84**
- Number of Non-motorized Fatalities & Serious Injuries: **2,477.6**

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## Next Steps

- RC adoption of 2025 regional safety targets (Feb 6, 2025).
- Submit 2025 regional safety targets to Caltrans (by Feb 28, 2025).
- Continued development of regional transportation safety modeling enhancements.
- Coordinate with regional stakeholders to implement Connect SoCal safety programs, strategies, & actions.
- Monitor progress toward regional targets & set updated safety targets for next year.

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# California Safety Performance Management Targets for 2025

The California Department of Transportation, in cooperation with the Office of Traffic Safety, is required to set five annual Safety Performance Management Targets (SPMTs) for all public roads in the State of California by August 31 of each year. This is pursuant to the Moving Ahead for Progress in the 21st Century Act (MAP-21).

Caltrans set SPMTs for the 2025 calendar year by August 31, 2024. Caltrans and OTS have adopted the following performance measures shown in Table 1.

TABLE 1. PERFORMANCE MEASURES & TARGETS BASED ON 5-YEAR ROLLING AVERAGE

Performance Measure	FY 2025 Target (5-Yr Avg)	FY 2025 Target (Annual)	Average Annual Reduction
Number of Fatalities	4,048.6	3,818	2.84%
Fatality Rate (per 100M VMT)	1.26	1.14	4.61%
Number of Serious Injuries	16,630.5	15,404	3.69%
Serious Injury Rate (per 100M VMT)	4.77	4.42	3.69%
Number of Non-Motorized Fatalities & Serious Injuries	4,373.3	4,071	2.84% (F) 3.69% (SI)

*Note: Fatality, fatality rate, & serious injury targets are set in coordination with OTS.*

## **Federal Guidance & Requirements**

The Highway Safety Improvement Program (HSIP) is a core Federal-aid program with the purpose to achieve a significant reduction in fatalities and serious injuries on all public roads. The HSIP requires a data-driven, strategic approach to improving highway safety on all public roads and focuses on performance. The HSIP regulation establishes the FHWA HSIP policy, as well as program structure, planning, implementation, evaluation and reporting requirements for States to successfully administer the HSIP.

The Safety Performance Management Final Rule supports the data-driven performance focus of the HSIP. The Safety PM Final Rule establishes five performance measures as five-year rolling averages to carry out the HSIP. The performance measures include:

- 1) Number of Fatalities
- 2) Rate of Fatalities per 100 million Vehicle Miles Traveled (VMT)
- 3) Number of Serious Injuries
- 4) Rate of Serious Injuries per 100 million VMT
- 5) Number of Non-motorized Fatalities and Non-motorized Serious Injuries

These safety performance measures are applicable to all public roads regardless of ownership or functional classification.

## **California Safety Planning & Target Setting**

The overarching highway safety plan for the State of California is the Strategic Highway Safety Plan. In January 2023, California updated its SHSP, which is a statewide, coordinated traffic safety plan that provides a comprehensive framework for reducing roadway fatalities and serious injuries on

California’s public roads. The SHSP is a multi-disciplinary effort involving Federal, tribal, State, and local representatives from the 5Es who dedicate countless hours to improve safety and partnerships across disciplines where the 5Es represent education, enforcement, engineering, emergency response, and emerging technologies.

States must establish statewide targets for each of the federal safety performance measures. States also have the option to establish any number of urbanized area targets and one non-urbanized area target for any, or all, of the measures. Targets are established annually. For three performance measures (number of fatalities, rate of fatalities, and number of serious injuries), targets must be identical to the targets established for the NHTSA Highway Safety Grants program that is administered by OTS. State Departments of Transportation must also coordinate with the MPOs in their States on establishment of targets, to the maximum extent practicable. States will report targets to the FHWA in the HSIP report due in August of each year.

However, NHTSA and FHWA released a final rule in May 2024 amending the uniform procedures for State Highway Safety Grant Programs waiving the requirement to have identical common performance targets for FY 2025. Despite the waiver, Caltrans and OTS collaborated to set matching targets for both the HSP and HSIP for FY 2025.

When developing the FY 2024-26 Highway Safety Plan, Caltrans and OTS coordinated to develop a target setting methodology that is consistent and meets both NHTSA and FHWA targets for the three common performance measures.

Caltrans and OTS agreed on a method for the performance measures for FY 2024, 2025, and 2026 that builds upon trends during COVID and other impacts that are causing fatalities and serious injuries to increase. The State ensured that targets provide a reduction or remain constant compared to the 2021 five-year rolling average, aligned with the NHTSA rulemaking. Therefore, OTS set the 2026 five-year rolling average target equal to the 2021 five-year rolling average and used the average annual change to calculate the annual 2022, 2023, 2024 and 2025 values.

Each MPO establishes targets for the same five safety performance measures for all public roads in the MPO’s planning area within 180 days after the State establishes each target. The targets are established in coordination with the State, to the maximum extent practicable. The MPO can either agree to support the State DOT target or establish a numerical target specific to the MPO planning area. MPO targets are reported to the State DOT, which must be able to provide the targets to FHWA, upon request.

A State is considered to have met, or made significant progress toward meeting, its safety targets when at least four of the five targets are met or the outcome for the performance measure is better than the baseline performance the year prior to the target being set. Optional urbanized area or non-urbanized area targets will not be evaluated. Each year that FHWA determines a State has not met or made significant progress toward meeting its performance targets, the State will be required to use obligation authority equal to the baseline year HSIP apportionment for safety projects. States must also develop a HSIP Implementation Plan.

**Target Selection Methodology**

There are three steps to setting safety performance targets:

- 1) Estimate the existing trend to determine where the State is.



- 2) Determine what external factors will impact the target to adjust the trend for demographic and socioeconomic changes.
- 3) Estimate targets based on forecasted fatality reductions from safety plans.

Since SPMTs are applicable to all public roads in California, regional and local jurisdictions should be notified of the safety target setting process. In September 2024, a virtual outreach meeting was held to discuss the SPMTs with the MPOs and other stakeholders. During this meeting, the 2025 SPMTs were presented along with the methodology, which extrapolates the annual decrease of fatalities and serious injuries into the future.

### *Statewide Number of Fatalities*

The 2025 target for the number of fatalities is a five-year rolling average of 4,048.6. FARS data was used from 2012 through 2021. In California, traffic fatalities generally increased between 2012 to 2017 as shown in Figure 1, but there was a 2.2% reduction in traffic fatalities in 2017 from 3,884 to 3,798 in 2018 and a 2.1% reduction in traffic fatalities in 2018 from 3,798 to 3,719 in 2019. Traffic fatalities then jumped by 7.0% in 2020 and 7.7% in 2021.

Caltrans and OTS considered several options while reviewing the various trends for the 2025 target. Some options included and excluded COVID-impacted years and the expected projections. Another option was a vision zero target where the necessary annual reductions were determined to reach zero fatalities by 2050. These various methods either resulted in an increasing target from the 2021 five-year rolling average or provided inconsistencies as to which data or years to include to determine the target.

In Figure 1, the green bars reflect the data that was available in FARS at the time of the target setting process and the gray bars reflect the projected annual decrease of 2.84%. The dark green line represents the 5-year rolling average of the annual number of fatalities.

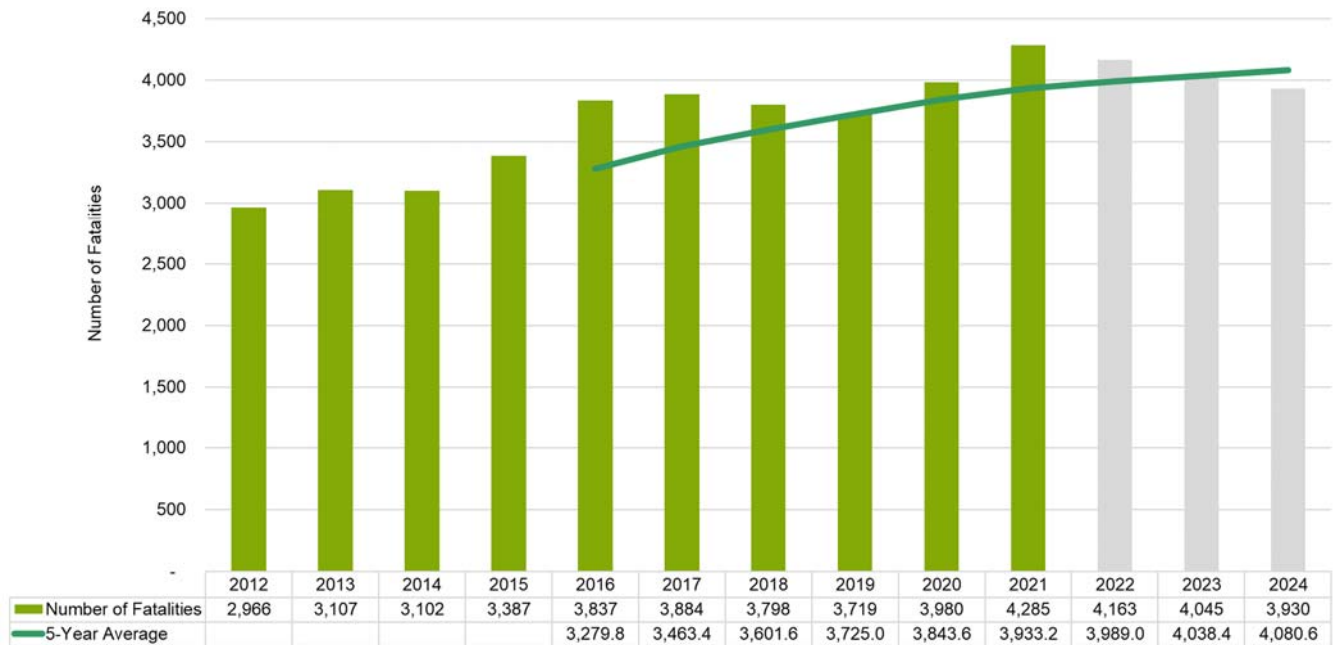


FIGURE 1 – STATEWIDE NUMBER OF FATALITIES

Through assistance with the HSIP, many California agencies have or are developing Local Roadway Safety Plans that put a focus on reducing fatal and serious injury crashes throughout their respective jurisdictions. This coupled along with an increase in the number of OTS grants from the prior year will assist California in continuing this downward trend in fatalities.

**Statewide Number of Serious Injuries**

The 2025 target for the number of serious injuries is a five-year rolling average of 16,630.5. SWITRS data was used from 2012 through 2021; however, the final data for 2021 was not available and considered preliminary at the time of 2024 target setting. In California, serious injuries due to traffic crashes generally increased between 2012 to 2016, and then in 2018, the first full year when the serious injury definition included suspected serious injury, resulted in a significant 13.8% increase. There was a 6.8% reduction in 2019 from 16,443 to 15,392 in 2020, but then there was another significant 16.3% increase in 2021.

To comply with NHTSA requirements, Caltrans and OTS agreed on a target-setting method where the 2026 five-year rolling average target will be equal to the 2021 five-year rolling average and using the average annual change to calculate the annual 2022, 2023, 2024, 2025 and 2026 values. Since Caltrans continues to report performance measures and targets annually, the expected projections will be shown through 2024 only.

In Figure 2, the green bars reflect the data that was available in SWITRS at the time of the target setting process and the gray bars reflect the projected annual decrease of 3.69%. The dark green line represents the 5-year rolling average of the annual number of serious injuries.

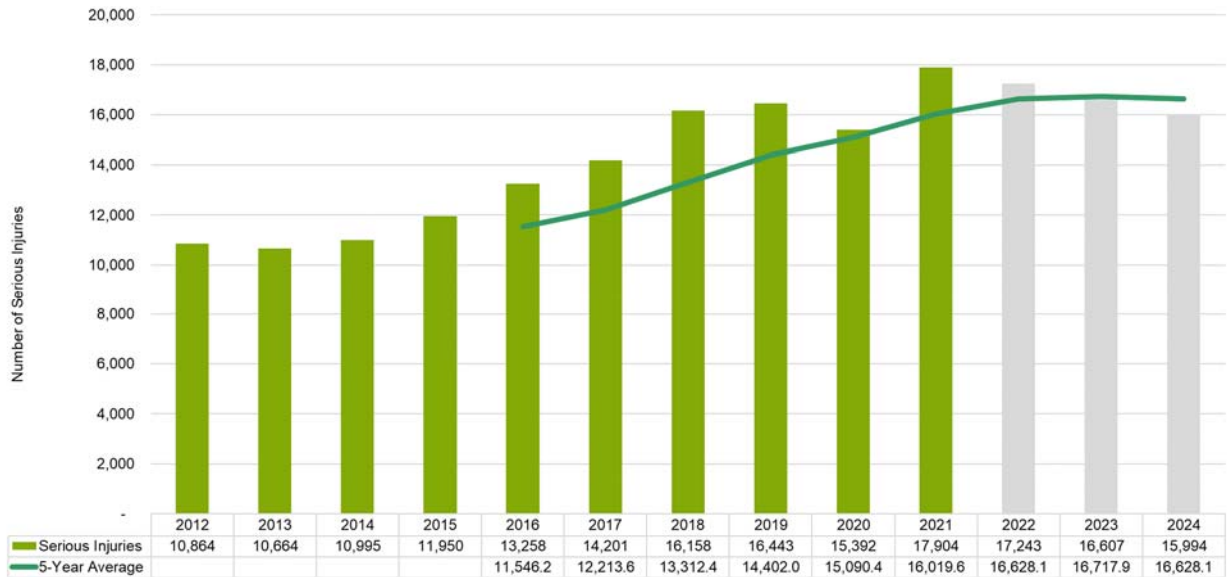


FIGURE 2 – STATEWIDE NUMBER OF SERIOUS INJURIES

**Statewide Fatality Rate**

The 2025 target for the fatality rate is a five-year rolling average of 1.26. NHTSA used the Crash Data Acquisition Network to share the fatality rate per 100 million vehicle miles driven. In California, the fatality rate generally increased between 2012 to 2017, and there was a 3.7% reduction in 2018 and 2019 only to have a 22% increase occur in 2020 and then a 3.8% increase in 2021.

To comply with NHTSA’s new requirements, Caltrans and OTS agreed on a target-setting method where the 2026 five-year rolling average target will be equal to the 2021 five-year rolling average and using the average annual change to calculate the annual 2022, 2023, 2024, 2025 and 2026 values. Since Caltrans continues to report performance measures and targets annually, the expected projections will be shown through 2024 only.

In Figure 3, the green bars reflect the data that was available through NHTSA at the time of the target setting process and the gray bars reflect the projected annual decrease of 4.61%. The dark green line represents the 5-year rolling average of the annual fatality rates.

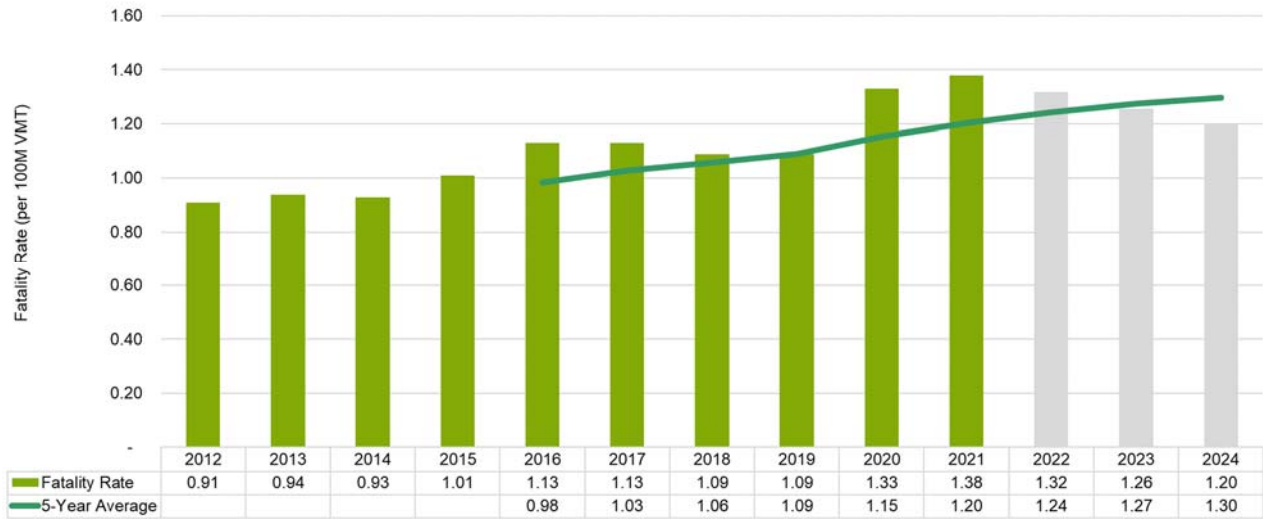


FIGURE 3 – STATEWIDE FATALITY RATE (PER 100M VMT)

### Statewide Serious Injury Rate

The 2025 target for the serious injury rate is a five-year rolling average of **4.77**. SWITRS data was used from 2012 through 2021; however, the final data for 2021 was not available and considered preliminary at the time of 2024 target setting. In California, the serious injury rate due to traffic crashes generally increased between 2012 to 2017, and then in 2018, the suspected serious injury inclusion resulted in a 12.1% increase. There was another 9.8% increase in 2020.

In Figure 4, the green bars reflect the data that was available through SWITRS at the time of the target setting process and the gray bars reflect the projected annual decrease of 3.69%. The dark green line represents the 5-year rolling average of the annual serious injury rate.

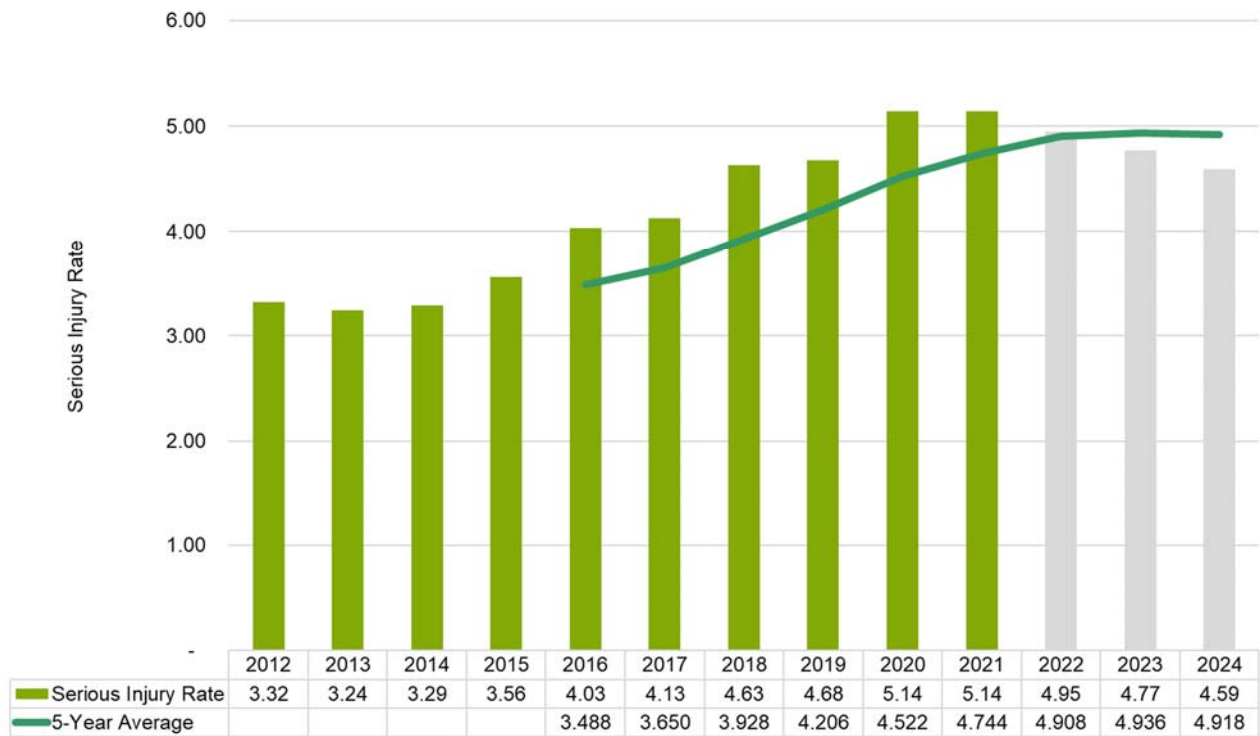


FIGURE 4 – STATEWIDE SERIOUS INJURY RATE (PER 100M VMT)

***Statewide Non-Motorized Fatalities & Non-Motorized Serious Injuries (Pedestrians & Bicyclists)***

The 2025 target for non-motorized fatalities and non-motorized serious injuries is a five-year rolling average of **4,373.3**. In Figure 5, the light green bars reflect the number of fatalities from FARS and the dark green bars reflect the number of serious injuries from SWITRS at the time of target setting for pedestrians and bicyclists combined. The gray bars reflect the annual decrease of 2.84% for non-motorized fatalities and the dark gray bars reflect the annual decrease of 3.69% for non-motorized serious injuries. The dark green line represents the 5-year rolling average of the annual non-motorized fatalities and non-motorized serious injuries.

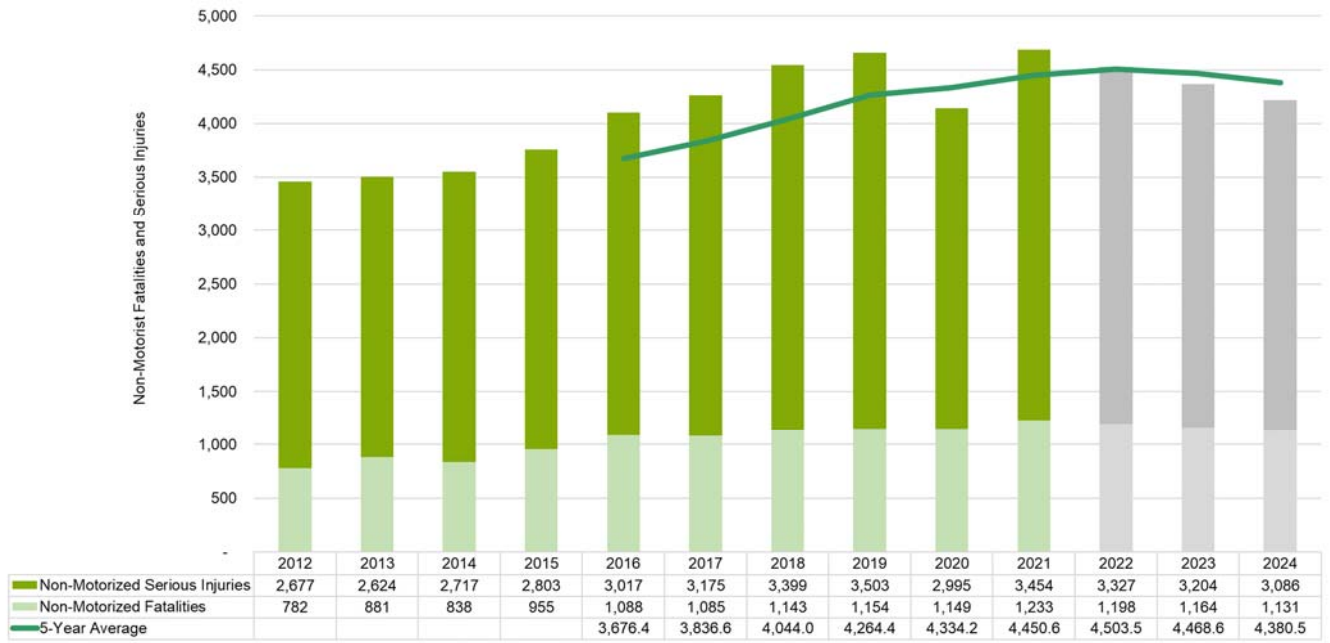


FIGURE 5 – STATEWIDE NON-MOTORIZED FATALITIES & SERIOUS INJURIES (COMBINED)

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**NO. 669  
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS  
REGIONAL COUNCIL  
MINUTES OF THE REGULAR MEETING  
THURSDAY, DECEMBER 5, 2024**

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE REGIONAL COUNCIL. A VIDEO RECORDING OF THE ACTUAL MEETING IS AVAILABLE ON THE SCAG WEBSITE AT: <http://scag.iqm2.com/Citizens/>

The Regional Council (RC) of the Southern California Association of Governments (SCAG) held a regular meeting both in person and virtually (telephonically and electronically). A quorum was present.

**Members Present**

**Sup. Curt Hagman, President**

**Hon. Cindy Allen, 1st Vice President**

**Hon. Ray Marquez, 2<sup>nd</sup> Vice President**

**Hon. Art Brown, Imm. Past President**

Sup. Luis Plancarte

Sup. Don Wagner

Sup. Karen Spiegel

Sup. Vianey Lopez

Michael Goodsell

Hon. Jan Harnik,

Hon. Trish Kelley

Hon. Mike T. Judge

Hon. Linda Krupa

Hon. Clint Lorimore

Hon. Damon L. Alexander

Hon. Acquanetta Warren

Hon. Rick Denison

Hon. John Gabbard

Hon. Wendy Bucknum

Hon. Jon Dumitru

Hon. Marshall Goodman

Hon. Carlos Leon

*Long Beach*

*Chino Hills*

*Buena Park*

*Hemet*

*Eastvale*

*San Bernardino*

*Fontana*

*Yucca Valley*

*Dana Point*

*Mission Viejo*

*Orange*

*La Palma*

*Anaheim*

**San Bernardino County**

**District 30**

**District 10**

**District 21**

Imperial County

Orange County

Riverside County

Ventura County

ICTC

RCTC

TCA

VCTC

District 3

District 4

District 7

District 8

District 11

District 12

District 13

District 17

District 18

District 19





Hon. Joe Kalmick	<i>Seal Beach</i>	District 20
Hon. Marty Simonoff	<i>Brea</i>	District 22
Hon. Frank Yokoyama	<i>Cerritos</i>	District 23
Hon. Jeff Wood	<i>Lakewood</i>	District 24
Hon. Mark E. Henderson	<i>Gardena</i>	District 28
Hon. Ali Saleh	<i>Bell</i>	District 27
Hon. Suely Saro	<i>Long Beach</i>	District 29
Hon. Margaret Clark	<i>Rosemead</i>	District 32
Hon. Gary Boyer	<i>Glendora</i>	District 33
Hon. Thomas Wong	<i>Monterey Park</i>	District 34
Hon. Margaret E. Finlay	<i>Duarte</i>	District 35
Hon. Keith Eich	<i>La Cañada Flintridge</i>	District 36
Hon. Steve Tye	<i>Diamond Bar</i>	District 37
Hon. Lauren Meister	<i>West Hollywood</i>	District 41
Hon. Nikki Perez	<i>Burbank</i>	District 42
Hon. Ken Mann	<i>Lancaster</i>	District 43
Hon. David J. Shapiro	<i>Calabasas</i>	District 44
Hon. Laura Hernandez	<i>Port Hueneme</i>	District 45
Hon. Jenny Crosswhite	<i>Santa Paula</i>	District 47
Hon. Steve Manos	<i>Lake Elsinore</i>	District 63
Hon. Steve Sanchez	<i>La Quinta</i>	District 66
Hon. Patricia Lock Dawson	<i>Riverside</i>	District 68
Hon. Marisela Nava	<i>Perris</i>	District 69
Hon. Larry McCallon		Air District Representative
Hon. Andrew Masiel, Sr.	<i>Pechanga Dev. Corp.</i>	Tribal Gov't Reg'l Planning Brd.
Ms. Lucy Dunn		Business Representative

**Members Not Present**

Sup. Kathryn Barger  
 Sup. Hilda Solis  
 Hon. Alan Wapner  
 Hon. Gil Rebolgar  
 Hon. Kathleen Kelly  
 Hon. Zak Schwank  
 Hon. Frank Navarro  
 Hon. L. Dennis Michael  
 Hon. Tammy Kim  
 Hon. Lauren Kleiman  
 Hon. Valerie Amezcua  
 Hon. Claudia Frometa

**Members Not Present**

Brawley  
*Palm Desert*  
*Temecula*  
*Colton*  
*Rancho Cucamonga*  
*Irvine*  
*Newport Beach*  
*Santa Ana*  
*Downey*

**Members Not Present**

Los Angeles County  
 Los Angeles County  
 SBCTA  
 District 1  
 District 2  
 District 5  
 District 6  
 District 9  
 District 14  
 District 15  
 District 16  
 District 25



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Hon. Andrew Lara	<i>Pico Rivera</i>	District 31
Hon. Tim Sandoval	<i>Pomona</i>	District 38
Hon. James Gazeley	<i>Lomita</i>	District 39
Hon. Drew Boyles	<i>El Segundo</i>	District 40
Hon. Rocky Rhodes	<i>Simi Valley</i>	District 46
Hon. Eunisses Hernandez	<i>Los Angeles</i>	District 48
Hon. Paul Krekorian	<i>Los Angeles</i>	District 49/Public Transit Rep.
Hon. Bob Blumenfield	<i>Los Angeles</i>	District 50
Hon. Nithya Raman	<i>Los Angeles</i>	District 51
Hon. Katy Young Yaroslavsky	<i>Los Angeles</i>	District 52
Hon. Imelda Padilla	<i>Los Angeles</i>	District 53
Hon. Monica Rodriguez	<i>Los Angeles</i>	District 54
Hon. Marqueece Harris-Dawson	<i>Los Angeles</i>	District 55
Hon. Curren D. Price, Jr.	<i>Los Angeles</i>	District 56
Hon. Heather Hutt	<i>Los Angeles</i>	District 57
Hon. Traci Park	<i>Los Angeles</i>	District 58
Hon. John Lee	<i>Los Angeles</i>	District 59
Hon. Hugo Soto-Martinez	<i>Los Angeles</i>	District 60
Hon. Kevin de León	<i>Los Angeles</i>	District 61
Hon. Tim McOsker	<i>Los Angeles</i>	District 62
Hon. Casey McKeon	<i>Huntington Beach</i>	District 64
Hon. Karen Bass	<i>Los Angeles</i>	Member-at-Large

**Staff Present**

Kome Ajise, Executive Director  
Darin Chidsey, Chief Operating Officer  
Cindy Giraldo, Chief Financial Officer  
Sarah Jepson, Chief Planning Officer  
Javiera Cartagena, Chief Government and Public Affairs Officer  
Carmen Flores, Chief Human Resources Officer  
Julie Shroyer, Chief Information Officer  
Jeffery Elder, Chief Counsel  
Ruben Duran, Board Counsel  
Maggie Aguilar, Clerk of the Board  
Cecilia Pulido, Deputy Clerk of the Board

**CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

President Hagman called the meeting to order at 12:17 p.m. and asked Second Vice President Ray Marquez, Chino Hills, District 10, to lead the pledge of allegiance.

