



San Gabriel Valley Council of Governments

NOTICE OF THE REGULAR MEETING OF THE CITY MANAGERS' STEERING COMMITTEE

Date: Wednesday, February 1, 2017 – 12 noon

**Location: Foothill Transit Office
(100 S. Vincent Ave., Suite #200, West Covina, CA 91790)**

Chair
Chris Jeffers
Glendora

Vice-Chair
Dominic Lazzaretto
Arcadia

Immediate Past-Chair
Mark Alexander
La Canada Flintridge

*Northeast
Representatives*
Tony Ramos
Claremont
Bob Russi
La Verne

*Southeast
Representatives*
Jim DeStefano
Diamond Bar
Linda Lowry
Pomona

Central Representatives
Shannon Yauchzee
Baldwin Park
Chris Freeland
West Covina

*Southwest
Representatives*
Sergio Gonzalez
South Pasadena
Bryan Cook
Temple City

*Northwest
Representatives*
Darrell George
Duarte
Oliver Chi
Monrovia

Thank you for participating in the City Managers' Steering Committee meeting. The City Managers' Steering Committee encourages public participation and invites you to share your views on agenda items.

MEETINGS: Regular Meetings of the City Managers' Steering Committee are held on the first Wednesday of each month at 12:00 noon at the Foothill Transit Office (100 S. Vincent Ave., Suite 200 West Covina, CA 91790. The City Managers' Steering Committee agenda packet is available at the San Gabriel Valley Council of Government's (SGVCOG) Office, 1000 South Fremont Avenue, Suite 10210, Alhambra, CA, and on the website, www.sgvcog.org. Copies are available via email upon request (sgv@sgvcog.org). Documents distributed to a majority of the Committee after the posting will be available for review in the SGVCOG office and on the SGVCOG website. Your attendance at this public meeting may result in the recording of your voice.

CITIZEN PARTICIPATION: Your participation is welcomed and invited at all City Managers' Steering Committee meetings. Time is reserved at each regular meeting for those who wish to address the Committee. SGVCOG requests that persons addressing the Committee refrain from making personal, slanderous, profane or disruptive remarks.

TO ADDRESS THE CITY MANAGERS' STEERING COMMITTEE: At a regular meeting, the public may comment on any matter within the jurisdiction of the Committee during the public comment period and may also comment on any agenda item at the time it is discussed. At a special meeting, the public may only comment on items that are on the agenda. Members of the public wishing to speak are asked to complete a comment card or simply rise to be recognized when the Chair asks for public comments to speak. We ask that members of the public state their name for the record and keep their remarks brief. If several persons wish to address the Committee on a single item, the Chair may impose a time limit on individual remarks at the beginning of discussion. **The City Managers' Steering Committee may not discuss or vote on items not on the agenda.**

AGENDA ITEMS: The Agenda contains the regular order of business of the City Managers' Steering Committee. Items on the Agenda have generally been reviewed and investigated by the staff in advance of the meeting so that the City Managers' Steering Committee can be fully informed about a matter before making its decision.

CONSENT CALENDAR: Items listed on the Consent Calendar are considered to be routine and will be acted upon by one motion. There will be no separate discussion on these items unless a Committee member or citizen so requests. In this event, the item will be removed from the Consent Calendar and considered after the Consent Calendar. If you would like an item on the Consent Calendar discussed, simply tell Staff or a member of the Committee.



In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SGVCOG office at (626) 457-1800. Notification 48 hours prior to the meeting will enable the SGVCOG to make reasonable arrangement to ensure accessibility to this meeting.



PRELIMINARY BUSINESS

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Public Comment (*If necessary, the Chair may place reasonable time limits on all comments*)
5. Changes to Agenda Order: Identify emergency items arising after agenda posting and requiring action prior to next regular meeting

CONSENT CALENDAR

6. City Managers' Steering Committee Minutes
Recommended Action: Approve City Managers' Steering Committee Minutes.

ACTION ITEMS

7. FY 2016-17 2nd Quarter Financial Report
Recommended Action: Recommend Governing Board receive and file.
8. FY 2016-17 Budget Amendment #2
Recommended Action: Recommend Governing Board approve Budget Amendment #2.
9. Los Angeles County ¼ Cent Tax for Homeless Services
Recommended Action: Provide recommendations to Governing Board.