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**PUBLIC COMMENT PERIOD**

President Hagman opened the Public Comment Period for persons to comment on any matter pertinent to SCAG's jurisdiction that were not listed on the agenda.

Ruben Duran, Board Counsel, acknowledged there were no public comments before or after the 5:00 p.m. deadline.

Seeing no public comment speakers for items not listed on the agenda, President Hagman closed the Public Comment Period.

**REVIEW AND PRIORITIZE AGENDA ITEMS**

There were no requests to prioritize agenda items.

**CHAIR'S REPORT**

David J. Shapiro, Community, Economy and Human Development Committee (CEHD) Chair, reported that at the CEHD Committee meeting they reviewed one information item, the REAP 1.0 Biannual Report which commemorates the conclusion of the REAP 1.0 grant. He noted that Ma'Ayn Johnson, SCAG's Housing Department Manager, and Mike Dietz, SCAG's Housing Planning Supervisor, provided an overview of the REAP 1.0 program and introduced a panel of four grant recipients that shared their insights on implementing this program. The panel included Joseph Dieguez, Senior Vice President at Kosmont Companies, who presented on Enhanced Infrastructure Financing District projects funded through REAP 1.0; Wells Lawson, Deputy Executive Officer of Joint Development at LA Metro, who gave an overview of the Partnership for Housing Acceleration program; Mairany Anaya, Multimodal Mobility Administrator with the San Bernardino County Council of Governments, who presented on their Subregional Partnership Program projects; and Melani Smith, Director of Regional Development at Gateway Cities Council of Governments (GCCOG), who presented on the formation of the Gateway Housing Trust Fund and other housing projects and tools.

There were no comments on the CEHD Chair report.

Luis Plancarte, Energy and Environment Committee (EEC) Chair, reported that at the EEC Committee meeting they heard three information items and also had a vice-chair election. He noted that their first item was a presentation from a UC Riverside professor that provided a summary of their recent white paper on electric grid readiness. He detailed how broad-based electrification would increase electricity demand, as well as the demand for upgraded infrastructure, and key

challenges that would need to be addressed in the coming years and decades. He also reported that they received an overview of SCAG's Regional Resilience Framework project, which would result in the production of a Toolkit to assist local jurisdictions in their efforts to plan for, implement, and fund resilience efforts. This resource is anticipated to be ready and available in Spring of 2025. He also noted that the third presentation was from a group that had put together a national database of model laws, ordinances, and additional information to inform jurisdictions as they pursue their own greenhouse gas reduction efforts. Lastly, he noted that the EEC meeting in the morning was his last meeting as EEC Chair. He indicated that Member Crosswhite was moving into the Chair position and was pleased to announce that Regional Council Member Lauren Meister, West Hollywood, District 41, would be coming in as Vice-Chair.

There were no comments on the EEC Chair report.

Mike Judge, Transportation Committee (TC) Vice Chair, reported that at the Transportation Committee they acted on one item. He noted that the committee recommended the approval of the Connect SoCal 2024 Sustainable Communities Program Active Transportation and Safety Project List and Contingency List. He also reported that the Committee received two presentations. He indicated that SCAG staff provided an update on the modeling and technical analysis efforts conducted as part of the Southern California Zero Emissions Truck Infrastructure Study (ZETI). He explained that the goal of the study was to support a phased blueprint and action plan for realizing a regional network of zero emission charging and fueling infrastructure while further understanding how the regions markets and business functions would be supported by the investments and transition to clean fuels. He reported that the second presentation was on SCAG's 2024 Go Human Program Outcomes. He explained that Go Human was an award-winning community engagement program with the goals of reducing traffic collisions and encouraging people to walk and bike more in the SCAG region. The SCAG Go Human Program has been an ongoing success for their member agency and stakeholder participants. He noted that due to its continued success the California State Office of Traffic Safety (OTS) had committed to funding the program on a re-occurring basis. He expressed that they looked forward to the continued growth and success of this program for their region and that the Transportation Committee continues to support the Regional Councils work around their planning goals and looked forward to the ongoing discussions around these programs and projects.

There were no comments on the TC Chair report.

### **CONSENT CALENDAR**

There were no Public Comments on the Consent Calendar.

Approval Items

1. Minutes of the Meeting – November 7, 2024
2. 2024 Sustainable Communities Program Active Transportation and Safety Recommended Projects
3. SCAG Memberships and Sponsorships

Receive and File

4. December 2024 State and Federal Legislative Update
5. Status Update on the South Coast Air Quality Management District (AQMD) California Environmental Quality Act (CEQA) Guidance for Evaluating Cumulative Impacts from Air Toxics
6. Purchase Orders, Contract and Amendments below Regional Council’s Approval Threshold
7. CFO Monthly Report

A MOTION was made (Brown) to approve Consent Calendar Items 1 through 3; and Receive and File Items 4 through 7. Motion was SECONDED (Manos) and passed by the following roll call votes.

**AYES:** Alexander, Allen, Boyer, Brown, Bucknum, Clark, Crosswhite, Denison, Dumitru, Eich, Gabbard, Goodman, Goodsell, Hagman, Harnik, Henderson, Judge, J. Kalmick, Kelley, Krupa, Leon, Lock Dawson, Lopez, Lorimore, Mann, Manos, Marquez, Masiel, McCallon, Meister, Perez, Plancarte, Saleh, Saro, Shapiro, Simonoff, Spiegel, Tye, Wagner, Wong, Wood, and Yokoyama (42)

**NOES:** None (0)

**ABSTAIN:** None (0)

President Hagman acknowledged outgoing members Luis Plancarte, Gary Boyer, Marshall Goodman, Damian Alexander and Immediate Past President Art Brown.

INFORMATION ITEM

8. Southern California Economic Update

President Hagman noted that each year at the Economic Summit, SCAG releases a comprehensive report on the state of the regional economy, created in partnership with a team of economic

experts. He explained that this year, due to scheduling conflicts with multiple holidays during 2024-25, the “2024 Southern California Economic Update” would be presented during the Regional Council meeting. He also indicated that that the presentation would be followed by an in-depth discussion on the state of the economy among Regional Council members.

There were no Public Comments on Item 8.

President Hagman thanked SCAG’s in-house Economic Analysis Team within the Demographics and Growth Vision Business Unit and introduced Kate Gordon, CEO of California Forward, who was invited to moderate the panel presentation and discussion.

Ms. Gordon explained that the analysis included a detailed economic outlook for the region and highlighted that the rebound and growth in sectors such as goods movement, healthcare, and tourism would drive the economy in the coming year. She also noted that SCAG, in collaboration with the team of expert economists, had put together the 2024 Southern California Economic Update report which included a review of the region and its counties in 2024 and an outlook for 2025. She also indicated that SCAG’s economist had also provided short essays on sustainable and equitable economic growth. Ms. Gordon introduced Mark Schniepp, Director of California Economic Forecast, to provide an overview of the regional economy.

Mr. Schniepp discussed the economic performance of the SCAG region in 2024, highlighting above trend growth and a significant increase in job creation, particularly in healthcare, leisure, hospitality, and construction. However, he noted that the tech sector and Hollywood jobs had not yet recovered from layoffs and strikes. He also noted the resurgence of international trade through ports and the growth of tourism. He shared that the largest driver of growth was new development, with numerous large projects underway, including the Brightline West High-Speed Rail, World Logistics Center, and Serrano Commerce Center. He indicated that despite a slight decrease in new housing due to high interest rates, SCAG anticipated a recovery in 2025 and 2026, with many new housing projects already approved or underway. He also provided a quick outlook for 2025 indicating no national recession and that the overhang from the pandemic was fading. He also noted growth in the region would continue in several sectors, and that housing construction and sales would rebound as interest rates got better.

Michael Bracken, Managing Partner and Chief Economist of the Development Management Group Incorporated, provided an overview of Imperial County. Mr. Bracken discussed the importance of Imperial County to the agricultural industry and the potential for significant economic growth from geothermal and lithium extraction facilities.

Shannon Sedgwick, Senior Director of the Institute for Applied Economics for the LA County Economic Development Corporation, provided an overview of Los Angeles County's economic

trends and outlook, and highlighted the challenges of economic inequality, high business costs, and housing affordability. She also discussed the resilience of the labor market, the growth of key sectors such as healthcare and advanced manufacturing, and the need for targeted workforce development and policies to support job creation and upskilling. She also discussed the need for innovation and collaboration to drive sustainable growth and job creation in the region.

Wallace Walrod, Chief Economic Advisor for the Orange County Business Council, discussed the economic performance of Orange County. He highlighted that the county has the lowest unemployment rate, highest median household income, and lowest poverty rate among other counties. However, he also pointed out the issue of workforce housing, with the average median sales price being \$1.4 million and the entry-level housing price being \$1.1 million, which is unaffordable for many residents. He also mentioned several major projects worth \$13 billion dollars that are expected to boost the economy.

Manfred Kyle, the Chief Economist of the Inland Empire Economic Partnership and Claremont McKenna College, provided an overview of Riverside and San Bernardino counties. He noted that the Inland Empire was the 12th largest metropolitan statistical area in the United States and that 20% of its labor force commutes to Los Angeles County. He also mentioned that the Inland Empire has done relatively well in terms of job growth, but the logistics sector has experienced some adjustments. He discussed the outlook for 2025, noting that potential threats to logistics would not occur until 2026. He also highlighted the importance of a cost-benefit analysis for the logistics sector, emphasizing the need to consider both environmental issues and employment benefits.

Mr. Schniepp provided an overview of Ventura County, noting its struggle to keep up with economic growth in other counties but maintaining pace in 2024. He reported that cargo value through the Port of Hueneme was at record levels. He noted that agriculture was a \$2.2 billion industry, and that Ventura County was responsible for the second largest strawberry crop in California. He noted Ventura County continued to struggle because the population has been in decline for about the past 7 years. However, he shared that they were getting more new housing development and perhaps that would stop the outflow. He also noted that because they did not have diverse organic business growth, job creation was going to be limited in 2025. He also shared that high housing costs, coupled with limited job opportunities, were primary factors driving out the population.

David Roland Holst, from Berkeley Economic Advising and Research, presented a report on sustainability in the SCAG economy, emphasizing the need for inclusive and effective education systems and the implementation of minimum wages to address inequality. He also addressed concerns about companies leaving California, stating that the state remains an attractive destination for investors due to its productivity, technology, and innovation. Lastly, the slowing of population growth in California was discussed, with the suggestion that investing in skills and

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productivity could drive economic growth without the need for population increase. He also discussed the challenges of housing affordability in California.

Beth Tamayose, Research Director for the University of California, Riverside School of Public Policy, provided an overview on equity in the SCAG economy, with a particular emphasis on the equity issues surrounding the construction of housing on the urban fringes. She discussed the difficulty of securing insurance for housing, the disproportionate impact of disasters on historically disadvantaged communities, and the need for equitable balancing of resident safety and housing availability.

Ms. Gordon asked a series of questions from the panelist after their county presentations. The potential disruption of federal funds for infrastructure and the impact of tariffs on manufacturing and supply chain growth were also discussed. The panelists agreed that there was a convergence of interest between Washington and Sacramento on the use of natural resources to propel the economy. The discussion revolved around the potential for manufacturing growth, particularly in high tech sectors, and the balance of services. The growth in aerospace and technology sectors, and the need for a balancing act due to criticism about wages in these roles was highlighted. The impact of potential tariffs on trade from Asia, particularly China, was also discussed, noting that some sectors like oil production might not be as affected. Growth in healthcare and manufacturing sectors in Orange County was also mentioned. The importance of innovation and venture capital in California was emphasized, with a focus on AI processes driving the technology sector. The potential for more broad-based participation in the labor market was also discussed, with an emphasis on tech jobs and logistics jobs. The concept of near shoring in Mexico was introduced as a way to bring supply chains closer to the U.S. without being there. The conversation also focused on the economic impacts of climate change on California, particularly in terms of insurance, infrastructure, and affordability. The increasing vulnerability of California to weather events and the significant role of the insurance sector in warning about climate risks was discussed. The group highlighted the wealth effect of homeowners losing access to insurance due to climate-related risks. Equity perspective was emphasized and the impact of extreme heat on low-income workers and the economic consequences of wildfires was noted. The group also discussed the rising costs of electricity, gas, and insurance, which are exacerbating the affordability crisis in the region. There was also discussion on the increasing cost of repairs due to climate change, which is a significant factor in insurance price increases.

The panelist engaged in discussions with the Regional Council regarding immigration and the transition from COVID times to returning to the workforce. The panelists agreed that immigration policy would not significantly impact the economy. The transition to remote work was seen as industry-specific, with tech companies unlikely to return to a 5-day workweek. The panelists also discussed the high construction costs in California, attributing it to increased labor and



transportation costs, as well as CEQA costs. There was discussion on the challenges of obtaining insurance for affordable housing, which was identified as a significant driver for housing costs.

President Hagman thanked the panelist for their presentations.

## 9. Federal Elections Update

Javiera Cartagena, Chief Government and Public Affairs Officer, reported that SCAG had invited their Federal lobbyist, Holland & Knight, to provide a broad overview of the Federal election results, and to discuss what impacts they might expect. She introduced Tom Davis, a partner at Holland & Knight, Leslie Pollner and Lori Hettinger, Senior Policy Advisors at Holland & Knight.

Mr. Davis provided a 2024 Federal election overview of the presidential, senate and house outcomes. He also highlighted the divided government and the challenges it presents, including budget deficits and the expiration of the Trump tax cuts.

Ms. Pollner briefly provided an update on spending cuts for fiscal years 25 and 26. She also noted that the debt ceiling expires in January 2025 and that they were expecting two budget reconciliation packages, with the first package focusing on boarder security and the second package on tax cuts.

Ms. Hettinger discussed the upcoming surface transportation reauthorization and the potential changes in priorities and funding.

Ms. Pollner noted the importance to advocate for SCAG's priorities in the new administration and highlighted key cabinet nominations. She also reported that there was over \$90 billion dollars remaining in the bipartisan infrastructure law for funding. She briefly provided an overview of the Trump administration impacts on transportation and noted that there was an emphasis on American manufacturing and jobs created, public private partnerships, and innovative transportation technology and financing, including P3's. She also expressed that she thought they were going to have to play some defense on some of the key housing programs that mattered because there was going to be a lot of pressure to cut.

Ms. Hettinger noted that with respect to the Trump administration impacts on energy/environment, President Trump and several republican house members and senators had said that they were going to utilize unspent funding from the Inflation Reduction Act to pay for reconciliation. She also noted that under the Trump administration they were probably going to see a smaller budget request for EPA and that there could be some cuts to the clean air programs and environmental justice.

There were no Public Comments on Item 9.

**BUSINESS REPORT**

A presentation on the business report was not provided.

**PRESIDENT’S REPORT**

President Hagman reported that the General Assembly was coming up and members interested in leadership positions should submit their name to the Clerk by January 21, 2025. He also noted that members should submit their name if they were interested in serving on the Scholarship Committee.

He wished everyone a wonderful holiday and Christmas season.

**EXECUTIVE DIRECTOR’S REPORT**

There was no Executive Director’s report.

**FUTURE AGENDA ITEMS**

There were no future agenda items.

**ANNOUNCEMENTS**

There were no announcements.

**ADJOURNMENT**

There being no further business, President Hagman adjourned the meeting of the Regional Council at 2:00 p.m.

[MINUTES ARE UNOFFICIAL UNTIL APPROVED BY THE REGIONAL COUNCIL]

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**AGENDA ITEM 3**

**REPORT**

Southern California Association of Governments  
February 6, 2025

**To:** Executive/Administration Committee (EAC)  
Regional Council (RC)

**EXECUTIVE DIRECTOR'S  
APPROVAL**

**From:** Sarah Miller, Executive Assistant  
(213) 236-1937, miller@scag.ca.gov

**Subject:** SCAG Participation in Vienna Social Housing Field Study: International  
Best Practices in Mixed-Income Housing, April 6-12, 2025

**RECOMMENDED ACTION AT EAC:**

Recommend that the Regional Council approve the travel and participation of Kome Ajise, Executive Director, in the Vienna Social Housing Field Study: International Best Practices in Mixed-Income Housing, April 6-12, and approve an estimated expenditure of approximately \$10,000 to cover incidentals, course registration, and SCAG travel-related costs which will be allocated from SCAG's FY24-25 General Fund Budget.

**RECOMMENDED ACTION AT RC:**

Approve the travel and participation of Kome Ajise, Executive Director, in the Vienna Social Housing Field Study: International Best Practices in Mixed-Income Housing, April 6-12, and approve an estimated expenditure of approximately \$10,000 to cover incidentals, course registration, and SCAG travel-related costs which will be allocated from SCAG's FY24-25 General Fund Budget.

**STRATEGIC PRIORITIES:**

This item supports the following Strategic Priority 1: Establish and implement a regional vision for a sustainable future.

**EXECUTIVE SUMMARY:**

*SCAG's Executive Director, Kome Ajise, was invited to participate in the Global Policy Leadership Academy's (GPLA) series of intensive housing policy field studies in Vienna. The field studies will take place April 6-12, 2025. Mr. Ajise will be joined by leaders from across the state, including state officials, elected officials from various levels of government, and professionals in community planning, resiliency and sustainability, and affordable housing development.*

**BACKGROUND:**

The SCAG Executive Director is a non-voting member of the Los Angeles County Affordable Housing Solutions Agency (LACHASA) which was created by Senate Bill 679 to make housing more affordable and provide more housing options. This trip was organized through LACHASA, and participation would further SCAG's efforts to gain insight into best practices in affordable housing. The trip is

designed to give carefully curated cohorts of local and regional housing policy leaders, practitioners, and changemakers a deep understanding of the Vienna social housing model and how it came to be the most livable city in the world.

Program participants will learn from and engage with GPLA key faculty and a wide diversity of Viennese housing experts to gain firsthand knowledge about this proven model of social housing. Key topics include urban planning, construction, financing, land management, and community engagement.

The exclusive curriculum includes daily lectures, symposia, gatherings, exhibits, field trips, and discussion of topics including:

- The role of government in planning and funding social housing;
- The economics of the Vienna Social Housing Model including rents and incomes served;
- A comparison of affordable housing in the USA to the Vienna Social Housing Model;
- Urban planning and urban design;
- Creating permanent affordability for all;
- Housing subsidies in Vienna; and
- Creating a walkable and bikeable city.

For more information regarding the Vienna Social Housing Field Study, please follow this link: <https://gpla.co/vienna-social-housing-field-study/>

SCAG staff is seeking approval for Mr. Ajise's travel and an estimated expenditure of approximately \$10,000. This amount includes the registration fee of \$7,800 for tuition, accommodations and meals. Additional budget is allocated for flights and ancillary travel expenses.

Per SCAG Travel Policy, foreign travel requires the Regional Council's approval.

**FISCAL IMPACT:**

Expenditures to cover Mr. Ajise's incidentals and travel-related costs will be allocated from SCAG's FY25-26 General Fund Budget.



**AGENDA ITEM 4**

**REPORT**

Southern California Association of Governments  
February 6, 2025

**To:** Executive/Administration Committee (EAC)  
Regional Council (RC)

**EXECUTIVE DIRECTOR'S  
APPROVAL**

**From:** Francisco Barajas, Senior Legislative Affairs Analyst  
(213) 630-1400, barajasf@scag.ca.gov

**Subject:** AB 226 (Calderon & Alvarez) - California FAIR Plan Association

**RECOMMENDED ACTION:**

The Legislative/Communications and Membership Committee (LCMC) recommends a support position for Assembly Bill (AB) 226 (Calderon & Alvarez).

**STRATEGIC PRIORITIES:**

This item supports the following Strategic Priority 2: Be a cohesive and influential voice for the region.

**EXECUTIVE SUMMARY:**

*Assembly Bill (AB) 226 by Assemblymembers Lisa Calderon (D-Whittier) and David Alvarez (D-San Diego) would authorize the California FAIR Plan Association, with approval from the Insurance Commissioner, to request the California Infrastructure and Economic Development Bank (IBank) to issue catastrophe bonds and help finance the costs of insurance claims, increasing claims-paying capacity of the FAIR Plan. At its January 21, 2025, meeting, members of the Legislative/Communications and Membership Committee (LCMC) received a report on the bill. After discussion and deliberation, the LCMC voted to forward a recommendation to the Regional Council (RC) to adopt a "support" position on AB 226 (Calderon and Alvarez).*

**BACKGROUND:**

At the January 2025 LCMC meeting, staff presented AB 226 (Calderon and Alvarez) with a recommendation that the Committee forward a "support" position on the bill to the Regional Council.

**Bill:** AB 226      **Author:** Assemblymembers Lisa Calderon (D-Whittier) and David Alvarez (D-San Diego)

**Title:** California FAIR Plan Association

**Status:** From printer 1/10/25. May be heard in committee February 9.

**Link:** [https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=202520260AB226](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520260AB226)

**Recommendation:** Support

## Background

### *California FAIR Plan*

The California Fair Access to Insurance Requirements (FAIR) Plan Association is an association of all insurance companies licensed by the California Department of Insurance. It exists to provide basic property and casualty insurance in the state as a last resort when individuals are unable to access coverage through the standard insurance market. Created in 1968 following urban riots that made it difficult for commercial property owners in “high-risk” areas to secure insurance coverage, most notably the Watts Riots in Los Angeles, the Plan is not a state agency, nor a public entity, and as such there are no public or taxpayer funds involved.

Since its inception, the FAIR Plan has grown beyond its original intent. While enacted to cover urban commercial property, it was subsequently expanded to provide residential coverage in designated brush fire regions of the state, and finally, expanded once more to cover the entire state following the Northridge earthquake in 1994.

As insurers have increasingly declined to provide new coverage or renew existing policies, more Californians have turned to the FAIR Plan for basic property coverage. As of September 2024, the FAIR Plan’s total exposure is \$458 billion, reflecting a 61.3% increase since September 2023, as a result of a 41% increase in total number of FAIR Plan policies. Concurrently, the cap for total coverage has grown as well. Today, FAIR Plan policies are capped at \$3.3 million for residential properties and \$20 million per structure for commercial properties. These numbers are beyond what the FAIR Plan was created to handle, putting its ability to pay claims at risk.

Under the existing structure, were there to be a catastrophic event in an area where the FAIR Plan is heavily concentrated and the Plan had insufficient funds to pay claims, it would then have the ability, with permission from the Insurance Commissioner, to assess the admitted market, which acts as a financial backstop to the FAIR Plan in case of an emergency. As previously mentioned, the FAIR Plan’s total exposure has grown to \$458 billion as of September 2024. In a hearing before the Assembly Insurance Committee held on Wednesday, March 13, 2024, FAIR Plan President Victoria Roach testified that the Plan had a \$200 million surplus and \$2.5 billion in reinsurance (a type of insurance for insurers) at its disposal to pay claims after a catastrophic wildfire. To put this amount into perspective, she warned that the program could potentially face \$6 billion in claims if the state experienced a wildfire as damaging as the 2018 Camp Fire, which destroyed 18,000 buildings. To meet that gap, the FAIR Plan would have to conduct an assessment on its members, which would only exacerbate the challenges being faced by the private insurance industry.

### *California Infrastructure and Economic Development Bank (IBank)*

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Per its website, IBank “was created in 1994 to finance public infrastructure and private development that promote a healthy climate for jobs, contribute to a strong economy, and improve the quality of life in California communities. IBank has broad authority to issue tax-exempt and taxable revenue bonds, provide financing to public agencies, provide credit enhancements, acquire or lease facilities, and leverage State and Federal funds.”

*Governor Newsom Executive Order (EO) N-13-23*

On September 21, 2023, Governor Newsom issued an Executive Order directing the Insurance Commissioner to “maintain the solvency of the FAIR Plan to protect its policyholders and promote long-term resiliency in the face of climate change, including by identifying mechanisms to reduce its share of the overall market in underserved areas and move its customers into the admitted insurance market.”

Analysis

AB 226, sponsored by the California Building Industry Association, authorizes the FAIR Plan to request the IBank to issue bonds if the FAIR Plan faces liquidity challenges in the event of a major catastrophe such as a wildfire. At a press conference held on Thursday, January 9, 2025 Assembly Speaker Robert Rivas noted the legislation would help alleviate uncertainty around the FAIR Plan’s ability to pay back claims in light of the ongoing wildfires in Southern California, marking this specific bill as the first of many steps the Assembly will be taking this legislative session.

AB 226 is a reintroduction of AB 2996 (Alvarez, 2024), an identical bill that failed to pass the Senate last year. The following entities had adopted a “support” position for AB 2996 as of August 23, 2024:

- California Building Industry Association (source)
- Abundant Housing LA
- Apartment Association of Greater Los Angeles
- Bay Area Council
- Boma California
- California Apartment Association
- California Association of Community Managers
- California Association of REALTORS
- California Association of Winegrape Growers
- California Bankers Association
- California Business Properties Association
- California Business Roundtable

- California Chamber of Commerce
- California Farm Bureau Federation
- California Mortgage Bankers Association
- Community Associations Institute – California Legislation Action Committee
- Habitat for Humanity California
- Housing Action Coalition
- Housing Trust Silicon Valley
- Independent Insurance Agents & Brokers of California, INC.
- Institute of Real Estate Management (IREM)
- NAIOP of California, the Commercial Real Estate Development Association
- NFIB
- Orange County Business Council
- Southern California Leadership Council
- Spur
- The Two Hundred
- Yimby Action

Further, Resolution No. 24-668-5, included as an attachment in this report, was passed, approved, and adopted by SCAG on November 7, 2024. The resolution requests the California Insurance Commissioner, State Legislature, and Governor take emergency action to strengthen and stabilize California’s marketplace for residential and commercial property insurance, recognizing, among other findings, that the “collapsing admitted-provider market has caused steadily increasing enrollment in the FAIR Plan over the past five years, threatening the ongoing stability of the plan, putting even this safety net at dire risk,” and asking that, in their actions, they consider maintaining “the solvency of the FAIR Plan to protect its policyholders and promote long-term resiliency in the face of extreme weather events...”

#### Recommendation

AB 226 (Calderon and Alvarez) was brought to SCAG staff’s attention by SCAG’s advocate in Sacramento, Cruz Strategies, and SCAG’s Business Ex-Officio Member on the Regional Council, Lucy Dunn, shortly following its introduction. Upon conducting an analysis, SCAG staff brought the bill to the LCMC at their meeting on January 21, 2025, with a recommendation for “support.” Following deliberations, the LCMC voted to forward a “support” recommendation to the Regional Council (RC).

#### **FISCAL IMPACT:**

Work associated with the staff report on AB 226 (Calderon and Alvarez) – California FAIR Plan Association is contained in the Indirect Cost budget, Legislation 810-0120.10.





**ATTACHMENT(S)**

1. Resolution No. 24-668-5 Residential and Commercial Property Insurance
2. AB 226 (Calderon and Alvarez) Coalition Letter\_01.15.25



RESOLUTION NO. 24-668-5

A RESOLUTION OF THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) REQUESTING THE CALIFORNIA INSURANCE COMMISSIONER, STATE LEGISLATURE, AND GOVERNOR TAKE EMERGENCY ACTION TO STRENGTHEN AND STABILIZE CALIFORNIA'S MARKETPLACE FOR RESIDENTIAL AND COMMERCIAL PROPERTY INSURANCE.

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

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County of San Bernardino

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Tim Sandoval, Pomona

WHEREAS, the Southern California Association of Governments (SCAG) is the Metropolitan Planning Organization for the six-county region consisting of Los Angeles, Orange, San Bernardino, Riverside, Ventura, and Imperial counties, serving approximately 19 million people within 197 jurisdictions pursuant to 23 USC § 134 et seq. and 49 USC § 5303 et seq.; and;

WHEREAS, SCAG is responsible for bringing Southern California's diverse residents and local partners together with unifying regional plans, policies, and programs that result in healthy, livable, sustainable, and economically resilient communities; and

WHEREAS, in 1988, California voters enacted Proposition 103, which established a robust set of consumer protections designed to keep insurance rates fair and affordable and to ensure a competitive marketplace; and

WHEREAS, last year, two of the State's largest insurance carriers, representing over 27 percent of the admitted insurance market in California, announced they would stop issuing new homeowners and commercial property insurance policies in California; several others, representing more than another 36 percent of the market, announced plans to limit new policy origination; and

WHEREAS, the reduction of insurance options in the State has a direct negative effect on consumer access to coverage: in all parts of the State, homeowners, rental properties, business owners, and farmers are now unable to obtain new insurance policies from the admitted insurance market; and

WHEREAS, access to insurance allows existing homeowners to protect what is for many their largest and most important asset, and empowers homebuyers to secure a mortgage for a home that can build generational wealth, but a scarcity of options may freeze real estate transactions and slow or stop the rate of new housing development, including attached dwelling units like affordable housing projects, apartments, and condominiums, exacerbating the State's critical housing shortage; and

WHEREAS, scarcity of affordable insurance options for rental property owners will also disproportionately impact vulnerable populations and worsen access to affordable housing; and

**WHEREAS**, Californians who cannot obtain coverage from the admitted market are forced to apply for protection through the California Fair Access to Insurance Requirements (FAIR) Plan, a state-established risk pool intended to operate as California’s insurer of last resort providing temporary coverage as consumers pursue insurance in the traditional market; and

**WHEREAS**, the collapsing admitted-provider market has caused steadily increasing enrollment in the FAIR Plan over the past five years, threatening the ongoing stability of the plan, putting even this safety net at dire risk; and

**WHEREAS**, policy decisions have placed Californians’ homes and businesses at risk of catastrophic loss that can only be prevented by stabilizing the residential insurance and commercial property insurance markets while providing rates that remain fair and affordable to consumers, and maintaining the ongoing viability of the FAIR Plan, which provides a vital safety net to Californians whose policies are nonrenewed and to homebuyers who cannot secure a mortgage without insurance; and

**WHEREAS**, the California Insurance Commissioner has released draft regulations to address this immediate crisis but the Little Hoover Commission hearing on March 28, 2024, reports that reforms “will not go into effect until at least 2026, and it may take a few years after that for the market to react...this timeline, of course could be delayed further if lawsuits by any party, including insurers or consumers, were to occur”; and

**WHEREAS**, the California Insurance Commissioner has broad authority under the Insurance Code to adopt emergency regulations to promote the public welfare, including under sections 1861.01, 1861.05, and 1861.055 to adopt emergency regulations governing the prior approval process for insurance rate change applications, and to adopt emergency regulations under section 11346.1 of the Government Code and section 12921.7 of the Insurance Code.

**NOW, THEREFORE, BE IT RESOLVED, BY THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS, as follows:**

**Section 1.** The Insurance Commissioner, State Legislature, and the Governor are requested to declare a state of emergency and take immediate emergency regulatory and legislative action to strengthen and stabilize California’s marketplace for residential insurance and commercial property insurance. The Commissioner, Legislature, and Governor must consider the following goals in crafting an appropriate regulatory response:

- a. Expand coverage choices for all consumers, particularly in underserved areas of the State.
- b. Improve the efficiency, speed, and transparency of the California Department of Insurance’s rate approval process.
- c. Tailor the rate approval process to account for all factors necessary to promote a robust, competitive insurance marketplace, including through potential revisions to the way catastrophe risks, reinsurance costs, and other legitimate insurer costs are accounted for.

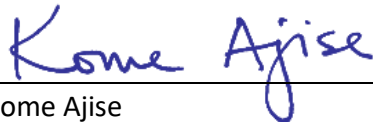
- d. Maintain the long-term availability of residential and commercial property insurance coverage.
- e. Maintain the solvency of the FAIR Plan to protect its policyholders and promote long-term resiliency in the face of extreme weather events, including by identifying mechanisms to reduce its share of the overall market in underserved areas and move its customers into the admitted insurance market.

**PASSED, APPROVED AND ADOPTED** by the Regional Council of the Southern California Association of Governments at its regular meeting this 7<sup>th</sup> day of November, 2024.



Curt Hagman  
President, SCAG  
County of San Bernardino

Attested by:



Kome Ajise  
Executive Director

Approved as to Form:



Jeffery Elder  
Chief Counsel



January 15, 2025

Honorable Lisa Calderon, Chair  
 Assembly Insurance Committee  
 1020 N Street, Room 369  
 Sacramento, CA 95814

**RE: AB 226 (Calderon and Alvarez) California FAIR Plan Association – SPONSOR/SUPPORT**

Dear Chair Calderon:

We, the undersigned, are business consumers that are currently facing real challenges in finding affordable and available commercial and residential insurance to provide insurance coverage for our business operations in California. This problem is growing in magnitude daily and is adding substantial increases in costs to our business operations that are being directly born by us and our customers. In some cases, the increase in costs is so prohibitive, we may need to cease our business operations altogether until this insurance crisis issue is more fully addressed.

AB 226 (Calderon and Alvarez), as introduced, is a positive first step in addressing the current crisis we are facing as consumers in California in securing more affordable insurance for our business operations. AB 226 will ensure that the Fair Access to Insurance Requirement Plan (FAIR Plan) has additional tools to ensure it has a greater claim paying capacity and is more resilient as a result of the major catastrophic events that are occurring in Southern California and will assist the admitted insurance market in hopefully returning to normal, and competition and consumer choices are once again made available.

AB 226 authorizes the FAIR Plan to secure bond funds from the California Infrastructure and Economic Development Bank (IBank). These bonds can provide an immediate cash infusion into the FAIR Plan to ensure that smaller admitted insurers do not have to immediately pay assessments to the FAIR Plan and go bankrupt to backfill the FAIR Plan; and larger insurers deplete their surplus to pay for the post-disaster FAIR Plan assessments. **AB 226 is labeled “fiscal” only because if bonds are issued it will result in additional revenues being deposited into the California Infrastructure and Economic Development Bank Fund, but there are no General Fund costs to implement this measure.**

Without AB 226, under current California law, there is no mechanism for insurers to immediately address these assessments, and their only option to reduce exposure is to non-renew existing policies (Some insurers

have already started non-renewing policies due, in part, to the FAIR Plan exposure.). To ensure financial stability of the FAIR Plan, AB 226 would authorize the FAIR Plan to request IBank issue bonds and levy special bond payment assessments upon member insurers (not consumers). This will allow for a more gradual repayment process of the IBank loan over a period of time (normally 10 years). Under current law, insurers must pay FAIR Plan assessments within 30 days.

**For the California Building Industry Association**, the insurance crisis is putting thousands of new condominium units on hold from being constructed throughout the state of California until a more affordable and practical commercial insurance market can be created. Condominium homes are the most affordable and attainable first-time home buyer product in California.

**For the California Association of REALTORS®**, the FAIR plan remains a vital piece of California’s insurance market, and its continued viability is crucial to the ability of California’s homeowners to protect their most valued asset: their homes.

**California Farm Bureau members work and live in regions of the state** often directly impacted by the wildfire risks, driving insurers out of the state and driving their members into the FAIR Plan. Without belaboring the irony that farms and ranches provide natural mitigation to these very risks, the reality is that the lack of access to affordable, comprehensive insurance will force farms out of production.

**Independent agents and brokers have been severely harmed by the continuing crisis of availability in property insurance.** They are struggling financially, and emotionally, because they can’t procure suitable insurance coverage to help their policyholders and neighbors adequately protect their homes and businesses.

Because the FAIR Plan is growing at an alarming and unsustainable rate, AB 226 has an urgency clause to ensure that it can immediately assist with addressing the horrific fires that have occurred in Southern California, which could impair the FAIR Plan and then cascade down to the entire homeowners and commercial insurance market. This would have a crushing impact on the entire insurance market and California’s insurance consumers.

Sincerely,

- Dan C. Dunmoyer, President and CEO, California Building Industry Association
- Sanjay Wagle, Sr. Vice President of Government Affairs & Chief Lobbyist, California Association of REALTORS®
- Debra Carlton, Executive Vice President of State Government Affairs, California Apartment Association
- Tom Freeley, President & CEO, California Association of Community Managers
- Jill Epstein, CEO, Independent Insurance Agents and Brokers of California
- Michael Miiller, Director of Government Relations, California Association of Winegrape Growers
- Peter Ansel, Senior Policy Advocate, California Farm Bureau Federation
- Indira McDonald, KP Public Affairs, on behalf of California Mortgage Bankers Association
- Matthew Hargrove, President & Chief Executive Officer, California Business Properties Association, and BOMA California, NAIOP California, IREM California
- Jeff Ball, President/Chief Executive Officer, Orange County Business Council
- Mike Roos, President, Southern California Leadership Council
- Sara Catalán, Executive Director, Orange County Taxpayers Association

- cc Assembly Member David Alvarez
- Members, Assembly Insurance Committee
- Josephine Figueroa, Deputy Commissioner and Legislative Director
- Kathleen O’Malley, Chief Consultant, Assembly Insurance Committee
- Bill Lewis, Consultant, Assembly Republican Caucus



**AGENDA ITEM 5**

**REPORT**

Southern California Association of Governments  
February 6, 2025

**To:** Executive/Administration Committee (EAC)  
Regional Council (RC)

**EXECUTIVE DIRECTOR'S  
APPROVAL**

**From:** Javiera Cartagena, Chief Government and Public Affairs Officer  
(213) 236-1980, cartagena@scag.ca.gov

**Subject:** 2025-26 State Legislative Platform Update

**RECOMMENDED ACTION:**

Approve.

**STRATEGIC PRIORITIES:**

This item supports the following Strategic Priority 2: Be a cohesive and influential voice for the region.

**EXECUTIVE SUMMARY:**

*After the November 2025 General Elections, the State Legislature reconvened on January 6, 2025. Since the new Legislative Session has officially started with a plethora of new Senators and Assemblymembers, the Legislative/Communications and Membership Committee (LCMC) recommends a comprehensive update to SCAG's adopted 2024 State Legislative Platform. While the State and Federal Platforms have typically been presented together for adoption in the past, the LCMC approved the State Platform as a standalone item, as the Federal Platform requires further development due to the plethora of issues at the federal level. Thus, the Federal Platform will be included on the agenda of a future Regional Council (RC) meeting.*

*The LCMC unanimously approved the 2025-26 State Legislative Platform on January 21, 2025. The new Platform contains various updates to the adopted 2024 State Platform to remove redundancies and improve conciseness and be consistent with the Agency's work on Connect SoCal, newly implemented laws, and other changes to the landscape under which SCAG operates. These recommendations include modifications recommended by the SCAG Planning Department staff.*

*The draft Platform is now being presented to the Executive/Administration Committee (EAC) and RC for review and final adoption at their February 2025 meetings. If approved by the RC, staff will immediately work to advance these priorities in 2025.*

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**BACKGROUND:**

With the first half of the two-year 2025-2026 California Legislative Session having kicked off on January 6, 2025, staff recommends a wholesale comprehensive update to the adopted 2024 State Legislative Platform. While in the past, the State and Federal Platforms were submitted for approval concurrently, this year, additional time is needed for the Federal Platform to ensure that our federal priorities adequately capture SCAG's needs while aligning with the priorities of the new Presidential Administration, as well as of the plethora of new members of our Southern California Congressional Delegation. Further, the federal government is gearing up to pass a new Surface Transportation Reauthorization bill to update the funding and policy framework for surface transportation programs. Thus, staff is working to finish developing the Agency's federal priorities and anticipates bringing the 2025-26 Federal Platform for approval at the February LCMC and final adoption at the March RC.

As part of this update, Legislation Department staff conducted an internal review to make the platform much more concise by removing redundant priorities while combining or broadening priorities that already captured the Agency's priorities for that issue area. Staff also sought to make the platform more durable, and we are now recommending that the LCMC and RC adopt this new platform to be in effect in 2025 and 2026. After conducting an internal review, the Legislation Department reached out to all SCAG planning departments to identify improvements and updates to the platform in response to new and emerging issues.

In addition to internal review from SCAG staff, the Legislation Department presented the platform to various stakeholders, including at the meeting of the Sub-Regional Executive Directors in the SCAG region and the Southern California Legislative Roundtable, with legislative staff from the County Transportation Commission. Additionally, SCAG collaborated with legislative staff from stakeholders in or representing Southern California, such as the Ontario and Santa Ana airports, the California Transit Association, and Coalition for America's Gateways and Trade Corridors, among others.

After gathering and compiling feedback from internal and external groups, staff presented the 2025-26 State Legislative Platform Update to the January LCMC with the recommendation to approve it. The LCMC unanimously approved the item, so now the EAC and RC may choose to adopt the platform at their February 2025 meeting.

The proposed changes are summarized below.

**2025-26 STATE LEGISLATIVE PLATFORM UPDATES**

The most prominent changes are to the visual presentation of the platform. The platform represents an initial attempt to align the Legislative Platform with Connect SoCal explicitly. While the priorities in the Legislative Platforms typically do already align with Connect SoCal, the sub-headers (e.g., Active Transportation, Project Streamlining, Building Resilience) have been



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reorganized to demonstrate which of the four Connect SoCal Pillars (Mobility, Communities, Environment, and Economy) that they fall under. Thus, many sub-headers are now in new spots in the platform under their respective pillars.

### Mobility

The Active Transportation section calls for supporting legislation that increases funding for Active Transportation and facilitates the development of Complete Streets, which aims to provide a safe multi-modal network.

The Congestion Reduction section expresses support for dedicated funding for transportation demand management (TDM), especially as it relates to preparing for major events, such as the World Cup and the 2028 Olympics. This section also expresses support for specific and innovative TDM strategies, such as cordon pricing systems.

The Transit & Rail section expresses support for flexible transit funding for projects, operations, and maintenance, as well as funding to be allocated for transit-oriented communities, mixed land uses, and green streets strategies. Further, it expresses support for Mobility as a Service, funding to improve transit operations and reliability, safety, and coordinated transportation and land use planning.

The Transportation Funding section expresses the need to protect Senate Bill 1 revenues from being used for purposes other than transportation and minimize restrictions on funding sources. It also expresses support for regional equity considerations for transportation funding and greater efficiencies related to the Transportation Development Act.

The Transportation Safety section expresses support for tools and funding for Vision Zero and increased coordination between all levels of government to advance safer roadways while reducing greenhouse gas emissions.

### Communities

The Affordable Housing & Housing Production section expresses support for new incentives, tools, and funding for housing programs, including the Regional Early Action Planning program and the restoration of tax increment financing. It also supports coordination and flexibility with the Department of Housing and Community Development to realize shared housing goals, including fairness and transparency in the Regional Housing Needs Assessment process.

The Project Streamlining section expresses support for the California Environmental Quality Act streamlining and reforming Senate Bill 743's vehicle miles traveled analysis provisions.

The Racial Justice section maintains a provision from the last platform expressing support for legislation that reverses the effects of inequitable policies, programs, and practices, including support for the Reconnecting Communities Program.

#### Environment

The Building Resilience section expresses support for extending the state's landmark Cap-and-Trade program, a key funding source to implement SCAG's Sustainable Communities Strategy, as well as equitable allocation of Cap-and-Trade funding for the SCAG region through the Greenhouse Gas Reduction Fund. It also expresses support for reforming SB 375 (Steinberg, 2008), funding for carbon sequestration, sustainable and equitable land use and development, and climate vulnerability assessments. Also, this section now includes support for funding for local governments to help communities recover from wildfires and other natural disasters.

The Water section expresses support for an "all of the above" approach to the State's drought and water shortage emergency, as well as legislation that facilitates building, maintaining, and operating water infrastructure. This section also supports funding to increase water affordability, flexibility for state resources to support integrated planning for water resources, and nature-based solutions for addressing water issues.

#### Economy

The Broadband Access section supports legislative efforts prioritizing funding for broadband planning and infrastructure, particularly for low-income and rural communities.

The Economic Development section expresses support for identifying funding sources for economic, education, and workforce development. It also expresses support for the establishment of a California State University Campus in the Coachella Valley and a University of California (UC) hospital related to the UC Riverside School of Medicine.

The Freight and Goods Movement section expresses support for increased Trade Corridors Enhancement Program (TCEP) funding and opposition to efforts to reprioritize funding for non-freight-related purposes. It also expresses support for creating programs to improve freight mobility, establish public-private partnerships, and increase goods movement efficiency.

The Technology & Data section expresses support for funding that supports electric and alternative vehicle planning, permit streamlining, purchases, and charging/refueling infrastructure while considering a life-cycle approach. It also expresses support for funding Smart Cities, including emerging technology, coordinated data collection and sharing, more efficient usage of water and energy resources, and safer roadways.

Miscellaneous

The Government Efficiency section maintains support for modernizing and reforming the Brown Act.

Prior Committee Action

Staff included the draft 2025-26 State Legislative Platform as an action item on January 21, 2025, and provided a presentation. After hearing the presentation, members of the LCMC provided brief feedback regarding the priority related to establishing a California State University (CSU) in the Coachella Valley and a University of California (UC) hospital linked to the UC Riverside School of Medicine. The Committee voted unanimously to forward the 2025-26 State Platform for the EAC and RC with a recommendation to approve. Staff included minor updates to the 2025-26 State Platform to address feedback from the LCMC.

**FISCAL IMPACT:**

Work associated with the 2025-26 State Legislative Platform staff report is contained in the Indirect Cost budget, Legislation 810-0120.10.

**ATTACHMENT(S):**

1. 2025-2026 State Legislative Platform



SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS  
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# 2025-26 STATE LEGISLATIVE PLATFORM

## SCAG’s Legislative Program

SCAG maintains a State and Federal Legislative Program, which includes the Regional Council’s positions on policies and legislative initiatives related to SCAG’s core planning and policy areas—transportation, air quality, freight/goods movement, housing, environmental impact, sustainability, and economic recovery and job creation—and that need the leadership and support of the California State Legislature and Congress to resolve challenges facing the SCAG region.

SCAG’s legislative efforts are the product of a committee process whereby the agency’s Legislative/Communications and Membership Committee, comprising elected officials from throughout the region, identifies and recommends specific legislative action for consideration by the Regional Council concerning state and federal legislation affecting the SCAG region.

The following state legislative principles for 2025-26 encompass SCAG’s broad, policy-oriented objectives, which build upon long-standing, Regional Council-adopted policies.

## Policy Statement

SCAG works in partnership with the state on locally tailored solutions to address issues of regional and statewide concern.

Because of the SCAG region’s rich diversity, one size rarely fits all. With more than 150 city councilmembers, mayors, and county supervisors serving on SCAG’s Regional Council and policy committees, the nearly 19 million people of the SCAG region deserve to be represented at the local level with the best solutions to pressing public policy issues made in collaboration with the elected officials closest to the people.

SCAG supports legislative efforts that provide funding, resources, and tools that help our region’s 191 cities, six counties, six county transportation commissions, and other member and partner organizations implement locally tailored solutions that address specific needs and meet statewide policy goals. We support efforts that leverage local knowledge from lived experiences.

The guiding ethos of the principles that follow reflect SCAG’s belief that local levels of governments need additional tools and resources to achieve the positive outcomes associated with the policy goals the region shares with the state. These principles also support and reinforce the Connect SoCal 2024 Regional Transportation Plan/Sustainable Communities Strategy, which the SCAG Regional Council unanimously adopted in April 2024. Connect SoCal 2024 identifies policy priorities and implementation strategies to further our goals within the four pillars of Mobility, Communities, Environment, and Economy.

Attachment: 2025-2026 State Legislative Platform (2025-26 State Legislative Platform Update)

# Mobility

## ACTIVE TRANSPORTATION

1. Support legislation that increases funding for the state's Active Transportation Program to provide resources needed to implement the active transportation strategies in Connect SoCal.
2. Support legislation that facilitates development of complete streets, safe multi-use public rights-of-way, and street networks for people of all ages and abilities using a variety of modes (e.g., walking, biking, rolling, driving, taking transit).

## CONGESTION REDUCTION

3. Support new sources of dedicated funding for transportation demand management programs and strategies at the regional, county, and local levels, especially to help regions prepare for major events, such as the 2026 World Cup and the 2028 Summer Olympic and Paralympic Games.
4. Support local pilot programs and funding mechanisms that employ innovative transportation strategies, such as congestion or cordon pricing systems, to reduce congestion and improve mobility while promoting equity.

## TRANSIT & RAIL

5. Support legislative efforts that allow transit operators more flexibility in using funding transit projects, operations, and maintenance.
6. Support legislation that implements mobility hubs and mobility as a service to enable more seamless mobility.
7. Support legislation that advances public transit frequency, reliability, and fare and scheduling integration across operators. This may include legislation that supports the extension of public transit projects—such as new bus rapid transit, dedicated bus lanes, express bus service on managed and express lanes, and transit signal priority treatments.
8. Support legislation that improves safety and security for transit riders and operators.
9. Support legislation that advances coordinated transportation and land use planning, such as residential development along high-frequency transit corridors and around public transit facilities and centers.
10. Support efforts that fund transit-oriented communities, mixed-use development, green streets strategies to reduce extreme heat and emissions exposure, and safe streets to allow people of all ages and abilities to maximize opportunities for active lifestyles, access essential services, and use transit or non-motorized transportation options.

## TRANSPORTATION FUNDING

11. Protect all existing and new transportation funding sources, especially Senate Bill 1 (Beall, 2017) revenues, from borrowing and use for any purpose other than transportation and minimize restrictions on funding sources so regional agencies can address local needs while achieving state and federal goals.

12. Support regional equity considerations for any funding source to ensure Southern California receives its fair share of funding based on population, opportunity, and other quantifiable measures corresponding with the funding source.
13. Support the development of greater efficiencies for the California Transportation Development Act while streamlining and updating performance metrics relating to farebox recovery.

## TRANSPORTATION SAFETY

14. Work with the state and local partners to identify new tools and funding mechanisms to strengthen safety outcomes and achieve the region's overarching safety goals (Vision Zero and Toward Zero Deaths) and targets, especially for communities most impacted by high concentrations of serious and fatal crashes.
15. Work with local, state, and federal partners to advance safer roadways, including reduced speeds, to achieve zero deaths and reduce greenhouse gas emissions.

## Communities

### AFFORDABLE HOUSING & HOUSING PRODUCTION

1. Support legislation that would provide new incentives, tools, and ongoing funding and expand housing programs that fund construction and development of housing and housing-supportive infrastructure, such as the Infill Infrastructure and Regional Early Action Planning grant programs, consistent with Connect SoCal 2024's growth patterns, while preserving local authority to address housing production, affordability, and homelessness challenges.
2. Support restoration and expansion of tax increment tools to build affordable housing stock, support community and economic development, improve public transit, adapt to a changing climate, and reduce greenhouse gas emissions. Incentivize collaboration among potentially impacted jurisdictions by sharing net proceeds from future tax increment financing districts and emphasize tax increment as a public financing tool that does not increase taxes to residents.
3. Support legislation that would increase coordination and flexibility between the California Department of Housing and Community Development and local jurisdictions to realize shared housing production goals, particularly for the development and implementation of local housing elements as well as advancing fairness and transparency of the Regional Housing Needs Assessment (RHNA) program.
4. Advocate for specific opportunities that allow cities and counties to equitably and collaboratively share or trade RHNA allocations as a tool to facilitate effective planning for, and development of, housing.
5. Support legislative efforts that provide funding to build transit-oriented communities and resilient development, as well as mixed land uses and green streets strategies consistent with Connect SoCal 2024, to accelerate housing production while reducing emissions and promoting safe streets for all transportation modes.
6. Support efforts to expand access to homeownership, particularly for first-time homebuyers and communities of color.

## PROJECT STREAMLINING

7. While underscoring our support for environmental protection, support California Environmental Quality Act (CEQA) reform to expedite and streamline project development and delivery, especially for transportation, transit-oriented, infill, and housing projects.
8. Support efforts to improve the implementation of Senate Bill 743's (Steinberg, 2013) vehicle miles traveled (VMT) analysis provisions, including a) more comprehensive CEQA guidance for quantifying VMT mitigation measures, b) determining whether a specific mitigation action independently serves to decrease VMT (i.e., additionality), c) assessing (and accounting for) any unintended consequences on housing development, d) implementing regionally-based VMT mitigation mechanisms, and e) establishing project-specific design considerations to reduce VMT within the context of the state's unique and diverse landscapes.

## RACIAL JUSTICE

9. Recognizing that systemic racism continues to create barriers to success for people of color, support legislative efforts and programs, such as the Reconnecting Communities Program, which reverse the effects of inequitable policies, processes, programs, and practices and empower communities disproportionately impacted by climate change to address the legacy and impact of past planning decisions in the region.