DISCUSSION ITEMS

10. Ad Hoc ACE/ Large Capital Projects Committee Recommendations
Recommended Action: For information only.
11. Los Angeles Community Choice Energy (LACCE) Joint Powers Authority (JPA)
Recommended Action: For information only.

UPDATE ITEMS

12. ACE Construction Authority – Oral Report
Recommended Action: For information only.
13. Executive Director's Monthly Report – Oral Report
Recommended Action: For information only.

COMMITTEE MEMBER ITEMS

ANNOUNCEMENTS

ADJOURN



SGVCOG
City Managers' Steering Committee Unapproved Minutes
January 4, 2017
12:00 Noon
Foothill Transit Office

1. Call to order. The meeting was called to order at 12:08 PM.
2. Pledge of Allegiance
3. Roll Call

Members Present:

Arcadia	D. Lazzaretto
Baldwin Park	S. Yauchzee
Diamond Bar	J. DeStefano
Glendora	C. Jeffers
Claremont	T. Ramos
La Verne	B. Russi
Pomona	L. Lowry
South Pasadena	S. Gonzalez
Temple City	B. Cook
Pasadena	J. Gutierrez
El Monte	J. Gomez

Members Absent:

West Covina
 Duarte
 La Canada/Flintridge

SGVCOG Staff/Guests:

Phil Hawkey, Executive Director
 M. Creter, Assistant Executive Director
 E. Wolf, Staff
 C. Cruz, Staff
 D. Stanley, ACE Staff
 J. Allred, SGV Economic Partnership

4. Public Comment.
 There was no public comment.
5. Changes to Agenda Order.
 There were no changes.

CONSENT CALENDAR

6. City Managers' Steering Committee Minutes
There was a motion to approve the consent calendar (M/S: S. Gonzalez/D. Lazzaretto).
[Motion Passes]

AYES:	Arcadia, Baldwin Park, Diamond Bar, Glendora, Claremont, La Verne, Pomona, South Pasadena, Temple City, Pasadena, El Monte
NOES:	
ABSTAIN:	
ABSENT:	West Covina, Duarte, La Canada/Flintridge

ACTION ITEMS**DISCUSSION ITEMS****7. Ad Hoc ACE / Large Capital Project Committee Draft Report**

P. Hawkey opened the discussion with a review of the committee's report and recommendations. L. Lowry added her observations based on her membership on the ACE Ad Hoc Committee. Led by C. Jeffers, the city managers raised several concerns about an ongoing roll of the ACE to function as a construction management agency.

- They questioned how ACE staffing would accommodate a constant fluctuation in the number of projects the agency may have at any given time.
- There was concern about the level of liability other COG cities not directly tied to a construction project would be subject to under the proposed expanded authority of the ACE.
- Some city managers believed the selection of projects, supported by a majority of COG board members but opposed by others, could lead unnecessarily to conflict within the organization.
- There was concern that Metro or Caltrans may not give up control of a project to ACE. C. Jeffers suggested instead an organizational model that maintained ACE as a construction management agency that cities could independently (or in groups) enter into contractual agreements with.
- Some questioned the amorphous nature of the mission ACE would be taking on compared to the specific mission they have now: manage grade separation construction projects.

Ultimately, there was support for recommendations 1, 2, and 4 – 6 as written; with strong support for recommendation number 2, hiring a Transportation Planner. The city managers supported changing recommendation number 3 to read,

Investigate further possible ACE governance changes and potential future capacity to construct capital projects in the SGV and report back in 90 days to the City Managers Steering Committee.