## Environment

### BUILDING RESILIENCE

1. Support transparency, sufficient allocation, and equitable distribution to the SCAG region of Greenhouse Gas Reduction Fund resources commensurate with the region's responsibility and opportunity in meeting the state's overall greenhouse gas (GHG) reduction goals.
2. Support the extension of California's landmark cap-and-trade program, a key element of state and regional efforts to reduce GHGs by providing funding to implement Connect SoCal 2024.
3. Support legislation that would implement improvements to Senate Bill 375 (Steinberg, 2008) to focus on achievable actions that will reduce greenhouse gas emissions and greater consistency between regional and state GHG reduction strategies and the Regional Housing Needs Assessment process.
4. Support new funding sources for implementation and demonstration projects that increase and quantify the carbon sequestration potential and resilience benefits of natural and agricultural lands.
5. Support funding opportunities that foster sustainable and equitable land use and development across the SCAG region—including local and regional climate adaptation, mitigation, and resilience initiatives.
6. Support legislation to fund climate vulnerability assessments for infrastructure planning and delivery for implementing agencies.
7. Support legislation and funding that provide resources for local governments to assist displaced residents and help communities recover from wildfires, earthquakes, and other natural disasters.

## WATER

8. Support an “all of the above” approach to the state’s drought and water shortage emergency, including: a) improving water efficiency and reuse, b) enhancing water systems’ health and resilience, c) developing new water supply and storage, and d) supporting investments in water infrastructure, efficiency, and conservation practices that support the region’s economic and population growth and foster planning for the region’s housing needs identified in Connect SoCal 2024.
9. Support legislative efforts that reduce barriers and create efficiencies to development and provide increased resources for water infrastructure, including investments in repairs, modernization, storage, and enhancements to the region’s aging water infrastructure that can serve the Southern California region’s needs and ensure effectiveness, efficiency, and resiliency of the region’s water systems.
10. Support programs and state and federal investments that increase water affordability for low-income customers. Support the distribution of federal funds at the state level through an equity lens, such that Southern California communities receive their fair share of funding based on population, opportunity, and other quantifiable measures.
11. Support additional flexibility in the use of state resources to support integrated planning and technical assistance from metropolitan planning organizations for water resources and associated infrastructure, transportation, land use, energy, stormwater, and air quality.
12. Support legislation that increases funding for nature-based solutions, which would provide the resources necessary to implement climate resilience and natural and agricultural land preservation strategies in Connect SoCal 2024.

## Economy

### BROADBAND ACCESS

1. Support legislative efforts to prioritize additional funding and resources and support broadband infrastructure, particularly in low-income and rural areas, to bridge the digital divide and integrate broadband, land use, and transportation planning to support intelligent transportation systems.

### ECONOMIC DEVELOPMENT

2. Identify new and ongoing funding sources for economic, educational, and workforce development centered on inclusive growth, support for small businesses, family-supporting jobs, access to capital, entrepreneurship.
3. Support the establishment of a new California State University campus in the City of Palm Desert (Coachella Valley) and University of California (UC) hospital related to the UC Riverside School of Medicine to improve health outcomes and increase educational and economic opportunities in the SCAG region.

### FREIGHT & GOODS MOVEMENT

4. Recognizing both the pivotal role that the SCAG region plays in domestic and international trade and, consequently, the disproportionate impacts carried by Southern California, support increased funding to the Trade Corridors Enhancement Program (TCEP) and oppose efforts to reprioritize funding for



non-freight related purposes to ensure the region can preserve and maintain key regional goods movement corridors.

5. Support the creation of programs designed to assist in leveraging technology and data to improve freight mobility, establish public-private partnerships, increase goods movement efficiency independently and through shared-use corridors, reduce harmful emissions, mitigate negative impacts on disadvantaged communities, and address shifting consumer behaviors (e.g., e-commerce).
6. Preserve the legislative intent of TCEP to support freight movement, not mitigate passenger vehicle miles traveled (VMT).

## TECHNOLOGY & DATA

7. Support legislation and funding that enables electric and alternative fuel vehicle planning, permit streamlining, purchases, and charging and refueling infrastructure, as well as new technologies and innovations in the state transportation system that improve accessibility, efficiency, safety, and capacity while reducing environmental impacts and mitigating the impact to the power grid.
8. Support funding for smart cities, including pilot projects to implement smart cities at the local level, emerging technology, and coordinated data collection and sharing to reduce greenhouse gas and VMT impacts, utilize water and energy resources more efficiently, and create safer roadways and highways.
9. As zero-emission and alternative fuel vehicles and supporting infrastructure are deployed, including but not limited to electric, hydrogen, and natural gas, advocate for policies that take a life-cycle approach. Support policies and plans for electric vehicles that consider life-cycle analysis and prioritize proper battery reuse, recycling, and disposal.

## Miscellaneous

### GOVERNMENT EFFICIENCY

1. Support legislative efforts to modernize the Ralph M. Brown Act to increase public participation, keep up with emerging technology, and allow local government agencies flexibility in conducting official meetings through virtual format as well as omit the time-consuming "Roll Call" process while maintaining the existing practice of recording and publishing votes for public review.



**AGENDA ITEM 6**

**REPORT**

Southern California Association of Governments  
February 6, 2025

**To:** Executive/Administration Committee (EAC)  
Regional Council (RC)

**EXECUTIVE DIRECTOR'S  
APPROVAL**

**From:** Javiera Cartagena, Chief Government and Public Affairs Officer  
(213) 236-1980, cartagena@scag.ca.gov

**Subject:** SCAG Memberships and Sponsorships

**RECOMMENDED ACTION:**

Approve up to \$60,000 for memberships with 1) the Southern California Leadership Council (\$20,000), 2) Mobility 21 (\$25,000), and 3) Eno Center for Transportation (up to \$15,000).

**STRATEGIC PRIORITIES:**

This item supports the following Strategic Priority 2: Be a cohesive and influential voice for the region.

**EXECUTIVE SUMMARY:**

*At its January 21, 2025, meeting, the Legislative/Communications and Membership Committee (LCMC) approved up to \$60,000 for memberships with 1) the Southern California Leadership Council (\$20,000), 2) Mobility 21 (\$25,000), and 3) Eno Center for Transportation (up to \$15,000).*

**BACKGROUND:**

**Item 1:** Southern California Leadership Council (SCLC)

**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 9<sup>th</sup> and 10<sup>th</sup> annual Southern California Economic Summits. SCAG Executive Director Kome Ajise serves on the SCLC Board, and SCAG Board officers and executive leadership regularly attend and participate in SCLC meetings and other activities.

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**Item 2:** Mobility 21  
**Type:** Membership      **Amount:** \$25,000

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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, which includes representation from various other SCAG stakeholders and agencies.

Mobility21 hosts an annual conference, which SCAG usually sponsors, and this year’s 2025 Mobility 21 Southern California Transportation Summit will be held on Friday, September 12, 2025, at the Disneyland Hotel in Anaheim, California. Last year’s Summit, which SCAG attended, focused on the ‘authors of innovation’ in transportation.

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**Item 3:** Eno Center for Transportation  
**Type:** Membership      **Amount:** Up to \$15,000

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The Eno Center for Transportation’s mission is to continuously improve transportation and its public and public-private leadership to increase the system’s mobility, safety, and sustainability. Eno works across all modes of transportation with the mission of cultivating creative and visionary leadership for the sector. They pursue this mission by supporting activities in their Center for Transportation Policy (CTP) and Center for Transportation Leadership (CTL).

Eno Transportation Weekly (ETW), a weekly roundup of transportation and infrastructure-related news and analyses, provides valuable information to SCAG staff on policy and legislation making its way through Washington D.C. ETW’s thorough and high-quality analyses cover different topics, including transportation reauthorization bills, competitive grant programs, proposed budgets for federal departments, and discussion of new and emerging technologies in the transportation sector.

SCAG staff recommends that the agency maintain membership at the “Enhance” (previously the “Gold”) level. This membership level costs \$15,000. However, in the past, SCAG had received a discount as a government agency, thus bringing the amount down to \$10,000. Staff is waiting on clarification from Eno on whether the “Gold” level membership and \$5,000 discount are still available for public agencies. Thus, we recommend that the LCMC approve “up to \$15,000” so that Eno’s staff can clarify the membership level costs once they return from leave.

This membership provides the agency with the following benefits:

- 15 subscriptions to ETW;
- Opportunity to participate in an Eno research initiative, such as working groups that support research on current issues in transportation policy; and
- Choice of any one optional sponsorship opportunity.

**PRIOR COMMITTEE ACTION:**

Staff presented the agenda item for up to \$60,000 for memberships with 1) the Southern California Leadership Council (\$20,000), 2) Mobility 21 (\$25,000), and 3) Eno Center for Transportation (up to \$15,000) to the LCMC at its meeting on January 21, 2025. The LCMC approved this item unanimously as part of the consent calendar.

**FISCAL IMPACT:**

\$15,000 to retain our membership with the Eno Center for Transportation is included in the approved FY 25 Indirect Cost Budget. \$45,000 to renew our memberships with the SCLC and Mobility21 is included in the FY 25 General Fund budget.



**AGENDA ITEM 7**

**REPORT**

Southern California Association of Governments  
February 6, 2025

**To:** Regional Council (RC)

**EXECUTIVE DIRECTOR'S  
APPROVAL**

**From:** Javiera Cartagena, Chief Government and Public Affairs Officer  
(213) 236-1980, cartagena@scag.ca.gov

**Subject:** February 2025 State and Federal Legislative Update

**RECOMMENDED ACTION:**

Receive and File.

**STRATEGIC PRIORITIES:**

This item supports the following Strategic Priority 2: Be a cohesive and influential voice for the region.

**STATE**

**California Legislature Reconvenes**

Several legislative deadlines are coming up now that the legislature has begun the 2025-2026 Legislative Session. The last day to submit bill requests to the Office of Legislative Counsel was January 24, 2025. Meanwhile, the upcoming bill introduction deadline is February 21, 2025. As legislators introduce new bills, they will be amended through policy committees and move throughout the legislature according to the various legislative deadlines in April, May, and June.

**January Budget Proposal**

Governor Newsom presented his January Budget Proposal for the 2025-26 fiscal year on Friday, January 10, 2025, as required by the State's constitution. The budget includes \$322.2 billion in spending in all categories. Compared to last year's budget, in which the Governor and Legislature had to address a deficit in the tens of billions of dollars, this year's budget estimates a modest \$363 million surplus. The state also still has approximately \$17 billion in available budget reserves. As such, the Governor did not propose any significant cuts or spending increases. Key highlights from the proposed budget relevant to SCAG include:

- Maintaining the entirety of the transportation package included in recent budgets, which includes \$15.4 billion for various funds for the following programs and projects:
  - \$7.4 billion for high-priority transit and rail infrastructure projects
  - \$4.2 billion in Prop 1A funds for the High-Speed Rail
  - \$1.2 billion in funding for rail and roadways at port terminals to improve goods movement

- \$1.1 billion for the Active Transportation Program, Reconnecting Communities Highways to Boulevards pilot program, and climate adaptation projects
- \$325 million in climate bond funding for wildfire and forest resilience;
- Exemptions for all wildfire settlements from state taxation for settlements paid in tax years 2025 through 2029, regardless of when the fire occurred;
- An increase in the Film and Television tax credit cap from \$330 million to \$750 million for fiscal years 2025-26 through fiscal years 2029-30;
- Establishing a new agency to enhance how consumers and businesses interact with government processes; and
- Establishing a new California Housing and Homelessness Agency to create a more integrated and effective framework to address homelessness.

The Governor's proposal is the first step in the budget process that will culminate with the adoption of the FY 2025-26 budget by June 15, 2025, as required by the state constitution. Over the next several months, the Legislature will convene its budget committees, identify its priorities, and negotiate with the Governor. While many steps remain, the January budget proposal is a key indication for legislators of the Governor's top priorities.

Cruz Strategies represents SCAG in Sacramento, and their summary of the budget is attached to this report. To access the Governor's proposed budget, visit [www.ebudget.ca.gov](http://www.ebudget.ca.gov).

### **Extraordinary Session in Sacramento**

On November 7, 2024, Governor Newsom announced that he was convening a special session after the November 2024 general election results. On January 15, 2025, the Governor expanded the scope of that session. While its original intent was to "Trump Proof" California, the scope of the extraordinary session now includes response and recovery efforts related to the wildfires in Los Angeles.

As a result of the special session, the Governor signed three bills into law on January 23, 2025, SBx 1-3 and SBx 1-4, both authored by Senator Scott Wiener (D-San Francisco), and ABx 1-4, authored by Assemblymember Jesse Gabriel (D-Encino), to provide \$2.5 billion in funding from the General Fund for the state's disaster response efforts, including emergency protective measures, evacuations, sheltering for survivors, debris removal and cleanup, post-fire hazard assessments, traffic control, and other necessary measures. Additionally, the Governor approved \$5 million to expedite rebuilding, with \$1 million of those funds set aside for rebuilding fire-damaged school facilities.

### **Governor Newsom Appoints Erin Curtis as Executive Director of the Strategic Growth Council**

On November 27, 2024, Governor Newsom announced his appointment of Erin Curtis as executive director of the Strategic Growth Council. As an alumnus of California State University, Long Beach,

with a master's in government and journalism, Ms. Curtis was the deputy state director of communications for the Bureau of Land Management from 2015 to 2017, and Public Affairs Officer for the Bureau of Reclamation, Mid-Pacific Region, from 2017 to 2019. Most recently, she has been Vice President at Fiona Hutton & Associates since 2023, demonstrating her ongoing leadership abilities.

### **Regional Early Action Planning Grant (REAP) 2.0 Expenditure Deadline Extension Request**

In 2021, Governor Newsom and the Legislature created the \$600 million Regional Early Action Planning Grant (REAP) 2.0 program, administered by the California Department of Housing and Community Development (HCD). This program aims to accelerate progress toward state housing and climate goals through strategic investments in planning and development activities. Overall, the objectives of REAP 2.0 are to accelerate infill housing, support efforts to Affirmatively Further Fair Housing, and reduce vehicle miles traveled. The state allocated \$246 million in REAP 2.0 funding to the SCAG region, which was invested in the following areas:

- \$5 million – Early Program Initiatives, which include the Sustainable Communities Program and the Subregional Partnership 2.0 Program
- \$95 million – Transportation Partnership Program, which includes the County Transportation Commission Partnership Program and the Regional Pilot Initiative Program
- \$111 million – Programs to Accelerate Transformative Housing (PATH), which includes Notice of Available Funds (NOFA) for Lasting Affordability, the Regional Utilities Supporting Housing (RUSH) Pilot, and the Housing Infill on Public and Private Lands (HIPP) Pilot

In 2024, Governor Newsom proposed cutting the REAP 2.0 program in half to close a multi-billion budget shortfall. Recognizing the program's importance, the legislature and governor agreed to maintain \$560 million in REAP 2.0 funding despite the significant budget deficit. However, due to delays caused by the proposed cuts, this funding and years of work remain at risk.

Currently, state law requires that REAP 2.0 funds be obligated by September 30, 2024, expended or returned to the state by June 30, 2026, and a final report detailing the use of the funds must be submitted to the legislature by December 31, 2027. The expenditure and reporting deadlines apply to HCD, which means that sub-recipients, such as SCAG, must submit invoices and reports at least six months before these statutory deadlines to ensure HCD can issue final payments and submit the final report.

While HCD and regional governments successfully obligated all funding by the September 30, 2024, deadline, meeting the expenditure and reporting deadlines is more difficult due to various factors. First, the need for extensive public outreach on the front end, while necessary to design robust programming, took a significant amount of time. Second, SCAG had to issue "Stop Work" orders

after the Governor announced the REAP 2.0 budget cuts in case the funding could not be restored. These orders caused grantees to lose almost eight months of work time. Due to procurement delays, many grantees are now gearing up to resume work, which is anticipated to start in Spring 2025 or later. Thus, various projects are at risk of not being completed. If funding allocated to projects is not used by the expenditure deadline, all remaining funding for projects that have already gone through years of planning work will be lost.

As such, SCAG is proposing to legislatively extend two REAP 2.0 deadlines by 18 months, which would effectively be a one-year extension, given that regions would have to submit invoices and reports to HCD six months before the final deadline. Specifically, SCAG is proposing to:

- Extend the expenditure deadline by 18 months, from June 30, 2026, to December 31, 2027; and
- Extend the reporting deadline by 18 months, from December 31, 2026, to June 30, 2028.

Staff, along with SCAG's state lobbyists, Cruz Strategies, met with Senate and Assembly budget staff and staff in the Department of Finance to gather feedback on our REAP 2.0 expenditure and reporting deadline extension request. We continue coordinating with the state, other regional agencies, and the California Association of Councils of Governments (CalCOG) to make this request.

#### **Governor Newsom Signed an Executive Order to Address the Los Angeles Wildfires**

On January 12, 2025, Governor Gavin Newsom issued an Executive Order (EO) following his January 7 State of Emergency to expedite recovery efforts following the wildfires in Los Angeles and Ventura counties. The EO suspends key regulations, extends price gouging protections, and streamlines rebuilding efforts.

Specifically, the EO suspends California Environmental Quality Act (CEQA) review and California Coastal Act permitting for legally established and existing properties that were damaged or destroyed by the fires, as long as new construction occurs in the same location with a footprint and height no larger than 110 percent of the original structure. The EO also tasked HCD with identifying additional permitting barriers and California Building Code provisions that can be streamlined or suspended to further expedite recovery, improve affordability, and streamline reconstruction. The State will also work with the Legislature to identify statutory changes that can provide long-term improvements to help speed up the rebuilding process and improve fire resilience in high-fire-risk areas to be prepared for future wildfires. Lastly, the EO extends price gouging protections for building materials, housing, and storage services and repair, construction, and emergency clean-up services until January 7, 2026, in Los Angeles County. The EO is attached to this staff report



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**FEDERAL****US Federal Government Passes a Continuing Resolution**

On December 20, 2024, the U.S. House and Senate passed a second Continuing Resolution to extend federal spending until March 14, 2025. Former President Joe Biden signed the CR into law quickly thereafter. The CR was bipartisan and passed before midnight when the funding from the previously passed CR was set to expire. In addition to extending funding until March 2025, the new CR includes over \$100 billion in supplemental funding for federal disaster programs and a year-long extension of the 2018 Farm Bill through September 30, 2025.

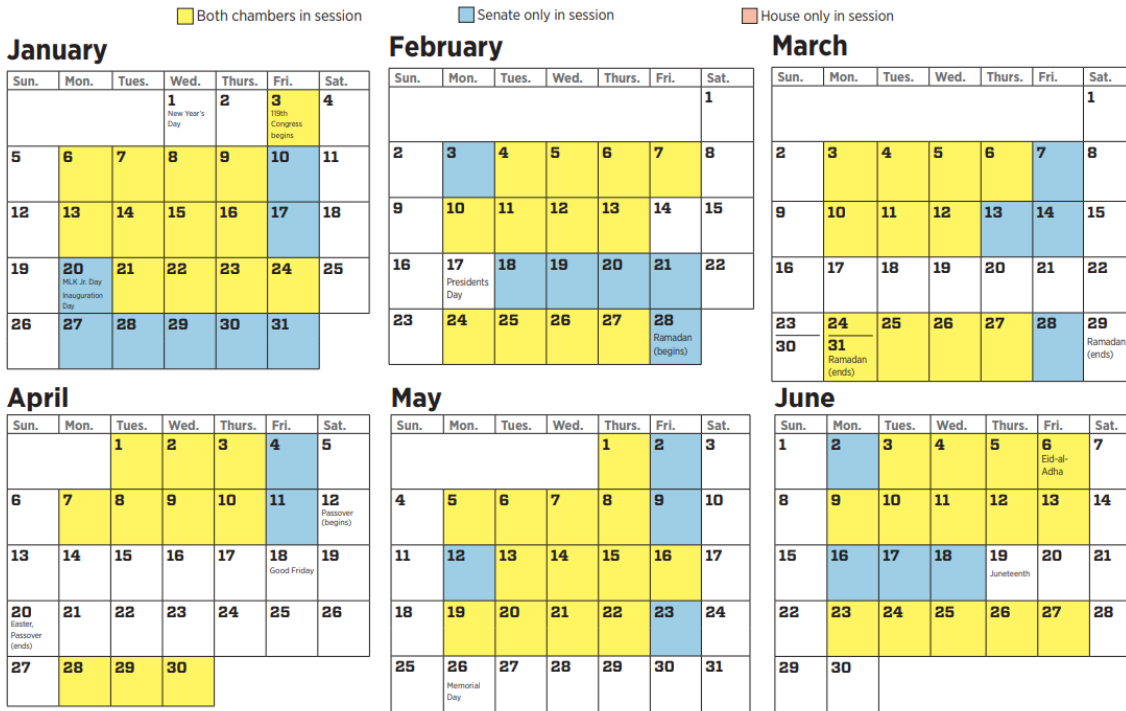
**President Trump's Executive Orders**

President Trump signed nine Executive Orders (EOs) during his Post-Inauguration Rally. These EOs include a rescission of 78 Biden Administration Executive Orders, along with several key priorities of the Trump Administration, including – but not limited to—actions pertaining to federal regulations, federal employees, the cost of living, and the environment. Below is a list of those signed most relevant to SCAG:

- Initial Rescissions of Harmful Executive Orders and Actions: Rescinds 78 Executive Orders by former President Biden.
- Regulatory Freeze Pending Review: Prevents any future federal regulations from being proposed or issued until a department/agency head appointed by President Trump approves the rule.
- Putting America First in International Environmental Agreements: Withdrawal of United States from the Paris Climate Agreement.
- Unleashing American Energy: Establishes federal energy policy to prioritize energy exploration on federal lands, boost domestic production of non-fuel minerals (including rare earth minerals), protect economic/national security through reliable energy sources, eliminate Biden Administration electric vehicle (EV) regulations, and decrease regulations on electric consumer appliances (i.e., lightbulbs, dishwashers, gas stoves, washing machines, etc.)
- Pause the Disbursement of Inflation Reduction Act and Infrastructure Investment and Jobs Act Funding: Requires all agencies to immediately pause the disbursement of funds appropriated through the IRA and IIJA, including, but not limited to, funds for EV charging stations made available through the National Electric Vehicle Infrastructure (NEVI) program and the Charging and Fueling Infrastructure (CFI) program. The agencies will have 90 days to submit a report with recommendations on how to make the disbursement of funds align with section two in the EO. These funds will not be able to be disbursed until the Director of the OMB and the Assistant to the President for Economic Policy have determined that the disbursements are consistent with any review recommendations they have chosen to adopt.



**Congressional Calendar: January to June 2025**



**Federal Notices of Funding Opportunities (NOFOs) Update**

Below is a current list of open NOFOs issued for transportation and sustainability-related competitive programs:

Program	Deadline	Agency
Regional Infrastructure Accelerators (RIA) Program	January 09, 2025	U.S. Department of Transportation
Better Utilizing Investments to Leverage Development (BUILD)	January 30, 2025	U.S. Department of Transportation
Technology Transfer (T2) Program	February 11, 2025	Federal Transit Administration (FTA)
Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation Program (PROTECT)	February 24, 2025	U.S. Department of Transportation
Rural and Tribal Assistance Pilot Program	April 3, 2025	Build America Bureau



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Notably, the US Department of Transportation amended the Notice of Funding Opportunity (NOFO) to rename the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant to Better Utilizing Investments to Leverage Development (BUILD).

**FISCAL IMPACT:**

Work associated with the February 2025 State and Federal Legislative Update is within the Indirect Cost budget, Legislation 810-0120.10.

**ATTACHMENT(S):**

1. Cruz Strategies Governor's January Budget Proposal Summary
2. Executive Order N-6-25



## **Governor's 2025-2026 January Budget Department of Finance Update**

*January 10, 2025*

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Following the Governor's high-level [preview](#) of the Fiscal Year 2025-2026 budget proposal this past Monday, the Department of Finance (DOF) provided an in-depth presentation of the \$322.2 billion spending plan.

Since the Governor's presentation on Monday, multiple catastrophic wildfires, fueled by historic windspeeds, have ravaged the Los Angeles region claiming at least 10 lives and thousands of structures. The wildfires have already decimated several communities and caused tens of billions of dollars in damages. The fires continue to rage.

The full impact of the wildfires on the state's budget and already precarious insurance market are unknown at this time but they will undoubtedly demand significant state resources. While President Biden has promised significant federal resources, including full cost recovery for all firefighting activities, the incoming Trump Administration has yet to make such a commitment.

While acknowledging the evolving conditions, DOF Director, Joe Stephenshaw, outlined the current spending plan details including:

- **Modest Surplus** of \$363 million
- **Climate and School Bond Spending Plans** - The budget includes \$2.7 billion in proposed 2025-26 climate bond spending and plans for \$1.5 billion in school bond funds to be processed in 2025-26 for K-12 school facility modernization and \$51.5 million for community colleges.
- **New Housing & Homeless Agency** - The Administration is proposing to establish a new California Housing and Homelessness Agency to create a

more integrated and effective administrative framework for addressing the state's housing and homelessness challenges.

- **Enhanced Housing Accountability**—The state aims to strengthen mechanisms to ensure jurisdictions meet their state housing obligations and comply with existing laws, including the Housing Accountability Act and Permit Streamlining Act.
- **Addressing Wildfire Risks** - The budget includes \$325 million in climate bond funding for wildfire and forest resilience and \$39.3 million for various wildfire and forest resilience projects and programs, including defensible space, home hardening, reforestation, and wood utilization.
- **Film and Television Tax Credit Expansion** - The budget proposes to increase the total annual California Film and Television Tax Credit 4.0 award cap from \$330 million to \$750 million for the fiscal years 2025-26 through 2029-30
- **Tax Relief for Wildfire Victims** - The budget proposes to exempt all wildfire settlements from state taxation for settlements paid in tax years 2025 through 2029, regardless of when the fire occurred.
- **Master Plan on Career Education** - The budget proposes \$100 million one-time Proposition 98 General Fund for the CCCs to expand Credit for Prior Learning and begin building the infrastructure for the state's first "Career Passport."
- **New California Consumer Protection Agency** - The budget proposes to establish a new agency to enhance how consumers and businesses interact with government processes.
- **Proposition 2 Reforms** - To allow for increased state deposits into rainy day reserves and make changes to state appropriations limit (SAL) requirements.

The Governor's \$322.2 billion budget estimates that General fund revenues are up \$16.5 billion in the current three-year budget window (FY 24-26) which the Department projects as quite similar to the figures provided by the Legislative Analyst's Office (LAO). The largest difference between the Governor and LAO deficit/surplus figures is that DOF projects about \$9 billion in additional revenue over the budget window.

The state still has \$16.9 billion in available budget reserves. The Department of Finance reiterated that the multi-year budget strategy to remain fiscally prudent remains in place. In all, the budget has a modest surplus of \$363 million after accounting for new revenues and previous spending commitments. These funds will be available for new spending one-time spending allocations.



The Legislature will soon convene hearings to review the budget proposal and begin developing its own priorities ahead of the May Revise.

Click [here](#) for our summary of the Governor’s Preview Briefing (1/6/2025)

[Governor Newsom YouTube Page](#)

### Highlights by Issue Areas

Below, we have included proposals of interest or significance in the Governor’s budget by subject area. Click [here](#) for a link to the Governor’s Summary if you need additional information.

### Housing

- **New Housing & Homeless Agency**— The Administration is proposing to establish a new California Housing and Homelessness Agency to create a more integrated and effective administrative framework for addressing the state’s housing and homelessness challenges. This new agency will strengthen California’s ability to plan, produce, and preserve housing while enhancing the state’s homelessness response now and over the long term by aligning housing initiatives with complementary policy areas—such as transportation, health, climate, energy, and community planning. As a result, the agency will foster greater coordination and strategic alignment across state governments. More details will be provided in the spring through a Reorganization Plan submitted to the Little Hoover Commission.
- **Reduce Construction Costs**—The state should help lower housing construction costs by streamlining processes and removing unnecessary barriers to development, including addressing delays in project approvals and permitting. Additionally, the state should pursue policies to reduce costs

associated with existing laws that hinder housing production and increase costs and development risks.

- **Enhanced Local Accountability**—The state should strengthen mechanisms to ensure jurisdictions meet their state housing obligations and comply with existing laws, including the Housing Accountability Act and Permit Streamlining Act.
- **Aligning Housing and Transportation**—The state should advance policies that remove barriers to infill housing near transit, including efforts to align long-term housing and transportation planning, and further the ability to utilize housing as a mitigation strategy for infrastructure projects. To further these principles, the Administration will propose policies to enhance the Department of Housing and Community Development's (HCD) ability to recycle funding, update housing programs to promote affordability, and expand existing California Environmental Quality Act streamlining tools to accelerate infill housing production.

## Homelessness

- **Encampment Resolution Funds**— The Budget continues to include \$100 million General Fund for Encampment Resolution Fund grants as committed to in the 2024-25 Budget.
- **Additional Accountability on Existing Funds**—HCD will increase scrutiny of local government's fiscal and outcome reporting through the Homeless Data Integration System so that local grantees stay up to date on those reports and will take remedial action as necessary.
- **In-Depth Local Reviews**— To drive continued local progress, the state will partner with select local governments to review their full suite of housing and homelessness programs to identify best practices and address opportunities for growth.
- **Regional Convenings**—To help local grantees continue to make progress against homelessness, HCD will hold regional convenings with the various HHAP regions to:
  - Strengthen data and reporting programs and policies,
  - Improve the construction and implementation of regional Memoranda of Understanding (MOUs), and
  - Challenge each region to reach their goals to reduce homelessness.
- **Increased Enforcement**—The Housing and Homelessness Accountability, Results, and Partnership Unit will review HHAP Rounds 5 and 6 regional MOUs and plans to ensure local governments are following through on the



commitments they have made to act regionally and in a coordinated manner across their spectrum of homelessness programs.

### **Climate Change & Environment**

The Governor's Budget proposes \$2.7 billion for the first year of a multi-year expenditure plan to implement the \$10 billion Climate Bond (Proposition 4) authorized by voters in November:

- **Dam Safety and Climate Resilience**—\$231.5 million to the Dam Safety and Climate Resilience Local Assistance Program for competitive grants for projects that support dam safety and reservoir operations, such as funding for repairs, rehabilitation, and enhancements.
- **Water Quality and Safe Drinking Water and Tribal Water Infrastructure**—\$183.2 million for grants and loans that improve water quality and help provide clean, safe, reliable drinking water
- **Flood Management Projects**—\$173.1 million for flood control projects to evaluate, repair, rehabilitate, reconstruct, expand, or replace levees, weirs, bypasses, and facilities of the State Plan of Flood Control, as well as funding for the Flood Control Subventions Program.
- **Water Reuse and Recycling**—\$153.4 million for water reuse and recycling projects that support treatment, storage, conveyance, or distribution facilities for potable and nonpotable use
- **Water Storage** - The Budget proposes \$173.5 million to improve water storage, replenish groundwater, improve conditions in streams and rivers, and complete various water resilience projects and programs
- **Salton Sea Management Program**—\$148.2 million to implement the Salton Sea Management Program 10-year Plan and deliver projects that reduce dust emissions—benefitting air quality and public health—and restore environmental habitat.
- **Parks & Urban Greening** - \$190 million to create new parks and improve existing parks in the state's most disadvantaged communities. In addition,



\$46.8 million for greening communities through the creation and expansion of green streets, parks, and schoolyards.

## Transportation & Infrastructure

- **Cap-and-Trade Extension** - The Administration, in partnership with the Legislature, will need to consider extending the cap-and-trade program beyond 2030 to achieve carbon neutrality. Although the current cap-and-trade program does not expire until 2030, considering an extension sooner could provide greater certainty and attract stable investment.
- **Transportation Package** - The Budget maintains the entirety of the transportation package included in recent budgets. This includes **\$15.4 billion** from various funds over multiple years for the following:
  - **\$7.7 billion** for high-priority transit and rail infrastructure projects that will improve rail and transit connectivity between state and local/regional services. A portion of these funds can also be used to support transit operations.
  - **\$4.2 billion** Proposition 1A for the High-Speed Rail Authority to continue building the 119-mile Central Valley Segment from Madera to just north of Bakersfield.
  - **\$1.2 billion** for projects that improve goods movement on rail and roadways at port terminals, including railyard expansions, new bridges, and zero-emission modernization projects.
  - **\$1.1 billion** for Active Transportation Program projects, the Reconnecting Communities Highways to Boulevards Pilot program, and climate adaptation projects to advance equity and health outcomes.
  - **\$1.1 billion** for the Zero Emission Transit Capital Program.
  - **\$150 million** for grade separation projects that support critical safety improvements and improve traffic and rail movement by separating the vehicle roadway from the rail tracks.
- **Clean California Program** - Budget includes \$25 million General Fund for the Clean California Program for a Community Cleanup and Employment Pathways Grant Program

## Energy

- **Development of Port Upgrades to Serve Offshore Wind Generation and Other Purposes**—\$228.2 million for port upgrades, including construction



## CRUZ STRATEGIES

and improvements of publicly owned port facilities for manufacturing, assembly, staging, and integration of components and vessels, to support the development of offshore wind generation and other activities.

- **Demand-Side Grid Support Program**—\$50 million for load reduction and backup generation efforts that support electric grid reliability during extreme weather events.
- **E11-E15 Gasoline-Ethanol Blends**— The Budget proposes \$2.3 million from special funds for the Board to evaluate, develop, and implement the appropriate regulatory changes necessary to authorize the use of E15 in California, upon submission to the California Environmental Policy Council of the written summary and results of the peer review for the multimedia evaluation of E11-E15 gasoline-ethanol blends.
- **Energy Affordability**— As the state works to decarbonize its economy with power provided by clean energy resources, it is paramount that the Administration and Legislature partner to develop and act on a multi-faceted suite of actions this legislative year and going forward that, only together, will yield meaningful electric bill cost savings for Californians.

### Labor & Workforce Development

- **Unemployment Insurance Trust Fund Loan Interest**—\$634.3 million one-time General Fund to pay the annual interest payment on the state's Unemployment Insurance loan balance
- **Cal/OSHA Data Modernization**—\$18.2 million one-time to continue the Cal/OSHA data modernization information technology project to upgrade outdated systems and processes.
- **Regional Coordination for Career Education and Training**—\$4 million one-time General Fund to evaluate how regional coordination models can be expanded to create sustainable forums where educators, workforce training providers, and employers can work to align programs with employer needs.

## Criminal Justice & Public Safety

- **Community Corrections Performance Incentive Grant-** The Community Corrections Performance Incentive Grant, Chapter 608, Statutes of 2009 (SB 678), was created to provide incentives for counties to reduce the number of felony probationers sent to state prison. The Budget proposes \$126.5 million General Fund for county probation departments. In recent years, funding for this item was held constant due to the COVID-19 Pandemic's effect on probation populations, law enforcement practices, and court processes. The Budget proposes to update the methodology for calculating incentive payments to the counties beginning in 2025-26, which is intended to increase the performance-based incentive nature of the funding and reduce variability in the prior methodology.
- **Chapered Legislation: Firearms**—\$2.4 million (\$2.3 million General Fund and \$100,000 Special Fund) and 7.0 positions in 2025-26 and \$1.2 million General Fund ongoing for DOJ to address workload from recently chaptered legislation related to the storage, sale, transfer, and relinquishment of firearms.
- **DNA Identification (DNA ID) Fund Backfill**—To address a projected cashflow shortage in the DNA ID Fund beginning in 2026-27, the Budget proposes to make the backfill an ongoing adjustment with \$37 million General Fund in 2026-27, \$36 million in 2027-28, and \$35 million in 2028-29 and ongoing. Previously, the 2023 Budget Act provided a three-year backfill through 2025-26.
- **Child Sexual Abuse Investigations**—\$5 million ongoing General Fund for the CHP to expand its Computer Crimes Investigation Unit to investigate and assist allied agencies with criminal investigations dealing with the distribution and downloading of Child Sexual Abuse Material (CSAM) throughout California.
- **California Internet Crimes Against Children Task Forces**—\$5 million ongoing General Fund to maintain the existing level of funding for this program, which helps state and local law enforcement agencies develop an effective response to child sexual exploitation facilitated by technology and combating underground child pornography rings.

## Health and Human Services

- **2024-25 Medi-Cal Budget**—The Budget includes increased Medi-Cal expenditures of approximately \$2.8 billion General Fund in 2024-25



## CRUZ STRATEGIES

compared to the 2024 Budget Act. This increase is driven primarily by higher overall enrollment due to continuing unwinding flexibilities and higher-than-projected caseload and pharmacy costs, offset by additional support from the MCO Tax.

- **CalWORKs Work and Family Well-Being Pilot**—In November 2024, California was selected as one of five states to participate in a federal pilot program to test alternative performance measures in the TANF program. The vision for California’s pilot is to build upon a strong foundation of supportive and barrier removal services to facilitate employment and well-being. The pilot will leverage the CalWORKs Outcomes and Accountability Review (Cal-OAR) framework to measure successful program outcomes more holistically. The Administration continues to assess further opportunities to advance the vision of the pilot.
- **Projected CalWORKs Grant Increase**—An approximate 0.2-percent increase to CalWORKs Maximum Aid Payment levels, with an estimated cost of \$9.1 million, is projected to begin October 1, 2025. A determination and update of the projected grant increase will be made at the May Revision. These projected increased costs would be funded entirely by the Child Poverty and Family Supplemental Support Subaccount of the 1991 Local Revenue Fund and would be in addition to the 0.3-percent statutory increase in October 2024.
- **Childcare and Development**- The Budget maintains funding to continue the Cost of Care Plus Rate monthly payments adopted for state-subsidized child care providers, consistent with requirements related to the reimbursement floor established in the 2024 Budget Act.
- **Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Demonstration**—In December 2024, the federal government approved approximately \$8 billion (state, local, and federal funds) for the BH-CONNECT Demonstration effective January 1, 2025 through December 31, 2029. The funding will support activities and services

administered by the DHCS, DSS, and the Department of Health Care Access and Information.

- **AIDS Drug Assistance Program (ADAP)**—\$8.5 million in 2025-26 and ongoing from the AIDS Drug Assistance Program Special Fund for enhancements to ADAP and the Pre-Exposure Prophylaxis Assistance Program, effective January 2025.
- **Master Plan for Developmental Services**—In March 2025, the Administration plans to release the Master Plan for Developmental Services, which will be generated by community recommendations for a more consumer-friendly and effective experience for individuals and families receiving developmental services.

## Higher Education

- **Master Plan for Career Education** - \$100 million for community colleges for credit for prior learning and career passports.
  - \$5 million ongoing General Fund for the Government Operations Agency to establish a state planning and coordinating body for TK-12 education.
  - \$4 million one-time General Fund to support regional coordination for career education and training.
- **TK-12 career technical education categorical programs** - Allows use of \$1.8 billion for a single consolidated application and make eligible dual enrollment and pathways programs
- **California Student Aid Commission** - The budget provides a total financial aid expenditure package of \$3.1 billion in 2025-26
  - Middle Class Scholarship - \$527.2 million
  - Golden State Teacher Program - \$50 million one-time General Fund for applications in FY 2025-26.
- **University of California** - The budget maintains a reduction of 7.95 percent in ongoing General Fund support, approximately \$396.6 million, beginning in the 2025-26 fiscal year.
- **California State University** - The budget maintains a reduction of 7.95 percent in ongoing General Fund support, approximately \$375.2 million, beginning in the 2025-26 fiscal year.
- **California Community Colleges**



## CRUZ STRATEGIES

- **Statewide Technology Transformation**—\$168 million one-time Proposition 98 General Fund for the completion of the Statewide Technology Transformation project.
- **Systemwide Common Data Platform**—\$162.5 million Proposition 98 General Fund, \$29 million of which is ongoing, for scaling of a common cloud data platform across the community college system.
- **Community College Facilities**—\$51.5 million one-time Proposition 2 bond funds allocated for critical infrastructure, facility modernization, and enrollment growth projects for 28 community college facilities.
- **CCC Categorical Program COLA**—\$16.0 million ongoing Proposition 98 General Fund to provide a 2.43-percent COLA for select categorical programs and the Adult Education Program.

### TK-12 Education

- **TK-12 Education Spending** : \$137.1 billion
  - One adjustment in budget is to appropriate \$1.6 billion less in the current year based on budget volatility and expect to true up
- **Universal Transitional Kindergarten** - a total of \$2.4 billion ongoing Proposition 98 General Fund for full implementation
- **Before and After School Programs** - The budget includes \$435 million ongoing Proposition 98 General Fund to cover the cost of full implementation, increasing the total ongoing program funding to \$4.4 billion Proposition 98 General Fund.
- **Universal School Meals** - \$106.3 million in additional ongoing Proposition 98 General Fund to fully fund the universal school meals program in 2025-26
- **Flexible Local Control Funding Formula COLA** - adjustment of 2.43 percent. When combined with population growth adjustments, this will result in an increase of roughly \$2.5 billion in discretionary funds for LEAs.

- **Fully Repaid Deferrals** - Budgetary deferrals of \$246.6 million for TK-12 education are fully repaid in 2025-26.

## Consumer Protection

- **New California Consumer Protection Agency** - The budget proposes to establish a new agency to enhance how consumers and businesses interact with government processes, offering innovative solutions that foster trust, efficiency, and equity. More details will be provided in the spring through a Reorganization Plan submitted to the Little Hoover Commission

## Full Presentation Notes:

### Proposition 2 Reforms

- Increase Cp on Deposits to 20%
- Exclude Deposits into Rainy Day Fund Against State Allocation Limit (SAL)

### 2025-2026 Budget

- \$322.3 Billion: Balanced Budget
- \$228.9 Billion: General Fund
- \$16.9 Billion: Revenues

### Reserves

- \$10.9 Billion: Rainy Day Fund
- \$1.5 Billion Public School Rainy Day Fund
- \$4.5 Billion Special Fund for Economic Uncertainty (SFEU)

### Revenue Forecast Comparison

- Governor Budget 16.5 Billion above 2024 budget act
- Similar to LAO
  - Both forecasts were revised higher by similar magnitudes
  - Governor's Budget Big 3 forecast higher than LAO by \$8.2billion or just 1.4 percent

### Modest Surplus

- SFEU at 2024 Budget: **\$3.51 billion**
- Changes since then:
  - Revenues: \$16.45 Billion
  - Non Prop 98 Expenditures: -\$9.09 billion
  - Prop-98 Expenditures: -\$5.57 billion



- Other Misc Adjustments: -\$0.44 billion
- Total: **\$4.86 billion**
- SFEU at 2025 Governor's Budget: **\$4.50 billion**
- Discretionary Funds Remaining: **\$363 million**

### **Governor's Budget Surplus (\$363M) Version LAO Deficit (-\$2B)**

- LAO Estimated Deficit: -2.02Billion
- Governor's Budget Differences to LAO Deficit: \$2.38 billion
  - Revenues: \$9.39 billion
  - Non-Prop 98 Workload: -\$1.18 billion
  - Prop 98: -\$3.11 billion
  - Other Misc. Adjustments: \$1.79 billion
  - SFEU: -\$4.50 billion
- Remainder: \$363 million

### **Limited New Funding**

- Workload and discretionary funding: \$1.2 billion

### **Governor Budget Highlight**

- Rarely any new commitments, we, need to remain fiscally prudent
- CA for All Kids Milestones
  - Universal Transitional Kindergarten - All 4-Year-olds (\$1.8 billion)
  - Before/After/Summer school- All high needs TK-6th grade students (\$435 million)
  - Universal School Meals- Nearly one billion meals served
  - Screening for risk of reading difficulties- All K-2 students (\$40 million)
- TK-12 Education Key Investments
  - LCFF COLA (2.43 percent, \$2.5 billion)
  - Discretionary Block Grant (\$1.8 billion)
  - Literacy and Mathematics Coaches (\$500 million)
  - Learning Recovery Emergency Block Grant (\$378.6 million)
  - Teacher Recruitment (\$300 million)



- Bonds
  - Climate Bond: \$10 Billion
    - \$2.7 billion for projects that protect communities and natural resources and mitigate climate change impacts
    - Includes \$1.5 billion (\$325 million in 2025-2026) for wildfire and forest resilience programs
  - Education Bond: \$10 Billion
    - \$1.5 billion processed in 2025-2026 for modernization, new construction and safety projects for TK-12 schools
    - \$51.5 million for modernization, safety and capacity expansion projects at CA Community Colleges

### **Addressing Wildfire Risk**

- Supporting Wildfire Resilience
  - \$2.5 billion of prior investments (\$200M annually through 2028-2029)
  - \$1.5 billion Climate Bond
- Enhancing Air Attack Capabilities (\$380 million one-time)
  - 16 new helicopters
- Expanding Firefighting Capacity (\$1.3 billion going)
  - 2400 CAL FIRE firefighters

### **Tax Proposals**

- Film and Television Tax Credit Expansion– generates jobs and investments in this vital industry
- Military Retirement Income Exclusion– tax relief for military families
- Wildfire Settlement Income Exclusion- tax relief for disaster victims
- Mandatory Single Sales Factor for Financial Institutions- encourages economic development in CA
- Pass-Through Entity Elective Tac (PTET) Extension- provides significant federal tax savings for CA taxpayers

### **Government Efficiencies**

- 6,500 vacant positions eliminated (\$1.2 billion over two years)
- Operational efficiencies (\$3.5 billion over two years)

**EXECUTIVE DEPARTMENT  
STATE OF CALIFORNIA**

**EXECUTIVE ORDER N-6-25**

**WHEREAS** on January 7, 2025, I proclaimed a State of Emergency to exist in Los Angeles and Ventura Counties due to fire and windstorm conditions that have now caused multiple fires, including the Palisades, Eaton, Hurst, Lidia, Sunset, and Woodley Fires; and

**WHEREAS** these fires and windstorm conditions have devastated communities across the Greater Los Angeles Area and destroyed or damaged more than 12,000 structures, including homes, businesses, schools, and childcare facilities, with initial estimates placing this disaster among the most destructive in California history; and

**WHEREAS** tens of thousands of individuals remain under evacuation orders, impacting the ability of students to attend school and school staff to get to work, and dozens of schools remain closed across the impacted area; and

**WHEREAS** I issued Executive Order N-2-25 on January 8, 2025, which included a provision authorizing the Director of the California Department of Social Services to waive statutes and accompanying regulations or directives related to the use, licensing, certification, registration or approval of care providers or facilities for childcare, providing flexibility for childcare providers to accommodate additional children who have been displaced or utilize temporary facilities if their facilities have been damaged, destroyed, or rendered inaccessible by this emergency; and

**WHEREAS** local educational agencies are obligated to immediately enroll students who are now unhoused as a result of the fires throughout the Greater Los Angeles Area pursuant to Education Code section 48850; and

**WHEREAS** local educational agencies are obligated to continue serving students who were enrolled, but lost their residence and may be temporarily living outside of district boundaries due to the fires throughout Greater Los Angeles Area pursuant to Education Code section 48852.7; and

**WHEREAS** given the extent of the impacts on schools, it is necessary to provide additional flexibility to accommodate students who have been displaced and utilize temporary facilities to support continuity of education.

**NOW, THEREFORE, I, GAVIN NEWSOM**, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes, including the California Emergency Services Act, and in particular, Government Code sections 8567, 8571, and 8627, do hereby issue the following Order to become effective immediately.

**IT IS HEREBY ORDERED THAT:**

1. For purposes of this Order, Local Educational Agency (LEA) means school districts, county offices of education, and charter schools.
2. For those LEAs in Los Angeles County that initiate a school closure to address the impact of this emergency, the closure shall qualify as a condition that prevents the maintenance of the LEA's schools during a fiscal year for 180 days or 175 days as applicable pursuant to Education Code sections 41422 and 46392, and all implementing regulations.

Additionally, any requirement in Education Code sections 41422, 46392, or 46393, and any implementing regulations requiring said LEAs to submit affidavits of the members of the governing board of the school district, the governing board of the county office of education, or the governing board or body of the charter school and of the county superintendent of schools is hereby suspended on the condition that the superintendent of the school district, the county superintendent of schools, or the charter school leader certifies in writing to the Superintendent of Public Instruction that the closure occurred to address the impact of this emergency. This suspension does not extend to any requirements applicable to independent study plans, including but not limited to Education Code section 46393 and sections 51745 et seq.

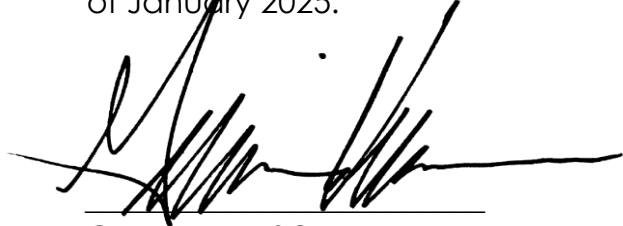
3. For the LEAs identified in Paragraph 2, the requirement that the State impose a penalty on the LEA's Local Control Funding Formula funding pursuant to Education Code sections 46207, 46208, and 47612.5, and Section 11960 of Title 5 of the California Code of Regulations, for failure to meet required instructional days and minutes is suspended. The suspension provided under this Paragraph shall be in effect only so long as necessary to address the direct impacts of this emergency.
4. The class-size requirements for transitional kindergarten through grade 8 provided in Education Code sections 48000, 48000.1, 48000.15, 41376, and 41378, and for transitional kindergarten through grade 3 provided in Education Code sections 48000, 48000.1, 48000.15, and 42238.02(d)(3), as well as all implementing regulations, are suspended for LEAs in Los Angeles County whose class sizes are affected by this emergency.
5. Residency requirements for those students who were attending schools in Los Angeles County impacted by this emergency, including those set forth in Education Code sections 48200 and 48204, are suspended for the remainder of the 2024-2025 school year.
6. All LEAs are urged to extend every effort to support and facilitate the enrollment of students displaced by the fires, including, but not limited to, facilitating completion and approval of interdistrict transfer requests.
7. If a valid collective bargaining agreement entered into between an LEA and an exclusive bargaining representative pursuant to Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 of the Government Code contains provisions regarding staffing ratios that impose requirements beyond the aforementioned statutes, the LEA and exclusive bargaining representative are encouraged to pursue temporary adjustments to those ratios, as necessary, to accommodate the enrollment of displaced students.
8. To the extent LEAs in Los Angeles County are required to use temporary facilities as a result of damage to or inaccessibility of school buildings due to this emergency, the requirements of Education Code sections 17280 et seq., 17365 et seq., and Government Code sections 4453 and 14963 are suspended with respect to those temporary facilities. The requirements of the California Building Code, Title 24 of the California Code of Regulations, as adopted and enforced by the local building and fire agencies with jurisdiction over the area, shall apply to these temporary facilities.

9. To the extent that LEAs in Los Angeles County are required to use temporary facilities outside of their district boundaries as a result of the damage to or inaccessibility of school buildings due to this emergency to continue to serve the students who resided in their district prior to this emergency, they may do so and continue to collect average daily attendance for those students. In addition, the requirements of Education Code sections 17387 et seq. and 17455 et seq., as well as all implementing regulations, are suspended at the discretion of those LEAs who seek to lease property to any impacted LEA in Los Angeles County for purposes of serving students impacted by this emergency.
10. A site-based charter school within Los Angeles County whose school site was damaged or is inaccessible due to this emergency shall be allowed to establish an alternative site anywhere within Los Angeles County for the 2024-25 school year and shall be deemed to be in compliance with Education Code sections 47605(a)(5) and 47605.1(d).
11. Municipalities are strongly encouraged to promptly process applications for or modifications to conditional use permits or other approvals necessary to allow a school to use temporary facilities as a result of damage to or inaccessibility of school buildings due to this emergency.
12. The requirement in Education Code section 49068(b) that a student's permanent record must be transferred by the former public or private school within 10 school days from the date a request is received is suspended to the extent the former school was located in Los Angeles County and is impacted by this emergency.
13. The deadline to present a report on the annual update to the local control and accountability plan and the local control funding formula budget overview for parents pursuant to Education Code sections 47606.5(e), 52062(a)(6), and 52068(a)(6), is extended to March 31, 2025, for all LEAs in Los Angeles County impacted by this emergency.
14. The time period for existing non-classroom based charter schools whose funding determination expires at the end of the 2024-25 school year to submit a funding determination request to the California Department of Education pursuant to California Code of Regulations, Title 5, section 11963.6(c) shall be extended until February 28, 2025, for such schools in Los Angeles County impacted by this emergency.
15. The Executive Director of the State Board of Education, the Department of General Services, and the Department of Finance shall, and the California Department of Education and the Fiscal Crisis and Management Assistance Team are requested to, engage LEAs with schoolsites that have been destroyed or damaged by fires during this emergency to support them in developing a plan for temporarily housing students displaced from the impacted schools and repairing and rebuilding the impacted schools, as appropriate.

**I FURTHER DIRECT** that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

**IN WITNESS WHEREOF** I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 14th day of January 2025.



GAVIN NEWSOM  
Governor of California

**ATTEST:**

\_\_\_\_\_  
SHIRLEY WEBER, PH. D  
Secretary of State



**AGENDA ITEM 8**

**REPORT**

Southern California Association of Governments  
February 6, 2025

**To:** Executive/Administration Committee (EAC)  
Regional Council (RC)

**EXECUTIVE DIRECTOR'S  
APPROVAL**

**From:** Cindy Giraldo, Chief Financial Officer  
(213) 630-1413, giraldo@scag.ca.gov

**Subject:** Purchase Orders, Contract and Amendments below Regional Council's  
Approval Threshold

**RECOMMENDED ACTION:**

Information Only - No Action Required

**STRATEGIC PRIORITIES:**

This item supports the following Strategic Priority 1: Establish and implement a regional vision for a sustainable future. 2: Be a cohesive and influential voice for the region. 3: Spur innovation and action through leadership in research, analysis and information sharing. 4: Build a unified culture anchored in the pursuit of organizational excellence. 5: Secure and optimize diverse funding sources to support regional priorities.

**BACKGROUND:**

SCAG executed the following Purchase Orders (POs) for more than \$5,000 but less than \$500,000 in November and December 2024:

Vendor	Description	Amount
Intelligent Transportation Society	Membership Dues	\$5,000
Charitable Ventures of Orange County	SCP Program Evaluator – Santa Ana	\$6,000
City Fare, Inc.	Catering for Nov Regional Council Meeting	\$7,159
Coalition for Americas Gateway & Trade Corridors	Membership Dues	\$7,500
Paramount Technologies Inc.	WorkPlace Software Renewal	\$12,340
CALCOG	Leadership Academy Tuition for SCAG Staff	\$14,000

SCAG executed the following contracts for more than \$25,000 but less than \$500,000:

Consultant/Contract No.	Description	Amount



Nelson\Nygaard Consulting Associates, Inc. 24-051-C01	The consultant shall provide services for the City of Los Angeles Department of Transportation "Reconnecting MacArthur Park" project in partnership with Central City Neighborhood Partners, a local community-based organization.	\$359,987
Digital Scepter Corporation. 25-016-C01	The vendor shall provide for the purchase of email protection and security software provided by Proofpoint, Inc.	\$72,462
Dell Marketing 25-024-C01	The vendor shall provide for the purchase of Dell Latitude 7450 BTX laptops.	\$51,234

SCAG executed the following contract amendment for less than \$150,000 and 30% of the original contract value:

Consultant/Contract No.	Description	Amount
Estolano Advisors 24-014-C01, Amendment 1	The consultant will continue to conduct engagement with stakeholders in the water management space, identify current and emerging issues in the water sector, and provide insights on SCAG's potential role in promoting water resilience in Southern California.	\$53,810

**ATTACHMENT(S):**

1. Contract Summary 24-051-C01 (Info Item)
2. Contract Summary 25-016-C01 (Info Item)
3. Contract Summary 25-024-C01 (Info Item)
4. Contract Summary 24-014-C01 (Info Item) A01

**CONSULTANT CONTRACT NO. 24-051-C01**

<b>Recommended Consultant:</b>	Nelson\Nygaard Consulting Associates, Inc.										
<b>Background &amp; Scope of Work:</b>	The consultant shall provide services for a Sustainable Transportation Planning Grant funded by Caltrans for the City of Los Angeles Department of Transportation (LADOT) for the project, “Reconnecting MacArthur Park,” in partnership with Central City Neighborhood Partners (CCNP), a local community-based organization. Specifically, the consultant shall explore the potential permanent closure of Wilshire Boulevard to vehicle travel between the north leg of Carondelet Street and Alvarado Street in the City of Los Angeles. The project shall include a transportation analysis, community visioning, engagement, and planning process. The outcome of this project will be a Final Plan to Reconnect MacArthur Park, including an overview of engagement efforts, an analysis of existing conditions, a review of project alternatives, a diversion analysis, and a LADOT Transportation Assessment.										
<b>Project’s Benefits &amp; Key Deliverables:</b>	The project’s benefits and key deliverables include, but are not limited to: <ul style="list-style-type: none"> <li>• Collecting baseline performance metrics of existing travel patterns and behavior in the project area while making recommendations to advance multi-modal transportation;</li> <li>• Analyzing several alternative configurations of closing Wilshire Boulevard to vehicle travel and assess multi-modal impacts to transportation networks including transit, bicycle, and pedestrian networks;</li> <li>• Initiating a holistic community visioning process to reconnect MacArthur Park as a transit-rich, high-quality urban green and public space; and</li> <li>• Planning for greenhouse gas reducing measures and new infrastructure that reduces vehicle-miles traveled (VMT).</li> </ul>										
<b>Strategic Plan:</b>	This item supports SCAG’s Strategic Plan Priority #1: Establish and implement a regional vision for a sustainable future.										
<b>Contract Amount:</b>	<table border="0" style="width: 100%;"> <tr> <td><b>Total not to exceed</b></td> <td align="right"><b>\$359,987</b></td> </tr> <tr> <td>Nelson\Nygaard (prime consultant)</td> <td align="right">\$178,419</td> </tr> <tr> <td>Kounkuey Design Initiative (subconsultant)</td> <td align="right">\$96,225</td> </tr> <tr> <td>KOA Corporation (subconsultant)</td> <td align="right">\$77,943</td> </tr> <tr> <td>Leslie Scott Consulting (subconsultant)</td> <td align="right">\$7,400</td> </tr> </table> <p>Note: Nelson\Nygaard originally proposed \$369,933, but staff negotiated the price down to \$359,987 without reducing the scope of work.</p>	<b>Total not to exceed</b>	<b>\$359,987</b>	Nelson\Nygaard (prime consultant)	\$178,419	Kounkuey Design Initiative (subconsultant)	\$96,225	KOA Corporation (subconsultant)	\$77,943	Leslie Scott Consulting (subconsultant)	\$7,400
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KOA Corporation (subconsultant)	\$77,943										
Leslie Scott Consulting (subconsultant)	\$7,400										
<b>Contract Period:</b>	December 19, 2024 through February 28, 2026										
<b>Project Number(s):</b>	275-4823UC.08 \$318,696.50 275-4823E.08 \$41,490.50 Funding source(s): SB 1 Sustainable Communities (SC) Formula and Transportation Development Act (TDA).										

Attachment: Contract Summary 24-051-C01 (Info Item) (Purchase Orders, Contract and Amendments below Regional Council’s Approval



	Funding of \$359,987 is available in the Fiscal Year (FY) 2024-25 Overall Work Program (OWP) Budget in Project Number(s) 275-4823.08, and any unused funds are expected to be carried forward into future fiscal year budget(s), subject to budget availability.						
<b>Request for Proposal (RFP):</b>	<p>SCAG staff notified 2,019 firms of the release of RFP 24-051 via SCAG's Solicitation Management System website. A total of 64 firms downloaded the RFP. SCAG received the following three (3) proposals in response to the solicitation:</p> <table border="0" style="width: 100%;"> <tr> <td style="padding-left: 20px;"><b>Nelson\Nygaard, Inc. - (3 subconsultants)</b></td> <td style="text-align: right;"><b>\$359,987</b></td> </tr> <tr> <td style="padding-left: 20px;">Fehr &amp;Peers – list lowest to highest (no subconsultants)</td> <td style="text-align: right;">\$375,304</td> </tr> <tr> <td style="padding-left: 20px;">TDG Engineering, Inc. – list lowest to highest (1 subconsultant)</td> <td style="text-align: right;">\$352,206</td> </tr> </table>	<b>Nelson\Nygaard, Inc. - (3 subconsultants)</b>	<b>\$359,987</b>	Fehr &Peers – list lowest to highest (no subconsultants)	\$375,304	TDG Engineering, Inc. – list lowest to highest (1 subconsultant)	\$352,206
<b>Nelson\Nygaard, Inc. - (3 subconsultants)</b>	<b>\$359,987</b>						
Fehr &Peers – list lowest to highest (no subconsultants)	\$375,304						
TDG Engineering, Inc. – list lowest to highest (1 subconsultant)	\$352,206						
<b>Selection Process:</b>	<p>The Proposal Review Committee (PRC) evaluated each proposal in accordance with the criteria set forth in the RFP and conducted the selection process in a manner consistent with all applicable federal and state contracting regulations. After evaluating the proposals, the PRC interviewed the two (2) highest ranked offerors.</p> <p>The PRC consisted of the following individuals:</p> <p>Lyndsey Nolan, Senior Regional Planner (Project Manager), SCAG          Aziza Fellague Ariouat, Transportation Planning Associate II, LA DOT,          Lizette Arzola, Director of Grants and Compliance, CCNP</p>						
<b>Basis for Selection:</b>	<p>The PRC recommended Nelson\Nygaard, Inc. for the contract award because the consultant:</p> <ul style="list-style-type: none"> <li>• Demonstrated the best understanding of the project; specifically, the consultant team had the best grasp of and most experience engaging marginalized groups such as street vendors and the unhoused. In addition, as a team they collectively have not only extensive experience planning and implementing pop-up demonstrations, but also developed SCAG's Kit of Parts and have done significant work in MacArthur Park with UCLA graduate students exploring the closure of Wilshire Boulevard. Finally, they have experience with delivering a fully implemented permanent street closure.</li> <li>• Provided the best technical approach. For example, Nelson\Nygaard proposed including an alternatives workshop early on in the project to establish shared vision to help guide the evaluation of the many alternatives and inform the development of metrics to evaluate alternatives; this in turn will help ground how an alternative performs on different metrics and relative to original shared vision. The approach best addresses the concern that there may be many strong opposing opinions regarding the future of this portion of Wilshire Boulevard. In addition, they mentioned partnering with local service providers to engage the unhoused community and, throughout the interview, emphasized the entire team's commitment to including community in a way that is meaningful for decision-making and informing the final outcome and design. Nelson\Nygaard also best explained their technical approach to alternatives development.</li> </ul>						

- Provided the best overall value for the level of effort proposed. Not only did their consultant team propose the most amount of hours dedicated to the project (with the lowest average rate per hour), they also had the clearest vision for prime/sub integration as well as how the consultant team, particularly the engagement-focused subs, would complement the role and work of CCNP. They were the only team to thoughtfully propose a specific approach to supporting CCNP in Task 3.4 (Conduct Community Engagement and Outreach) and demonstrated throughout the interview their ability to communicate planning concepts and processes simply and clearly. Though Nelson/Nygaard did not propose the lowest price, the PRC selected the firm’s proposal because of the value the firm will bring to this project. The firm with the lowest price did not demonstrate a sufficient level of effort, primarily in the form of staff hours, to satisfactorily complete the tasks in the Scope of Work.

Although another firm proposed a lower price, the PRC did not recommend this firm for contract award because this firm:

- Did not demonstrate a sufficient level of effort, primarily in the form of staff hours, to satisfactorily complete the tasks in the Scope of Work;
- Did not demonstrate the same level of creativity and innovation within their proposed technical approach. Their proposal mainly restated the scope of work listed in the RFP. For example, under Task 3 (Stakeholder and Community Engagement), their proposal did not include anything specific to the site or the park users, and their assumptions about when CCNP would do Task 3.4 (Conduct Community Outreach and Engagement) was very narrow, with that task spread across just 4 months in their timeline;
- Did not demonstrate what the subconsultant brought to the team (especially since the sub had a similar profile as the prime) and it was unclear if the firms had worked together before since there were not examples of prime/sub consultant integration on other projects highlighted in the proposal. Similarly, their proposal did not elaborate on how their firms would complement CCNP’s work.

**CONSULTANT CONTRACT NO. 25-016-C01**

<b>Recommended Consultant:</b>	Digital Scepter Corporation
<b>Background &amp; Scope of Work:</b>	Under this agreement, Digital Scepter Corporation acts as the channel partner and reseller to purchase of email protection and security software provided by Proofpoint, Inc. This is a three-year agreement for a subscription to Proofpoint’s email protection and security software. Proofpoint’s software provides email protection, security, attachment defense, targeted attack protection, and email encryption. SCAG currently uses Proofpoint’s software in its environment. This agreement will allow SCAG to continue to use Proofpoint through March 31, 2028.
<b>Project’s Benefits &amp; Key Deliverables:</b>	The project’s benefits and key deliverables include, but are not limited to: <ul style="list-style-type: none"> <li>• Provides advanced threat detection against email-based attacks,</li> <li>• Enables staff to report suspicious emails directly, and</li> <li>• Ensures SCAG’s infrastructure is protected through risk mitigation.</li> </ul>
<b>Strategic Plan:</b>	This item supports SCAG’s Strategic Plan Priority 3: Spur innovation and action through leadership in research, analysis and information sharing.
<b>Contract Amount:</b>	<b>Total not to exceed</b> <span style="float: right;"><b>\$72,462</b></span>
<b>Contract Period:</b>	April 1, 2025 through March 31, 2028
<b>Project Number(s):</b>	811-1163.08 \$72,462  Funding source(s): Indirect Cost  Funding of \$24,154 is available in the Fiscal Year 2024-2025 Indirect Cost budget in Project Number 811-1163.08, and the remaining amount is subject to budget availability.
<b>Basis for Selection:</b>	In accordance with SCAG’s Procurement Manual (January 2021) Section 9.3, to foster greater economy and efficiency, SCAG’s federal procurement guidance (2 CFR 200.318 [e]) authorizes SCAG to procure goods and services by using an Intergovernmental Agreement or Master Service Agreement (MSA) . The goods and services procured under an MSA were previously competitively procured by another governmental entity. SCAG utilized a MSA with Digital Scepter Corporation via NASPO MSA AR2472, Contract number 7-17-70-40-05 that was competitively procured. This MSA is specifically designed for use by local agencies to leverage combined purchasing power for discounted volume pricing and qualification for services as provided by Digital Scepter Corporation.

Attachment: Contract Summary 25-016-C01 (Info Item) (Purchase Orders, Contract and Amendments below Regional Council’s Approval

**CONSULTANT CONTRACT NO. 25-024-C01**

<b>Recommended Consultant:</b>	Dell Marketing	
<b>Background &amp; Scope of Work:</b>	Under this agreement, Dell Marketing acts as the reseller for the purchase of Dell Latitude 7450 BTX laptops. This contract will provide SCAG with hardware products consistent with general office equipment.	
<b>Project's Benefits &amp; Key Deliverables:</b>	<p>The project's benefits and key deliverables include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Increased staff productivity and efficiency,</li> <li>• Optimized system performance, and</li> <li>• Device troubleshooting and technical support services.</li> </ul>	
<b>Strategic Plan:</b>	This item supports SCAG's Strategic Plan Priority4: Build a unified culture anchored in the pursuit of organizational excellence; Objective: Enhance internal communication, information accessibility and knowledge management. Leverage effective use of technology to improve efficiency, drive innovation, and optimize collaboration.	
<b>Contract Amount:</b>	<b>Total not to exceed</b>	<b>\$51,234</b>
	Dell Marketing (prime consultant)	\$51,234
<b>Contract Period:</b>	Notice to Proceed through June 30, 2028	
<b>Project Number(s):</b>	811-1163.19                      \$51,234	
	Funding source(s): Indirect Costs (IC)	
	Funding of \$51,234 is available in the FY2024-25 Indirect Cost Budget in Project Number 811-1163.19. Additional funding for subsequent years is subject to availability.	
<b>Basis for Selection:</b>	In accordance with SCAG's Procurement Manual (January 2021) Section 9.3, to foster greater economy and efficiency, SCAG's federal procurement guidance (2 CFR 200.318 [e]) authorizes SCAG to procure goods and services by using an Intergovernmental Agreement (Master Service Agreement – MSA, also known as a Leveraged Purchase Agreement – LPA). The goods and services procured under an MSA were previously competitively procured by another governmental entity (SCAG is essentially "piggy-backing" on the agreement.) SCAG utilized an MSA with the National Association of State Procurement Officials (NASPO) and Dell Marketing (Agreement No. NASPO Master Contract Number: 23026; Addendum 7-23-70-55-01 that was competitively procured. This MSA is specifically designed for use by local agencies to leverage combined purchasing power for discounted volume pricing.	

Attachment: Contract Summary 25-024-C01 (Info Item) (Purchase Orders, Contract and Amendments below Regional Council's Approval

**CONSULTANT CONTRACT NO. 24-014-C01 AMENDMENT NO. 01**

<b>Consultant:</b>	Estolano Advisors	
<b>Background &amp; Scope of Work:</b>	<p>On April 1, 2024, SCAG awarded Contract 24-014-C01 to Estolano Advisors to conduct engagement with stakeholders in the water management space, identify current and emerging issues in the water sector, and provide insights on SCAG’s potential role in promoting water resilience in Southern California.</p> <p>This amendment, No. 01, also increases the contract value from \$187,329 to \$241,139 (\$53,810) and extends the contract term from 04/01/24 to 6/30/25. It was executed in December 2024.</p> <p>This increase will include detailed network maps of water management stakeholders by county, up to two expert panels (one remote and one in-person), and technical assistance materials (e.g., a fact sheet with a case study).</p>	
<b>Project’s Benefits &amp; Key Deliverables:</b>	<p>This project will help identify current and emerging issues related to water supply and storage constraints, data availability, water quality and pollution, climate change impacts, policy limitations, regulatory and funding considerations – including flooding, technological advancements, and equity considerations, amongst other topics.</p> <p>Deliverables include:</p> <ul style="list-style-type: none"> <li>• Recommendations on SCAG’s potential role in supporting water management;</li> <li>• Water data landscape analysis;</li> <li>• Water stakeholder mapping, interviews, and matrix of actors in the water ecosystem by county; and,</li> <li>• Technical assistance presentations, panels, and fact sheets.</li> </ul>	
<b>Strategic Plan:</b>	<p>This item supports SCAG’s Strategic Plan Priority #1 – Establish and implement a regional vision for a sustainable future; and Goal #3 – Spur innovation and action through leadership in research, analysis and information sharing.</p>	
<b>Amendment Amount:</b>	Amendment 1	\$53,810
	Original contract value	<u>\$187,329</u>
	<b>Total contract value is not to exceed</b>	<b>\$241,139</b>
<b>Contract Period:</b>	April 1, 2024 through June 30, 2025	
<b>Project Number:</b>	290.4914UB.01	\$118,820
	290.4914E.01	\$15,394
	290.4896UB.02	\$35,412
	290.4896E.02	\$4,588

Attachment: Contract Summary 24-014-C01 (Info Item) A01 (Purchase Orders, Contract and Amendments below Regional Council’s Approval

	<p>290.4862UC.04      \$12,226  290.4862E.04      \$1,584</p> <p>Funding sources: Senate Bill 1 (SB 1) and Transportation Development Act (TDA)</p> <p>Funding of \$188,024 is available in the Fiscal Year (FY) 2024-25 Overall Work Program (OWP) in the Project Numbers listed above.</p>
<p><b>Basis for the Amendment:</b></p>	<p>This additional work will help strengthen the applicability of the study findings for local stakeholders by breaking down stakeholder mapping at the county level and providing interactive expert panels, as well as technical assistance materials. Through stakeholder outreach for this project, local agencies and community-based organizations requested that SCAG support member agencies with convening key stakeholders in each county to advance more integrated climate and water management plans and multi-benefit projects. Having network maps by county along with panels for convenings and a fact sheet will help support fulfillment of this request. If the amendment is not completed, this work will be delayed and completed under a separate request for proposals (RFP).</p>



**AGENDA ITEM 9**

**REPORT**

Southern California Association of Governments  
February 6, 2025

**To:** Executive/Administration Committee (EAC)  
Regional Council (RC)

**EXECUTIVE DIRECTOR'S  
APPROVAL**

**From:** Cindy Giraldo, Chief Financial Officer  
(213) 630-1413, giraldo@scag.ca.gov

**Subject:** CFO Monthly Report

**RECOMMENDED ACTION:**

Information Only - No Action Required

**STRATEGIC PRIORITIES:**

This item supports the following Strategic Priority 5: Secure and optimize diverse funding sources to support regional priorities.

**FY25 Q1 Planning Project Highlights**

As part of the CFO's Quarterly Report, SCAG staff will be reporting on a selection of contracts that have closed during the previous quarter to highlight the benefits that SCAG's work brings to local jurisdictions and the region.

**22-042-C01 SCP Call 3 - GoSGV Engagement & Evaluation ALTA PLANNING + DESIGN, INC.**

The GoSGV Engagement & Evaluation Report documents the existing GoSGV Bike Share program (Program) and details program improvements. The Program is administered by the SGVCOG and is funded by the Caltrans Active Transportation Program (ATP) – Greenhouse Gas Reduction Fund. In contrast with other bike share programs, this Program offers monthly rentals of e-bikes for SGV residents. This report found participants use the e-bikes for a wide range of activities, with the e-cargo bike providing youth transportation to school. Both e-bikes and e-cargo bikes also proved popular for errands, recreation, and work trips. A key finding is that the e-bikes served as car replacements for several trips. The report showed the Program was able to reduce VMT by over 11,500 and 7,970 tons of GHG since program inception. The report recommended continued build-out of active transportation infrastructure, construction of additional secure bicycle parking, expand the number of e-cargo bikes, and changes to the reservation length and pricing. Additionally, this project's conclusion marks the completion of the Sustainable Communities Program (SCP) Smart Cities & Mobility Innovations (SCMI) program.

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**21-017-C01 Supporting Infrastructure for Zero Emission Heavy Duty Vehicles CAMBRIDGE  
SYSTEMATICS, INC.**

The Zero Emissions Truck Infrastructure (ZETI) study's goal is to develop strategies and recommendations for a network of public charging and fueling stations for zero-emission (ZE) trucks throughout the region that will also support statewide efforts to transition medium- and heavy-duty trucks to alternative fueling technologies. The consultant team developed a detailed set of truck trip tours that were used to estimate charging demand across multiple trucking market segments and scenario years through 2040, and tested hydrogen fueling demand in 2040 as well. This resulted in a set of energy and fuel demand projections that were incorporated into a spreadsheet tool to estimate the number of charging sites and individual chargers needed across the region to meet that demand. The ZETI study team also created a web-based parcel prioritization tool to align regional priorities around land use, travel demand, disadvantaged communities and economic goals. All the analysis and tool development were reviewed and supported by a technical advisory committee comprised of regional agency partners, freight industry stakeholders, utilities, and charging/fueling developers. A final report, regional blueprint and local agency primer are in final production, and will be presented to planning leadership, policy committees and the Regional Council upon completion.

The ZETI Study was partially funded by a \$600,000 grant from the Electric Power Research Institute (EPRI) through the California Energy Commission (CEC). The ZETI study's methodology and technical products supported a statewide study analyzing freight charging demand, serving as the basis for the statewide approach. The ZETI study aims to ensure coordination across agencies in the region, making data and technical support available to stakeholders, and drafting policy recommendations to streamline development and prime the market to meet the pressing demand to plan and build supporting infrastructure for a zero-emissions truck fleet.

There were some challenges in the truck trip modeling and charging simulation technical analysis that delayed completion of the project by six months. This was due to the joint nature of a methodology that was shared with the statewide study that required additional rounds of feedback, and that the simulation itself required more time than was estimated to refine and complete all the scenario runs.

**ACCOUNTING:****Membership Dues**

As of December 31, 2024, 188 cities, 6 counties, 7 commissions, and 11 tribal governments have paid their Fiscal Year (FY) 2024-2025 membership dues. SCAG has collected \$2.73 million out of \$2.76 million billed. This represents 98.84% of the membership assessment.



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### Investments & Interest Earnings

As required by SCAG's investment policy adopted by the Regional Council in July 2018, staff will provide a monthly report of investments and interest earnings. As of December 31, 2024, SCAG has invested \$20.89 million in the LAIF account and has earned \$577,041.65 in interest income. The interest earnings are distributed on a quarterly basis with an average interest rate of 4.62%. Additionally, as of December 31, 2024, SCAG has invested \$43.71 million in the REAP Money Market Account and has earned \$1,157,152.04, in interest income. Interest earnings for this account are distributed monthly.

### Grant Billing as of December 31, 2024

During FY 2024-25, staff has prepared and submitted requests for reimbursements of approximately \$19.96 million to the following agencies (\$4.88 million is for work completed in FY 2023-24). Additionally, since inception of the REAP programs, SCAG received advance funds of \$44.15 million for REAP 1.0 Program and \$61.51 million for REAP 2.0 Program.

1. **CPG Billing: \$14.44 million** to Caltrans for work funded with federal and state grants; \$4.07 million was for work completed in June 2024 while \$10.37 million was for work completed in July 2024 to September 2024. The entire amount has been received.
  2. **OTS Billings: \$1.36 million** to Office of Traffic Safety for work funded with OTS grants; \$0.28 million was for work completed in April 2024 to June 2024 while \$1.08 million was for work completed in July 2024 to September 2024. Of the \$1.36 million, \$0.28 million has been received.
  3. **MSRC Billing: \$0.49 million** to the Mobile Source Air Pollution Reduction Review Committee for work funded with the Mobile Source Air Pollution Reduction (MSRC) grant that was completed in November 2021 to December 2024. The entire amount has been received.
  4. **ATP Billings: \$0.34 million** to Caltrans District 7, Office of Local Assistance for work funded with Active Transportation Program (ATP) grants; \$0.33 million was for work completed in April 2024 to June 2024 while \$13,808 was for work completed in July 2024 to September 2024. The entire amount has been received.
  5. **EPRI Billings: \$0.15 million** to the Electric Power Research Institute, Inc. for work funded with the California Energy Commission (CEC) grant that was completed from April 2024 to June 2024. The entire amount has been received.
  6. **DOE-Clean Cities: \$55,000** to the Department of Energy for work funded with DOE-Clean Cities grant; \$27,500 was for work completed from April 2024 to June 2024, while \$27,500 was for work completed from July 2024 to September 2024. The entire amount has been received.
  7. **LACI Billing: \$23,528** to LA Cleantech Incubator for work funded with the LACI grant; \$13,820 was for work completed in April 2024 to June 2024 while \$9,707 was for work completed in July 2024 to September 2024. The entire amount has been received.
  8. **FCC ACP: \$8,429** to the Federal Communications Commission for work completed in January 2024 to April 2024. The entire amount has been received.
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9. **DOE-UCI: \$3,816** to the Regents of the University of California for work funded with the DOE-Clean Cities grant; \$1,653 was for work completed from April 2024 to June 2024, while \$2,163 was for work completed from July 2024 to September 2024. The entire amount has been received.
10. **ATN: \$1,098** to Anaheim Transportation Network (ATN) for SCAG staff time funded with ATN local funds that was completed from May 2024 to June 2024. The entire amount is still outstanding.
11. **REAP 1.0: \$44.15 million** in funds have been received from Housing and Community Development for the Regional Early Action Planning Grants 1.0 as of December 31, 2024. Each \$11.87 million was received in FY21 and FY23, and \$20.41 million was received in FY24. The entire amount has been expended as of June 2024. SCAG submitted the final reimbursement request to HCD on November 21, 2024, for expenditures incurred between July 2024 and October 2024 in the amount of \$3.08 million, which is still outstanding as of December 31, 2024.
12. **REAP 2.0: \$61.51 million** in funds have been received from Housing and Community Development for the Regional Early Action Planning Grants 2.0 as of December 31, 2024. Approximately \$18.2 million has been expended to date (\$0.99 million during FY 2024-25).

**BUDGET & GRANTS (B&G):**

Staff worked on the FY 2024-25 2<sup>nd</sup> Quarter Overall Work Program (OWP) Progress Report. This mid-year progress report for OWP projects was submitted to Caltrans before its deadline, January 30, 2025.

On January 30, 2025, SCAG had its annual OWP development and coordination meeting with Caltrans, FHWA, and FTA representatives. SCAG staff presented the proposed work program for FY 2025-26 and reported accomplishments and progress on major projects in the current fiscal year. A draft FY 2025-26 OWP budget will be presented to the EAC and RC in March 2025.

Staff successfully submitted one renewal application for the Department of Energy Clean Cities Program, and one application for the California Office of Traffic Safety Program. The award announcements for these opportunities are anticipated between Spring and Summer of this calendar year.

**CONTRACTS ADMINISTRATION:**

Through the second quarter of Fiscal Year 2024-25, the Contracts Administration Department staff supported 16 formal procurements and 199 active contracts for professional services. Staff worked with project managers to close 17 contracts that ended from October to December 2024. In this month's consent calendar agenda item "Purchase Orders, Contracts, and Amendments below Regional Council's Approval Threshold," staff reports the execution of three (3) contracts and one



(1) contract amendment and issuing six (6) purchase orders above \$5,000 to support ongoing business operations during November and December 2024.

**ATTACHMENT(S):**

1. CFO Charts 020625



# Office of the Chief Financial Officer

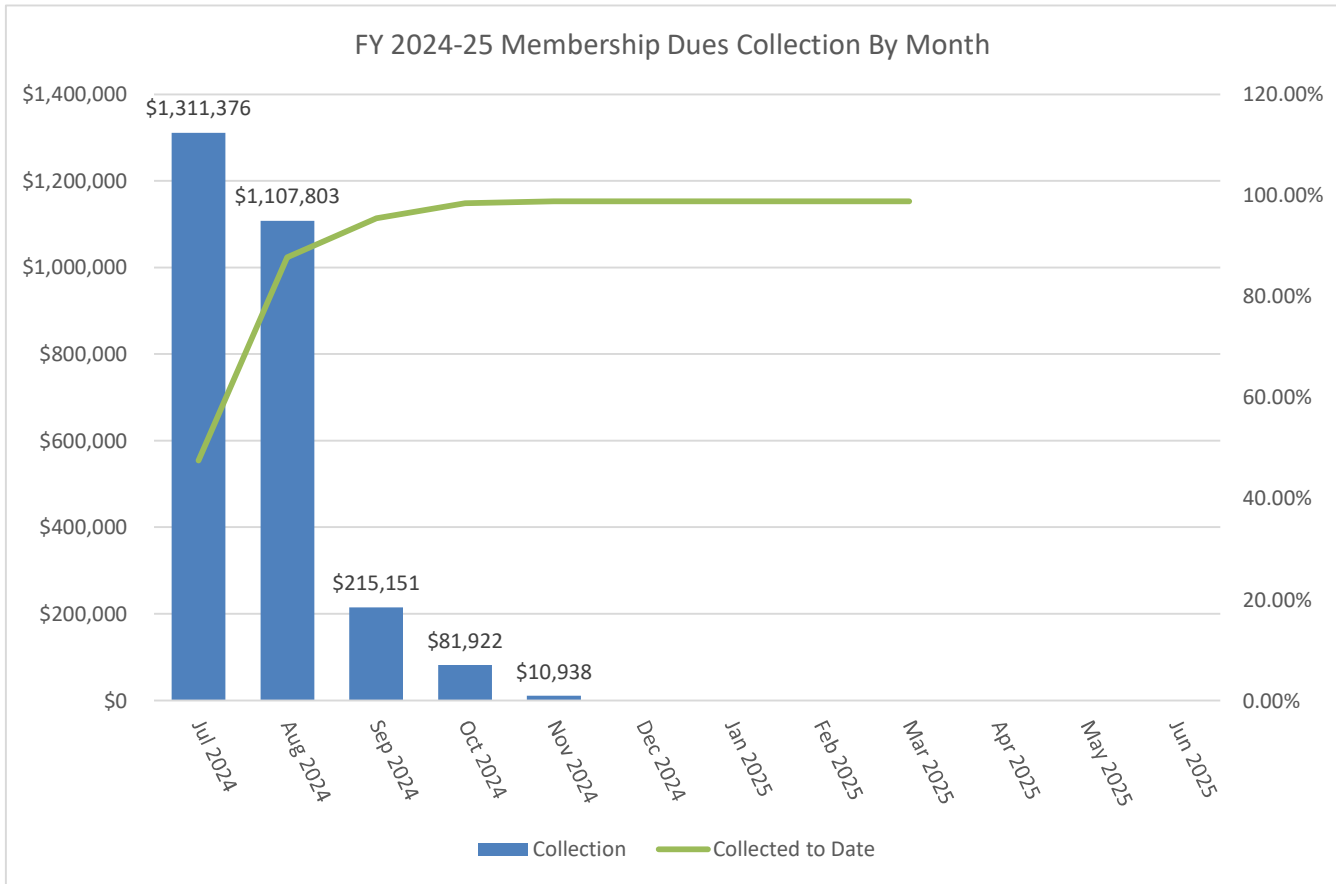
## Quarterly Report

### December 2024

Attachment: CFO Charts 020625 (CFO Monthly Report)



**Membership Dues & Collections**  
 July 1, 2024 through December 31, 2024



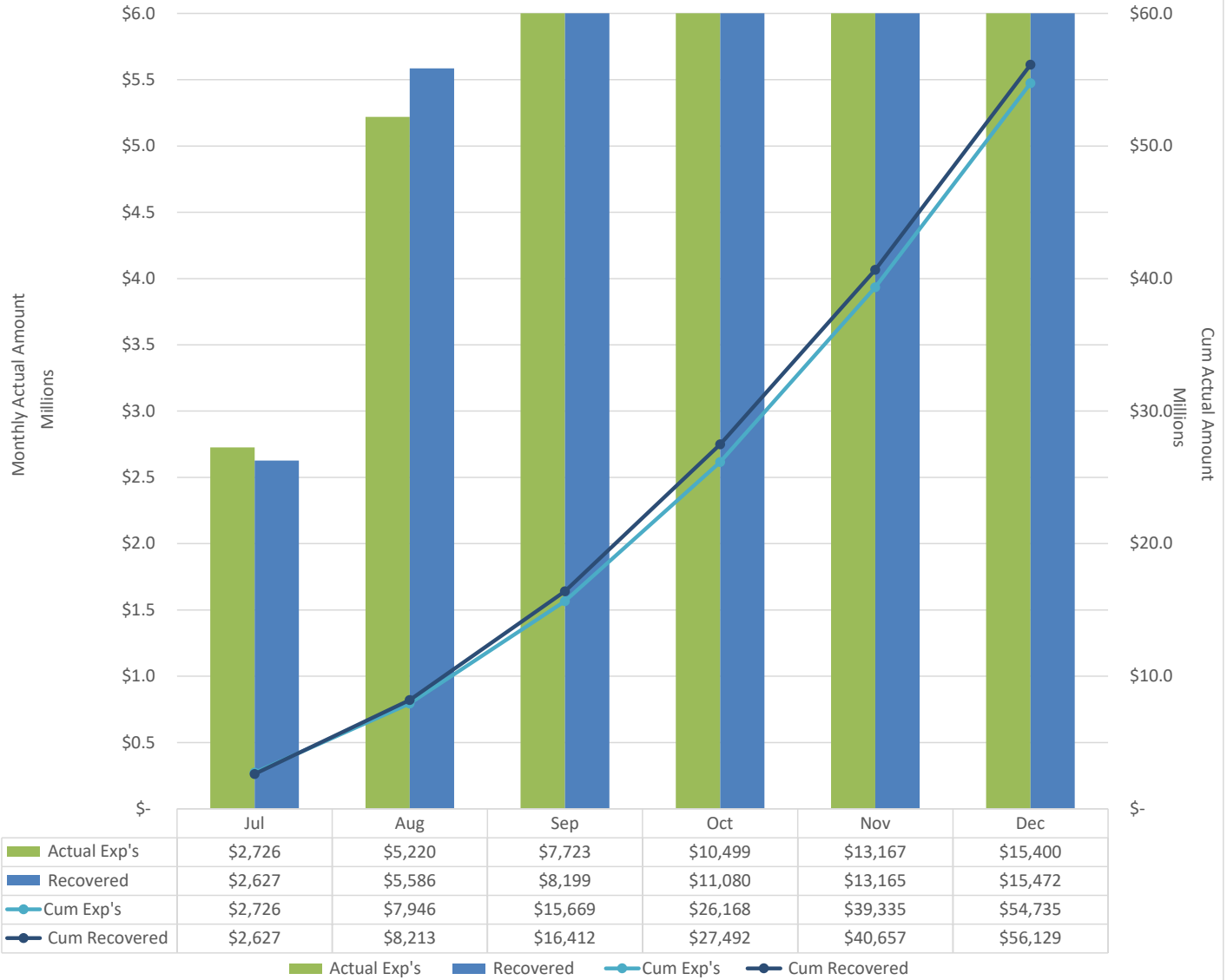
**Summary**  
 As of December 31 2024, 188 cities, 6 counties, 7 commissions and 11 tribal governments had paid their FY25 dues. This represents 98.84% of the dues assessment.

FY25 Membership Dues	<u><u>\$ 2,759,319</u></u>
Total Collected	<u><u>\$ 2,727,190</u></u>
Percentage Collected	<u><u>98.84%</u></u>

Attachment: CFO Charts 020625 (CFO Monthly Report)



**Indirect Cost & Recovery**  
**July 1, 2024 through December 31, 2024**



**Attachment: CFO Charts 020625 (CFO Monthly Report)**

**Summary**

This chart shows a comparison of Indirect Cost (IC), incurred by SCAG vs. IC recovered from SCAG's grants. Through December 2024, SCAG was over-recovered by \$1.4 million due to unspent Indirect Cost budget. The FY 2024-25 IC rate includes a carry-forward of approximately \$1.5 million, which represents an under-recovery of costs from FY 2022-23.



**Consolidated Balance Sheet  
As of December 2024**

	<u>September, 2024</u>	<u>December, 2024</u>	<u>Increase/(Decrease)</u>
Cash & Investment	74,102,606	67,363,059	(6,739,547)
Other Assets	7,860,802	12,786,979	4,926,177
<b>Total Assets</b>	<b><u>81,963,408</u></b>	<b><u>80,150,037</u></b>	<b><u>(1,813,371)</u></b> <sup>(1)</sup>
<b>Total Liabilities</b>	<b><u>48,326,116</u></b>	<b><u>46,663,053</u></b>	<b><u>(1,663,063)</u></b> <sup>(2)</sup>
<b>Fund Balance</b>	<b><u>33,637,292</u></b>	<b><u>33,486,985</u></b>	<b><u>(150,307)</u></b>
<b>Total Liabilities &amp; Fund Balance</b>	<b><u>81,963,408</u></b>	<b><u>80,150,037</u></b>	<b><u>(1,813,371)</u></b>

(1) Cash & Investment decreased while Accounts receivable increased primarily due to transitioning the Consolidated Planning Grant billing from Monthly to quarterly as directed in the 2024 Caltrans Incurred Cost audit report.

(2) The Total Liabilities decreased due to a reduction in deferred revenue (advanced cash received from the California Department of Housing and Community Development) related to claiming reimbursement for REAP 2.0 expenditures.



**Consolidated Statement of Revenues, Expenditures, and Changes in Fund Balances  
Quarter Ended December 2024**

	July 1, 2024 to September 30, 2024	July 1, 2024 to December 31, 2024	Increase / (Decrease)	September 2024 Budgetary Comparison Statement	
				FY 2024-25 Budget	Under / (Over) Budget
<b>Revenues</b>	<b>40,954,446</b>	<b>69,711,647</b>	<b>28,757,201</b>	485,892,648	416,181,001
<b>Expenditures:</b>					
Salaries & Benefits	26,545,674	47,139,439	20,593,765	98,416,355	51,276,916
Services & Supplies	6,230,902	14,544,645	8,313,744	387,476,293	372,931,648
<b>Total Expenditures</b>	<b>32,776,576</b>	<b>61,684,084</b>	<b>28,907,508</b>	485,892,648	424,208,564
Change in Fund Balance	8,177,870	8,027,563	(150,307)	-	(8,027,563)
Fund Balance Beginning of the Year	25,459,422	25,459,422	-	25,459,422	-
<b>Fund Balance at End of the Period</b>	<b>33,637,291</b>	<b>33,486,985</b>	<b>(150,306)</b>	<b>25,459,422</b>	<b>(8,027,563)</b>

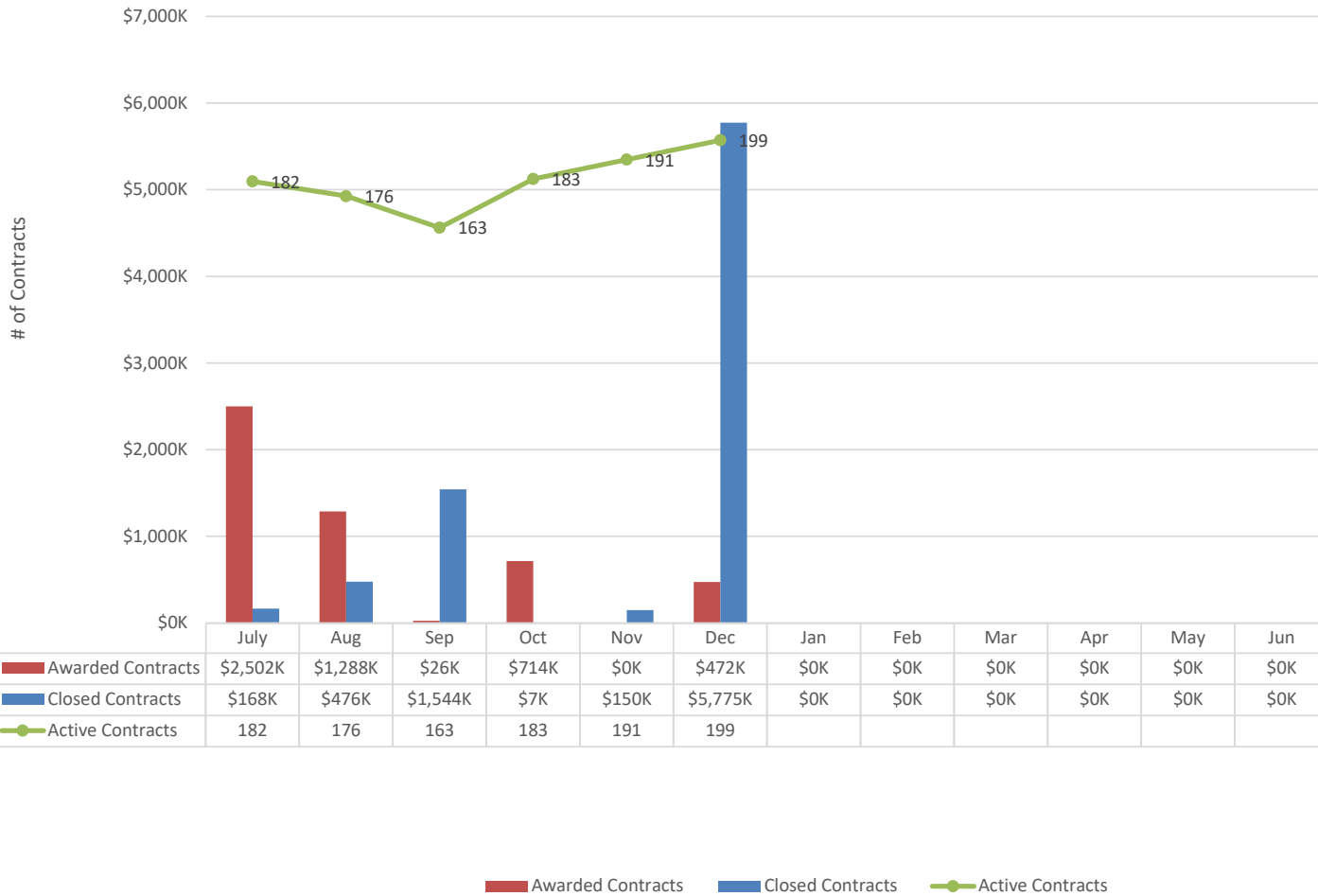
(1) Note that multi-year grant revenues and services & supplies expenditures are budgeted in the award year including any beginning Fund Balance. The \$416.1 million revenue variance and the \$424.2 million expenditure variance are predominately related to anticipated implementation timing for various multi-year grants. Any remaining balances at the end of the fiscal year will be carried over to subsequent years of the grant period.

Attachment: CFO Charts 020625 (CFO Monthly Report)





### SCAG Contracts FY2024-25



**Overview**  
This chart shows the number of contracts administered from July to December 2024.

**Summary**

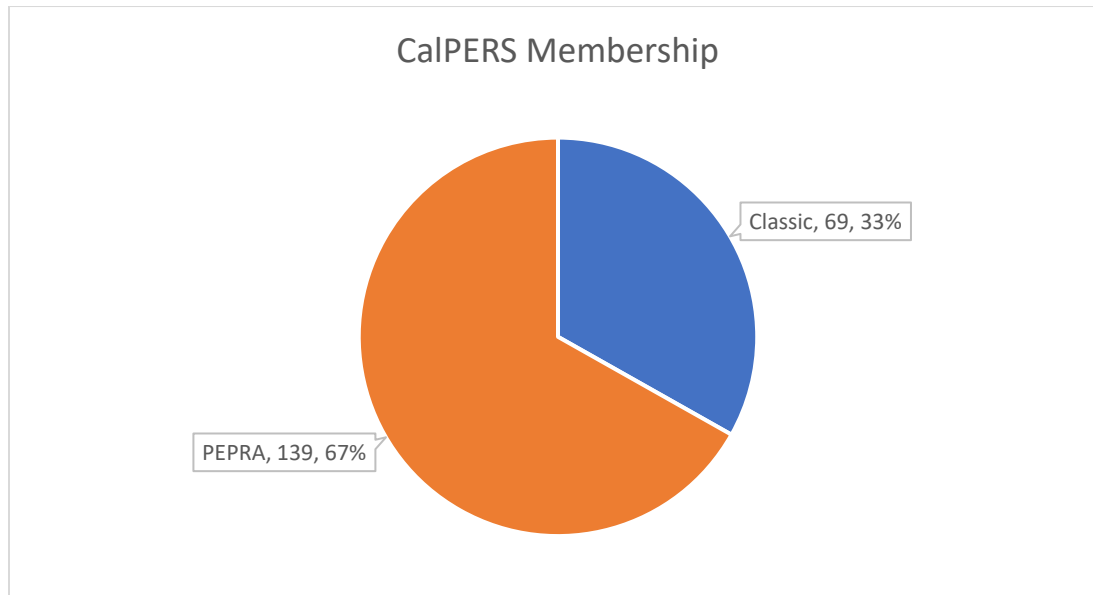
As illustrated on the chart, the Contracts Administration Department is currently managing a total of 199 contracts. Eighteen (18) are Cost Plus Fixed Fee contracts; 71 are Lump Sum contracts, 38 are Time and Materials contracts (includes Labor Hour and Retainer), and 72 are On-Call Services contracts and related Task Orders.

# CFO Report

As of January 1, 2025

## Staffing Update

Division	Authorized Positions	Filled Positions	Vacant Positions	Interns/Temps	Agency Temps	Fellows	Total
<b>Executive Office</b>	9	9	0	0	0	0	<b>9</b>
<b>Human Resources</b>	12	11	1	1	0	0	<b>12</b>
<b>Legal</b>	3	2	1	1	0	0	<b>3</b>
<b>Finance</b>	44	39	5	1	0	0	<b>40</b>
<b>Information Technology</b>	29	26	3	1	0	0	<b>27</b>
<b>Gov. &amp; Public Affairs</b>	25	24	1	3	0	0	<b>27</b>
<b>Planning</b>	113	97	16	11	0	1	<b>109</b>
<b>Total</b>	<b>235</b>	<b>208</b>	<b>27</b>	<b>18</b>	<b>0</b>	<b>1</b>	<b>227</b>





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**To:** Regional Council (RC)

**From:** Lucy Dunn, Ex-Officio Member; Business Representative

**Subject:** Business Report – February 2025

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I have just returned from a 21-day trip to South America but even though I was out of the country, the wildfires in Los Angeles County were international news. Here are a few items that business and industry leaders have been engaged in-especially on recovery relief efforts-which may also be of interest to regional public leaders:

**1. GLUE Council.** Your business and industry advisory council will meet via Zoom on February 3 at 10:00 am to discuss, among other items, the business community perspectives and response on the wildfire recovery, including additional needed statewide policies.

**2. Insurance Crisis Update.** The state's default FAIR Plan is the fourth largest insurer in the state, and is the fastest growing insurer in nation. With private insurers leaving California, the FAIR Plan is now at risk for \$500B in assets but only has \$1B in capacity to pay. It will be particularly constrained with the recent LA County wildfire devastation. Efforts to fund the FAIR Plan were killed last legislative session. However, AB 226 now before the legislature will authorize the FAIR Plan to borrow money through the CA Infrastructure/Economic Development Bank. Business leaders, including CBIA, BizFed LA, Southern California Leadership Council, and many others, strongly support its passage.

**3. LA County Expedite Wildlife Recovery Processes.** A Southern California Business Coalition has delivered a compelling letter to the LA County Board of Supervisors, expressing the Coalition's collective ideas for how to expedite the rebuilding process following the devastating wildfires. According to these leaders, "the unincorporated county's housing stock has been growing at the slow rate of only about 1,000 homes annually, meaning that at the halfway mark of the eight-year RHNA cycle, the County has permitted only 5.7% of its RHNA allocation – a housing permit approval pace that will not achieve the eight-year RHNA goal for 70 years, let alone address the new, fire-related housing crisis."

Specifically, they request that the Board of Supervisors take two immediate bold actions: First, that the County advocate for a further Executive Order from the Governor to overcome several critical

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remaining state-level obstacles not yet addressed in earlier Executive Orders. Second, they urge the County adopt its own Executive Order and related emergency actions to streamline current processes and practices in order to ensure the prompt, safe construction of homes, businesses, infrastructure, schools and churches, and other public facilities.

A copy of this letter with specific recommendations is attached and [HERE](#).

**4. BizFed Legislative Ideas to Asm. Solache.** On January 13, BizFed received a short notice request from Asm. Jose Solache, Chair of the Assembly Committee on Economic Development, Growth, and Household Impact, (and former member of SCAG's Regional Council), for a list of proposed legislative ideas to inform a legislative package addressing wildfire recovery. BizFed was effective in swift work developing a legislative proposal which Asm Solache was able to turn into a \$300M budget request to create a Small Business Employee Relief Program to support thousands of small businesses and employees whose livelihoods were wiped out by the fires. A copy of BizFed's ideas is attached.

**Attachments:**

1. LA County Board of Supervisors Recommendations 1-17-25
  2. BizFed Fire Recovery Legislative Ideas 1-16-25
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SOUTHERN CALIFORNIA LEADERSHIP COUNCIL

**Biz Fed** Los Angeles County Business Federation

Strengthening the Voice of Business

LOS ANGELES AREA CHAMBER OF COMMERCE



**BOMA** Greater Los Angeles



ORANGE COUNTY BUSINESS COUNCIL The Leading Voice of Business

The Valley Economic Alliance



Apartment Owners Association of California Inc.



January 17, 2025

Los Angeles County Board of Supervisors  
500 W Temple Street  
Los Angeles, CA 90012

Dear Chair Barger and Honorable Supervisors:

Our organizations, which together represent many of the leading businesses, community developers and housing producers in Los Angeles County and throughout the SCAG region, respectfully write to you during this tragic time in our county's history to express our deep appreciation and thanks for the heroic firefighters, first responders, public servants, and your own collective leadership, concerning the firestorm catastrophe. In doing so, we ask you to appreciate that our organizations' memberships stand with and alongside you, ready, willing and able to work as hard as possible to relieve the public's suffering and restore all that has been lost.

We realize that, unfortunately, even in the best case, restoring what has been lost in the impacted communities will be difficult. We know, for example, that following the 2017 Tufts Fire (where roughly 2,500 homes in and around Santa Rosa, California were destroyed), many of the homes and businesses that were destroyed there still have not been rebuilt even now – seven and a half years later. In light of this and similar precedents (such as the 2018 Camp Fire), we should be prepared to recognize that it may take a decade to rebuild all the homes, businesses, and civic buildings that were destroyed in these fires. We believe it is critical that we work together and implement smart streamlining measures in order to avoid such unsatisfactorily long delays here in Los Angeles County.

To state the case more plainly, the County just witnessed the destruction of thousands of housing units wherein more than ten thousand residents had been living until last week. By comparison, in recent years, the unincorporated county’s housing stock has been growing at the slow rate of only about 1,000 homes annually, meaning that at the halfway mark of the eight-year RHNA cycle, the County has permitted only 5.7% of its RHNA allocation – a housing permit approval pace that will not achieve the eight-year RHNA goal for 70 years, let alone address the new, fire-related housing crisis. This statistic alone shows why bold reforms are needed if there is to be any hope of meeting the additional demand for housing attributable to the fire, both for rebuilt houses, and for replacement homes in other communities, where many fire victims are likely to move.

Our job and business losses are also dire, and massive. The Los Angeles Economic Development Corporation’s preliminary data is that 1,863 employers were located in the burn areas, which collectively employed 11,438 people. This is only a fraction of the job and economic losses that will be suffered by other area residents and employers that are dependent on the customers and utility services lost in the areas directly affected by the fire, and does not include the multiplier effect of these devastating losses on tax revenues or our economy.

Our associations, and our members, are united in our commitment to bring our collective expertise – in building and financing housing and job-creating commercial structures, as well as infrastructure systems and public facilities, and in creating jobs and supporting businesses of all sizes – to the County and Region to ensure that we have the necessary tools needed to quickly, affordably, and safely physically construct what’s needed – and again demonstrate to voters and skeptics that we can still build here.

We respectfully request that the Board of Supervisors take two immediate actions: First, we suggest that the County advocate for a further Executive Order from the Governor to overcome several critical remaining state-level obstacles not yet addressed in earlier Executive Orders. Second, we suggest that the County adopt its own Executive Order and related emergency actions to streamline current processes and practices in order to ensure the prompt, safe construction of homes, businesses, infrastructure, schools and churches, and other public facilities.

We describe below the critical elements needed to simplify and streamline the construction procedures<sup>1</sup> to actually build what this Board has already approved, and for which at least one and in some cases multiple rounds of CEQA review have already been completed. This Board’s

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<sup>1</sup> For ease of reference, we have also attached a one-page summary list of these critical elements.

approved projects, and projects that implement your Board’s approved specific, area, community plans or the County’s state-certified Housing Element, must still comply with more than 100 substantive environmental protection, public safety, and fire protection standards – the recommended changes streamline the administrative process and end lawsuit-delays to approved projects by opponents of your Board’s approvals, but would not appreciably limit environmental protections.

By prioritizing progress over process, we can promptly build again – and give our residents and employers confidence that your Board and other agencies are committed to taking the actions needed to restore access to the California Dream.

## **Part I: Supplemental Governor’s Executive Order to Overcome State Barriers**

We appreciate the Executive Orders already issued by the Governor, and list below the additional state-level barriers to recovery that require the Governor’s further action.

As a preliminary issue, however, we want to emphasize how critical it is that the geographic boundaries of these Executive Orders be expanded to cover the SCAG Region, which as we describe below is affected by the fire catastrophe. Section 8625 of the Government Code explicitly authorizes the Governor to “proclaim a state of emergency in an area affected or likely to be affected” by the emergency, and Section 8627 further provides that pursuant to these emergency powers the Governor has “complete authority over all agencies of the state government and the right to exercise within the area designated all police power vested in the state by the Constitution and laws of the State of California.” The broad scope of these emergency powers was affirmed in court to authorize the Governor to establish COVID requirements statewide (even though COVID infections had not spread statewide at the time these Executive Orders were issued).<sup>2</sup>

The magnitude of the fire disaster, with an estimated total of more than 30,000 individuals living in the more 10,000 lost homes, has filled hotels from Santa Barbara to San Diego, with confirmed demand for housing from fire victims more than 70 miles away. The fire footprint is a catastrophe; smoke and airborne particle damage spread for miles well outside the evacuation zone, and the region already had an acute housing shortage and the Los Angeles poverty rate was worse than the Central Valley’s based on the pre-existing acute housing shortfall and high housing costs – conditions that the fire catastrophe has absolutely affected and made far worse. Matching the geographic scope of the Governor’s Order to the geographic scope of the region that is affected by this emergency is critical.

The list of needs requested in new or expanded Executive Order(s) includes:

- 1. Suspend CEQA For the Latter of Five Years, or Until 90% of Infrastructure, Public Facilities and Structures Lost to Fire, are Rebuilt.** To be effective, this CEQA suspension must apply to:

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<sup>2</sup> The referenced COVID appellate court decision is available here: [Newsom v. Superior Court, 51 Cal.App.5th 1093 | Casetext Search + Citator](#)

- a. Approval and construction of all approved housing, and all housing that is included in state-certified, locally-approved Housing Elements in the Southern California Association of Governments (SCAG) region. More than 12,000 structures have been lost to fire in a region that already had a 1.3 million housing shortfall, with the increased housing demand from displaced residents further stressing the housing market and leading to increased purchase prices and rents. Housing elements already required CEQA review, as did approved Specific, Area, and Community plans and multi-phase housing projects. Duplicative CEQA processing to actually construct the housing that has already gone through one or more rounds of CEQA review creates administrative and judicial delays that deny housing to the region’s families, including those who lost their homes to fire.
  - b. Approval and construction of replacement commercial structures, and commercial structures and uses in mixed use projects that include housing, that support jobs, small business owners, our larger employers – and virtually all sectors of our extraordinarily diverse economy such as tourism, technology, trade and entertainment.
  - c. Approval and construction of other property and structures, including churches, libraries, schools, parks in neighborhoods, and fire prevention measures such as vegetation management and fire breaks.
  - d. Approval and construction of infrastructure, public facilities, and utilities needed to support housing, commercial, and other properties discussed above.
  - e. Approvals not subject to CEQA including, without limitation, approvals by public agencies of permits, approvals, funding and financing for any such housing, commercial, properties and structures described above (collectively, “Properties or Structures”).
2. **Expand the Geographic Scope of this and Related Executive Orders to the Region to Align with the Areas Affected by the Fire Catastrophe.** Clarify that the geographic scope of this Executive Order is the SCAG Region. This geographic scope is critical in order to match the geographic scope of areas impacted by these multiple massive fires. Fire victims are sheltering in hotels extending north to Santa Barbara and south to San Diego counties, and east into the Inland Empire. Our members report that fire victims are seeking available homes for sale as far as 70 miles away from Pacific Palisades. Destroyed and damaged infrastructure systems are connected to, and required improvements and capacity expansions extend well beyond, the burn zone. The recent catastrophic fires in both urban neighborhoods and new communities have repeatedly demonstrated that new structures built to current fire code standards, and new communities built to current fire protection and resiliency standards, do not just survive wildfires – they also serve as a refuge for first responders and people forced to evacuate from older structures and communities. The construction of fire-hardened structures and communities has also been proven to help prevent and contain urban fires and wildfires, as well as providing shelter and supplemental fire response infrastructure that will protect burn recovery areas and prevent catastrophic losses of life and structures in future firestorms.
3. **Expand the Applicability of the Housing Accountability Act to State Agencies, as well as Mixed Use and Non-Housing Properties and Structures.** Apply the Housing Accountability Act’s procedural, substantive, evidentiary burden, and remedy standards to Properties and Structures in the Region, and order all state and regional agencies, and special



purpose district, to comply with HAA’s review and approval procedures. This would direct use of existing, successful HAA legislation to apply more broadly to Structures and Properties, and direct all state agencies (not just local land use agencies) to comply with the application review schedule, procedures, substantive objective standards and evidentiary standards, and enforcement and remedy provisions, in the Housing Accountability Act for housing projects, beginning with applicant submittal of a “preliminary application” for such Properties or Structures.

- 4. Suspend the applicability of California Building Code Regulations adopted after 2014 in the California Code of Regulations (CCR) for construction of Properties or Structures Unless Required for Fire Safety, are Federally-Mandated, or Court-Ordered.** California construction costs are simply unaffordable, and there is simply no time for state agency studies and years-long regulatory promulgation efforts (which trigger CEQA as well as allow for litigation challenges) to consider each building code regulation for potential revision or rescission. Instead, building code regulations adopted after December 31, 2014 in Title 24 of the California Code of Regulations should be suspended indefinitely except for (a) regulations adopted to conform to the California Building Code Standards; (b) regulations adopted to prevent and protect against fire risks including Chapter 7A of the Building Code and the California Fire Code (CFC) Chapter 49 Board of Forestry Fire Safe Regulations for new construction, and to the extent feasible for the rebuilding of fire-damaged or affected homes or lots; and (c) regulations designated within thirty (30) days of this Order which are critical, based on objective standards, to protect public safety from hazards specifically created by the construction or occupancy of such Property or Structure, consistent with the objective standards enforcement and project denial criteria set forth in the Housing Accountability Act. While there are many examples of unaffordable or ineffective building code provisions, we highlight just a few to make clear the urgency and fiscal importance of this measure. A rooftop solar mandate was created when utility ratepayers substantially subsidized rooftop solar costs; in subsequent proceedings such subsidies were demonstrated to benefit wealthier households and place a disparately high cost burden on less wealthy households, and the subsidies were discontinued by the California Public Utilities Commission (CPUC) – but the mandate to install solar roofs on new housing and building structures remained in place, even as other studies confirmed that California’s grid capacity challenges already prevent California ratepayers from using electricity during even the peak solar production from existing solar power. Similarly, “CalGreen” and state-approved “REACH” codes prescribe building standards that substantially increase both construction cost and occupancy (consumer) costs, such as “tight” building standards that restrict windows that open and close in favor of complex and costly recycled indoor air filtration and related temperature control systems that must be operated 24/7 with high cost electricity, and then be rigorously maintained to avoid filter failures that cause Legionnaire’s disease and other adverse health effects. While this and similar standards were adopted to address climate change, as Assembly Speaker Rivas noted just before the fire catastrophe, California’s climate leadership cannot be imposed the backs of poor and working families, and we can “no longer blindly defend the institutions” advocating for climate programs that don’t work, or just block housing or infrastructure projects.<sup>3</sup>

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<sup>3</sup> The December 2024 quote from Speaker Rivas is available here: <https://www.breakthroughjournal.org/p/time-to-reset-californias-climate>

- 5. Impose a Moratorium on Approval of New Regulations that Increase Construction Costs or Impose Procedural, Scheduling or other Obstacles to Timely Construction of Properties and Structures.** Suspend the authority of any state or regional agency, or special purpose district, to adopt new or modified regulations, ordinances, standards or policies, that impose new limitations on the construction or reconstruction of such Properties or Structures, or that impose new costs on the construction or occupancy of such Properties or Structures. Suspend the applicability of such regulations, ordinances, standards or policies adopted after 2020, except to the extent (a) required by federal law or a final court order, or (b) regulations or ordinances designated within thirty (30) days of this Order which are critical, based on objective standards, to protect public safety from hazards specifically created by the construction or occupancy of such Property or Structure, consistent with the objective standards enforcement and project denial criteria set forth in the Housing Accountability Act.

## **Part II. Los Angeles County Board of Supervisors Emergency Action Executive Order**

We appreciate that the County, and within the County, our cities, have the most direct, hands-on responsibility for administering the land use, public services, and public safety needs in our communities. Unfortunately, many of our coalition members are already experiencing delays in staff-level review and approvals for housing and businesses that need only ministerial approvals, such as site plan checks, building permit applications, or inspections, to actually build homes or create jobs that our region needs more desperately now than ever before – and increasingly the reason being given to our members is that even the more junior staff performing these functions have been told to prioritize their time to fire-related tasks. We very much appreciate that agency staffing and hiring procedures are challenging, but we also believe that we must collectively recognize and commit to a more streamlined process for these and related tasks, especially if critical staff members are to be reassigned for the rebuilding process.

We also note that where public agencies are committed to making meaningful progress in achieving important outcomes, such changes can be made by Executive Order, Resolution or Ordinance without waiting for authorizing state legislation or further Executive Orders. For example, we note that the City Council in Los Angeles just adopted a Resolution that directed preparation of a new Ordinance that would:

**“exempt Olympic and Paralympic temporary and permanent venues, training facilities, security perimeters, broadcast and media centers, transit infrastructure, live sites and fan zones, and associated structures from the requirements of City Planning approvals, zoning regulations, and conditions, including but not limited to Conditional Use Permits (CUPs) and conditions tied to such permits, Site Plan Review requirements, height restrictions, setback requirements, limitations imposed by Specific Plans, and any other planning or zoning regulations that could delay or impede the rapid deployment and or use of essential facilities.”<sup>4</sup>**

The City Council resolution also directs full utilization of a CEQA statutory exemption for many Olympic Games venues, but the broad Resolution substantially effectuates that exemption by eliminating the need for lengthy and/or costly discretionary planning and zoning approvals, which

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<sup>4</sup> The City of Los Angeles Olympic resolution is available here: [S14KONICA\\_C24121314390](#)

further clarifies that these ministerial actions are not subject to CEQA,<sup>5</sup> nor are they subject to CEQA or land use lawsuit challenges applicable only to discretionary decisions.

Both the County and City of San Diego have recently and successfully made their local housing approval faster and more efficient by allowing more “rule-based” and fewer “discretionary” housing project approvals. The concept is simple, powerful, and already embraced by the state’s housing crisis laws: housing that complies with objective standards is entitled to be approved under state housing law, and time-consuming formerly “discretionary” decision-making by planning commissions and elected officials serve little or no public purpose and should be discontinued. This did not require an amendment to the CEQA statute: “by right” ministerial housing project approvals that do not trigger either CEQA or Planning Commission review; these locally approved streamlining processes have resulted in housing application approvals in as little as one day with an over-the-counter approval, and have of course eliminated CEQA-related administrative delays and judicial challenges.

The Emergency Order approved by Los Angeles Mayor Bass reflects many of the critical elements that we urge this Board to also approve by a similar emergency action Executive Order;<sup>6</sup> however, like the Governor’s Executive Orders there are missing elements which we are advocating be added in a subsequent Executive Order. Finally, every one of the many California jurisdictions that experienced catastrophic urban fires have learned lessons - and revised their own local procedures – to assure efficient streamlining of the building and infrastructure approval process. Our colleagues’ experience with these other fires (Oakland, Santa Rosa, Sonoma, Paradise and more) also informed our urgent requests to your Board. Below are the emergency action Executive Order elements that we urge this Board to urgently approve:

**1. Separate Disaster Recovery Services from Permitting by Planning and Public Works.**

Although the City of Los Angeles has to date combined disaster recovery services with streamlined permitting, we urge that the County keep these functions separate. We fully recognize and support the need for a much broader range of services for residents, businesses, and community facilities destroyed or harmed by the fires. For example, US/EPA and FEMA are taking the lead on debris removal and demolition, but displaced families are in need of many services – housing, schools, medical care, income, insurance claims, contracting, etc. – that require assistance from many agencies, departments, non-profits, and other entities. For example, our Building Industry of Southern California coalition member is beginning an Ambassador program to provide free expert advice on contracting for the architecture, engineering, contractors and other services needed to complete the design and construction process for replacement homes. However, disaster recovery services should be distinct from permitting and inspecting Structures and Properties. Permitting falls squarely within the jurisdiction of just a couple of key County Departments, notably Planning and Public Works, who already do this work as part of their daily jobs. Planning and Public Works need to far more promptly complete the approval process for permit applications already pending to clear the backlog, prepare for the surge

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<sup>5</sup> Pub. Res. Code section 21080(b)(1).

<sup>6</sup> The Executive Order from Mayor Bass is available here: [Mayor Bass Issues Sweeping Executive Order to Clear Way for Angelenos to Rebuild Their Homes Fast | Mayor Karen Bass](#)

of new permit applications being filed in the coming months and years from the fire areas, and retool to implement the streamlined permitting process described below.

2. **Establish a Permit Streamlining Leader to Oversee and Enforce Prompt Implementation of Streamlined Approval Processing by County Departments.** Forming a multi-departmental task force does not produce immediate, or predictably faster and more effective, permit streamlining outcomes. For example, current processing has Planning in the lead, followed by a multi-departmental review process that can only begin when Planning is done. Further, this process has no enforceable deadlines – and most often results in still more delays when inter-departmental disagreements or contradictory directions to applicants occur. This must end, but will only do so if an individual is empowered to lead and manage all departments to assure timely and effective permit streamlining outcomes. The Permit Streamlining Leader should also create processing transparency, with a Dashboard tracking permit applications, approvals, inspections, and completions. County staff should be managed to complete their assigned streamlined tasks, within two weeks, including for example completing inspections within two weeks of receiving an inspection appointment request and/or notification of construction completion requiring inspection. All County personnel qualified to perform inspections should be deployed to do so, and expedited inspection training for other County personnel who are no longer needed to perform tasks made unnecessary by streamlining. Inspectors shall have no authority to require changes or modifications to approved site plans and building permits.
  
3. **Suspend the Applicability of Discretionary Permitting for Eligible Projects.** Housing, commercial structures, public facilities, infrastructure, utilities, and community facilities such as churches and parks located on unincorporated county lands that are consistent with applicable, objective standards and are authorized uses in the County’s approved General Plan Land Use or Housing Element, or in an approved Specific Plan, Area Plan, Community Plan, or project-level entitlement, should qualify for streamlined approval to expedite the commencement and completion of construction. Similarly to the Los Angeles Olympics streamlining, Eligible Projects should require only ministerial approvals to build, create parcels, and complete such other actions that are required by law to complete construction, provided such Eligible Projects comply with applicable, objective standards in effect when a preliminary application is filed, unless the construction or occupancy of the project would itself result in a public safety hazard, consistent with the schedule, procedures, substantive objective standards and evidentiary standards, and enforcement and remedy provisions, in the Housing Accountability Act for housing projects, beginning with applicant submittal of a “preliminary application” for an Eligible Project. We urge you to direct staff to prepare an Ordinance, within twelve (12) months, for consideration by this Board, to implement this streamlined permitting process until the housing affordability policy crisis achieves housing affordability targets such that the median-priced housing in the County is again affordable to median-income households (for sale median home price of four times median household income, and median rent price at 30% of median household income).

4. **Expand Public Private Partnerships with Qualified Experts to Immediately Supplement County Staff Capacity to Expedite Building.** We recognize the County – like most of our members – face challenges created by constrained budgets and complex workforce management issues. Qualified engineers, architects and other experts are already required to attest to the safety and legal sufficiency of applications to build infrastructure as well as structures, but the work of these licensed experts is then subject to multiple additional “plan check” and application sufficiency review proceedings with County staff that often does not have the professional licenses, duties, and liabilities of these private sector professionals. Applicants must rely on these licensed professionals to qualify for financing, insurance, and satisfy inspectors to qualify for occupancy permits and related state housing and other approvals. To address this situation in light of the increased demand created by the thousands of new, previously unexpected building applications generated by these urban fires, the scope of licensed professionals retained by applicants should be expanded to include site plan, building permit and related ministerial permit approvals, and County staff should be redeployed as inspectors to assure that infrastructure and buildings comply with approved site plans and permits. (We also note that the County’s new Permit Streamlining Leader, referenced in Item 2 above, should further assure that inspectors are trained and managed to assure compliance and consistency, as there have been persistent reports of disputes between inspectors and other staff that have resulted in multi-month delays or massive additional costs in nearby jurisdictions.) This step will remove months (and sometimes more than a year) of delays in starting construction, and will assure a more predictable pace of construction to support growth in the construction workforce.
  
5. **Fast Track Ministerial Approval of Already “Deemed Complete” Housing Project Applications.** Direct staff to approve housing project applications which County staff have determined are “Deemed Complete” as of the date of this Executive Order to ministerially approved within 60 days of approval of this Executive Order, unless the County satisfies the procedural and substantive standards of the Housing Accountability Act and determines that the project itself causes significant adverse safety effects based on applicable objective written standards in effect when the application was deemed complete. Numerous “Deemed Complete” housing projects are close to “shovel ready” but under the procedural status quo will be delayed in administrative review and possible litigation for years. These housing projects have satisfied all local agency application requirements, and the County has determined that these applications are “deemed complete” under the Housing Accountability Act standards. Given the urgency to start shovel-ready projects in 2025, these Deemed Approved housing projects shall be ministerially approved by County staff, or by Qualified Experts as described above, within 60 days of the date of this Executive Order. We note that thousands of housing projects, at densities and subject to other objective standards already approved by this Board and further required to comply with state housing laws, including those in specific, area and community plans and in the County’s state-certified Housing Element, could be constructed in 2025 and bring immediate and substantial new housing supplies to the County to ameliorate the pricing and demand increases made worse by the fire catastrophe.

6. **Reduce Housing Prices and Infrastructure Construction Costs.** Many California jurisdictions have attempted to achieve both core and desired fiscal outcomes through ever-escalating fees and mandates applied to new housing and new development, which results in a quadruple cost burden on residents and businesses: the housing price is higher, the downpayment is higher, the insurance cost is higher, and the mortgage payment is higher. Consumers and businesses simply cannot absorb these costs, as witnessed by the exodus of hundreds of thousands of residents from Los Angeles County alone. To address the need to contain costs as much as possible during rebuilding, the County should suspend the authority of County departments to recommend approval of any new or modified plans, ordinances, standards or policies, that impose new limitations on the construction or reconstruction of Eligible Properties, or impose new costs on the construction or occupancy of such eligible properties. Also suspended should be the applicability of plans, ordinances, standards or policies adopted after 2014, except to the extent (a) required by federal or state law or a final court order, or (b) regulations or ordinances designated within thirty (30) days of this Order which are critical, based on objective standards, to protect public safety from hazards specifically created by the construction or occupancy of such Eligible Projects, consistent with the objective standards enforcement and project denial criteria set forth in the Housing Accountability Act. For example, art fees support worthy projects but increase the cost of building or repurposing the use of structures to create jobs or housing – the region’s staggering construction costs simply cannot bear the cost of burdening new residents and businesses with disparate cost burdens (relative to legacy residents and businesses) to fund public programs. Similarly, this would preclude implementation of revisions to Sections 8.52.050 to 8.52.070 that became effective in 2025 to assure that existing multi-family housing will remain available during this emergency rather than risk demolition and loss due to an untested formula.
  
7. **Authorize and Direct the Completion within 60 Days of Such Implementing Actions as are Necessary to Establish Climate Resilience District(s) to Dedicate Tax Increment Financing of New Homes and Structures to Fund Climate Resilient Infrastructure, Public Facilities, and Affordable Housing.** Direct staff to return to this Board within two weeks with a Motion to authorize urgency action to propose the establishment and implementation of special financing districts with a focus on a Climate Resilience District to be formed and adopted in the directly impacted and adjacent areas. Permissive legislation SB852 was enacted in 2021 providing local governments the ability to create these separate governance and funding districts to: accelerate immediate toxic and hazardous waste clean-up; for local and sub-regional infrastructure needed to support economic and housing recovery, as well as related resiliency, restoration improvements as may be needed; construction of needed affordable housing as may be permitted; risk reduction analysis needed to sustain continuing insurance; and including partnership and participation in such district(s) with the inclusion of all cities in the affected areas, and other eligible public agencies. By way of example, the goal of the Los Angeles County & City Climate Resilience District (LAC3RD) is to achieve these objectives by 2025, providing accelerated recovery for impacted populations and visitors to the 2028 Olympics. Creation of tax increment funding to pay for critical infrastructure and related eligible costs requires new construction and development, not simply replacement of structures within the burn areas as the property tax bases for these replacement structures

does not increase property taxes or generate a property tax increment. Community recovery extends beyond the fire boundary and into the region.

8. **Increase the Construction Workforce.** Housing production in 2024 fell again, repeating a downward trend in the construction of new homes and apartments. (Some housing statistics show relatively flat housing production, but these include accessory dwelling units such as converted garages and backyard pool houses which are, according to UCLA Housing Department Chair Michael Manville, unlikely to provide a stable housing supply for unrelated households.) Without a steady and predictable demand for housing, infrastructure, and commercial project construction, construction workers, contractors, and production builders, have increasingly departed for other states – a pattern that was again repeated in December 2024 with more layoffs and decreased planned investments in California construction. Each of the recommended Executive Order measures above will create demand for a larger, better trained, and more reliable construction workforce. While the early months of fire recovery are likely to see an influx of workers from other states as occurs with natural disasters such as hurricanes, tornados and floods, we would like to support this Board in helping to expand workforce readiness and training programs in our high schools and community colleges, and work in collaboration with our partners to restore our region’s depleted workforce and create more career-supporting, steady middle class jobs. We have the demand for far more housing, more jobs, and more resilient infrastructure and public services – but without substantially improving the pace of project approvals, and reducing the risks of extended uncertainties such as CEQA lawsuits or unaffordable policy priorities that price our families out of housing they can afford to purchase or rent, our workforce cannot be restored.

Even before the calamitous fires, Los Angeles County and the SCAG Region faced a dire emergency: housing prices continued to rise, homelessness continued to increase, and the California poverty rate jumped from less than 12% in 2021 to 18.9% just two years later in 2023. The poverty rate in Los Angeles County was far worse than the Bay Area, but also – mostly because of extraordinarily higher housing costs – far worse than even the Central Valley,<sup>7</sup>

The status quo of “business as usual” processing and staffing has failed to reduce poverty and has made housing more, not less, expensive and available. Our recommended Executive Order actions offer your Board the opportunity to not only respond quickly and efficiently to the challenge of rebuilding after the firestorm, but also to take bold and effective leadership steps to ensure that the County’s unincorporated areas will be safer and more resilient, while restoring attainable homeownership and rents and creating generations of stable middle class construction and other jobs. In short, your Board’s leadership would serve as the inspiration, and demonstration, of our shared commitment to upward mobility and the California Dream.

Thank you for your kind attention, and we stand ready to assist you in making this a success.

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<sup>7</sup> These poverty rate statistics are available here: <https://centerforjobs.org/ca/job-reports/quick-facts-california-employment-report-for-august-2023> and here <https://www.ppic.org/publication/the-working-poor-in-california/>

## **Summary of Southern California Business Coalition Recommendations**

### **Part I: Supplemental Governor's Executive Order to Overcome State Barriers**

1. Suspend CEQA For the Later of Five Years, or Until 90% of Infrastructure, Public Facilities and Structures Lost to Fire, are Rebuilt.
2. Expand the Geographic Scope of this and Related Executive Orders to the Region to Align with the Areas Affected by the Fire Catastrophe.
3. Expand the Applicability of the Housing Accountability Act to State Agencies, as well as Mixed Use and Non-Housing Properties and Structures.
4. Suspend the applicability of California Building Code Regulations adopted after 2014 in the California Code of Regulations (CCR) for construction of such Properties or Structures Unless Required for Fire Safety, or are Federally-Mandated, or Court-Ordered
5. Impose a Moratorium on Approval of New Regulations that Increase Construction Costs or Impose Procedural, Scheduling or other Obstacles to Timely Construction of Properties and Structures.

### **Part II. Los Angeles County Board of Supervisors Emergency Action Executive Order**

1. Separate Disaster Recovery Services from Permitting by Planning and Public Works.
2. Establish a Permit Streamlining Leader to Oversee and Enforce Prompt Implementation of Streamlined Approval Processing by County Departments.
3. Suspend the Applicability of Discretionary Permitting for Eligible Projects.
4. Expand Public Private Partnerships with Qualified Experts to Immediately Supplement County Staff Capacity to Expedite Building.
5. Fast Track Ministerial Approval of Already "Deemed Complete" Housing Project Applications.
6. Reduce Housing Prices and Infrastructure Construction Costs.
7. Authorize and Direct the Completion within 60 Days of Such Implementing Actions as are Necessary to Establish Climate Resilience District(s) to Dedicate Tax Increment Financing of New Homes and Structures to Fund Climate Resilient Infrastructure, Public Facilities, and Affordable Housing.
8. Increase Construction Workforce.



Respectfully submitted on behalf of the following organizations:

**Apartment Owners Association of California:** Arnie Corlin, Chair of Advocacy  
**Arcadia Association of Realtors:** James Clarke, Government Affairs Director  
**Building Industry Association of Southern California:** Jeff Montejano, CEO  
**BOMA California:** Matthew Hargrove, President/CEO, CBPA on behalf of BOMA  
**BOMA Greater Los Angeles:** Christopher Bowen, Director of Government and Public Affairs  
**California Building Industry Association:** Dan C. Dunmoyer, President and CEO  
**California Business Properties Association:** Matthew Hargrove, President & CEO  
**Central City Association of Los Angeles:** Nella McOsker, President & CEO  
**DTLA Alliance:** Suzanne Holley, President & CEO  
**DTLA Chamber of Commerce:** Claudia Oliveira, CEO/President  
**Greater Coachella Valley Chamber of Commerce:** Brandon Marley, President/CEO  
**Greater Conejo Valley Chamber of Commerce:** Danielle Borja, President & CEO  
**Greater Los Angeles Realtors Association:** Jerard Wright, Director of Government Relations  
**Infrastructure Funding Alliance:** Mark Pisano, Chairman of the Board  
**Inland Empire Economic Partnership:** Paul Granillo, President & CEO  
**IREM California:** Matthew Hargrove, President/CEO, CBPA on behalf of IREM  
**LA South Chamber of Commerce:** Debbie Corlin, Chair of Government Relations  
**Los Angeles Area Chamber of Commerce:** Maria Salinas, President & CEO  
**Los Angeles County Business Federation (BizFed):** Tracy Hernandez, Founding CEO  
**NAIOP California:** Matthew Hargrove, President/CEO, CBPA on behalf of NAIOP CA  
**Orange County Business Council:** Jeff Ball, President & CEO  
**Rancho Southeast Realtors:** James Clarke, Government Affairs Director  
**Southern California Leadership Council:** Mike Roos, President  
**Valley Economic Alliance:** Sonya Kay Blake, President & CEO  
**Valley Industry & Commerce Association:** Stuart Waldman, President

## **BizFed Fire Recovery Legislative Ideas**

On January 13, BizFed received a short notice request from Asm. Jose Solache, Chair of the Assembly Committee on Economic Development, Growth, and Household Impact, for a list of proposed legislative ideas to inform a legislative package to be announced January 16 by Speaker Rivas and Assembly leadership. BizFed convened the first meeting of the BizFed LA Fires Recovery Task Force on January 14. About 100 people joined that meeting, representing a broad and diverse cross section of the Los Angeles region's business community. All were very appreciative of the opportunity to contribute ideas for immediate legislation to support the recovery.

**Below is a list of concepts for legislation BizFed submitted to Asm. Solache on January 14, 2025, for consideration:**

### **LA Fires Debris Removal Czar**

- Create a single leadership role—LA Fires Debris Removal Czar—to oversee and expedite debris removal efforts.
- Empower the Czar to coordinate federal, state, and local agencies, cutting through bureaucratic red tape.
- Prioritize swift debris clearance as a critical first step to allow rebuilding efforts to commence without delay.

### **Expedite Cleanups**

- Direct the Waste Board and DTSC to prioritize and accelerate cleanup efforts.
- Implement waivers for California-only hazardous waste regulations, landfill daily restrictions, and other barriers to quick cleanup.

### **Recovery Permitting Equity Law**

- Mandate that all expedited processes for rebuilding homes also apply equally to commercial/business properties and infrastructure (power, water, broadband, roads, transit, etc.).
- Remove barriers to rebuilding by temporarily suspending or streamlining compliance with CEQA, the Coastal Act, and other regulatory requirements.
- Promote fair treatment for businesses and infrastructure in recovery efforts to restore local economic activity swiftly.

### **Small Business Employee Relief Program**

- Establish a program providing financial support to full-time employees of small businesses affected by the LA Fires.
- Allocate \$1,000 per month for six months to eligible employees whose employers have ceased or significantly reduced operations.
- Ensure rapid and efficient disbursement of funds to support workforce stability and mitigate economic hardship.

### **AB 2433 - Private Permitting Review and Inspection Act (Quirk-Silva; D-Fullerton)**

- Streamlines the building permit process by allowing applicants to employ private professionals for plan checks and inspections if local agencies fail to meet specific timelines.
- It addresses delays in building permits that hinder economic progress and environmental initiatives.

### **Regional Recovery Streamlining Bill**

- Require that all recovery streamlining measures (e.g., expedited permits, CEQA exemptions) apply to the entire county where burn areas are located, not just the specific burn zones.
- Recognize and address the regional impacts of disasters on housing, businesses, and infrastructure across the entire county.
- Ensure consistent, equitable application of streamlined regulations to support recovery efforts throughout all affected communities and sectors.

### **Insurance Market Reform**

- Prioritize comprehensive reforms to stabilize and improve access to property insurance in high-risk fire areas.
- Incentivize insurers to remain in the market by balancing risk-sharing mechanisms and financial support for catastrophic events.
- Protect homeowners and businesses from skyrocketing premiums or losing coverage, ensuring equitable access to essential insurance services.

### **Self-Certification for Simple Developments:**

- Introduce a self-certification process for licensed architects and engineers, allowing them to certify that their plans meet building codes and standards.
- Limit the program to simple developments, ensuring all designs and plans are submitted, while retaining inspections to uphold safety standards.
- Reduce delays in the plan-check process to accelerate rebuilding efforts without compromising quality or safety.

### **Streamline Permits:**

- Require state agencies to consolidate permitting processes with local agencies.
- Establish one-stop permitting counters near affected areas with city, county, and regional agency collaboration.
- Issue local executive orders mandating permit turnaround within a specific timeframe.

### **Reallocate State Budget:**

- Urge the Governor to revise the state budget to allocate increased revenue toward recovery efforts in Los Angeles and strengthening local firefighting resources.

### **Regulatory Relief:**

- Call on CARB and SCAQMD to pause or pull regulations impacting the Southern California economy to allow businesses to focus on rebuilding and recovery.

### **Address Construction Labor and Material Shortages:**

- Collaborate with EDD and workforce boards to accelerate training in construction trades.
- Identify temporary housing sites (e.g., CalTrans properties) for construction workers relocating to the region.

### **Suspend AB 5**

- Temporarily suspend AB 5 to expand the workforce and prioritize recovery efforts without restrictions on workforce models.

### **Promote Travel and Tourism for Economic Recovery**

- Launch a robust campaign to attract tourists and revitalize the regional economy, emphasizing the area's resilience and recovery.
- Collaborate with local governments, chambers of commerce, and tourism boards to create incentives for travelers, such as discounts, packages, or grants.
- Highlight unaffected areas and new opportunities to support businesses reliant on visitor spending.

### **Additionally:**

1. **We want the Legislature to know in the strongest possible terms that we need to fix California's insurance market** both to address the immediate needs of homeowners and businesses and to ensure the affordable insurability of future homes and businesses, without which, financing becomes incredibly difficult and impedes reconstruction.
2. **We strongly encourage Legislators and the Governor's team to actively engage with the California Building Industry Association and its members.** These are the true experts on how to quickly and efficiently build thousands of units of housing. We need a Marshall Plan for housing to normalize people's lives as quickly as possible, which is also vital to economic recovery, since every resident is either an employee, a customer, or both.
3. California YIMBY has created [this useful Google Sheet](#) that is an ongoing compilation of policy ideas to promote housing reconstruction. Certainly not all of these apply to the state -- many are recommended local government actions. However, this is a useful source of additional specific policies that can promote recovery.