This reflects their desire for more time and information regarding the transition of ACE to take on a transportation construction management role under the SGVCOG. Examples of the type of information they would like are the outcome of discussions with Caltrans about the ACE taking over authority for management of projects from Caltrans and the results of Metro's Measure M funding guidelines being drafted over the next few months. The city managers requested a report back with these follow up details within 90 days.

There was a motion to approve recommendations 1, 2, and 4 – 6 as written, and approve recommendation 3 as revised above. (M/S: C. Jeffers/O. Chi).

[Motion Passes]

AYES:	Arcadia, Baldwin Park, Diamond Bar, Glendora, Claremont, La Verne, Pomona, South Pasadena, Temple City, Pasadena, El Monte
NOES:	
ABSTAIN:	
ABSENT:	West Covina, Duarte, La Canada/Flintridge

10. C

8. COG Office Lease

P. Hawkey discussed the expiration of SGVCOG's office lease in December 2017 and the desire to consider leasing office space more central to the geographic area of the COG, and possibly co-locate with the ACE and/or SGV Economic Partnership. He solicited volunteers to work with the COG on lease options. B. Russi and S. Gonzalez volunteered.

UPDATE ITEMS

9. ACE Construction Authority – Oral Report

There was no report.

10. Executive Director's Monthly Report – Oral Report

10.1 Energy Wise Contract Amendment and Staffing

P. Hawkey reported that EnergyWise grant funding will be available to hire a fulltime position.

10.2 Redevelopment Tools and Potential Legislation

P. Hawkey advised the group that Assembly Member Chris Holden's office is seeking city managers as part of a discussion group to supporting redevelopment legislation the assembly member wants to draft. C. Jeffers, J. Gomez, T. Ramos, and J. DeStafano volunteered to participate.

COMMITTEE MEMBER ITEMS

ANNOUNCEMENTS

ADJOURN The meeting adjourned at 1:45.

REPORT

DATE: February 1, 2017

TO: City Managers' Steering Committee
Executive Committee
Governing Board Delegates and Alternates

FROM: Phil Hawkey, Executive Director

RE: **FY 2016-17 2ND QUARTER FINANCIAL AND INVESTMENT REPORT**

RECOMMENDED ACTION

Receive and file.

BACKGROUND

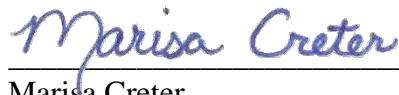
Attachment A is the SGVCOG's FY 2016-17 2nd Quarter Financial and Investment Report. This includes additional detailed reporting that was recommended by the SGVCOG's Treasurer. Attachment B is ACE's 2nd Quarter Financial and Investment Report. Both reports were prepared by ACE staff, who now manages the SGVCOG's finances.

Prepared by:



Carlos Monroy
Director of Finance, ACE

Approved by:



Marisa Creter
Assistant Executive Director

ATTACHMENTS

Attachment A – FY 2016-17 2nd Quarter Financial Report
Attachment B- ACE 2nd Quarter Financial and Investment Report



2017 2nd Quarter Reports December 31, 2016

Grants Receivable Aging Detail

As of December 31, 2016

Month	So. California Edison - Energy Wise	So. California Gas - Energy Wise	MTA	Totals	Notes
JUL-16	\$ -	\$ 6,681.01	\$ -	\$ 6,681.01	Received 1/4/17
SEP-16	-	9,624.63	7,809.79	17,434.42	MTA: Received 1/9/17 SCG: Received 1/12/17
OCT-16	-	7,899.00	7,588.76	15,487.76	SCG: Received 1/12/17
NOV-16	9,330.74	6,057.14	7,588.76	22,976.64	
DEC-16	<u>10,653.00</u>	<u>7,322.96</u>	<u>7,588.76</u>	<u>25,564.72</u>	
	<u>\$ 19,983.74</u>	<u>\$ 37,584.74</u>	<u>\$ 30,576.07</u>	<u>\$ 88,144.55</u>	

Comparative Summary Balance Sheet

As of December 31, 2016

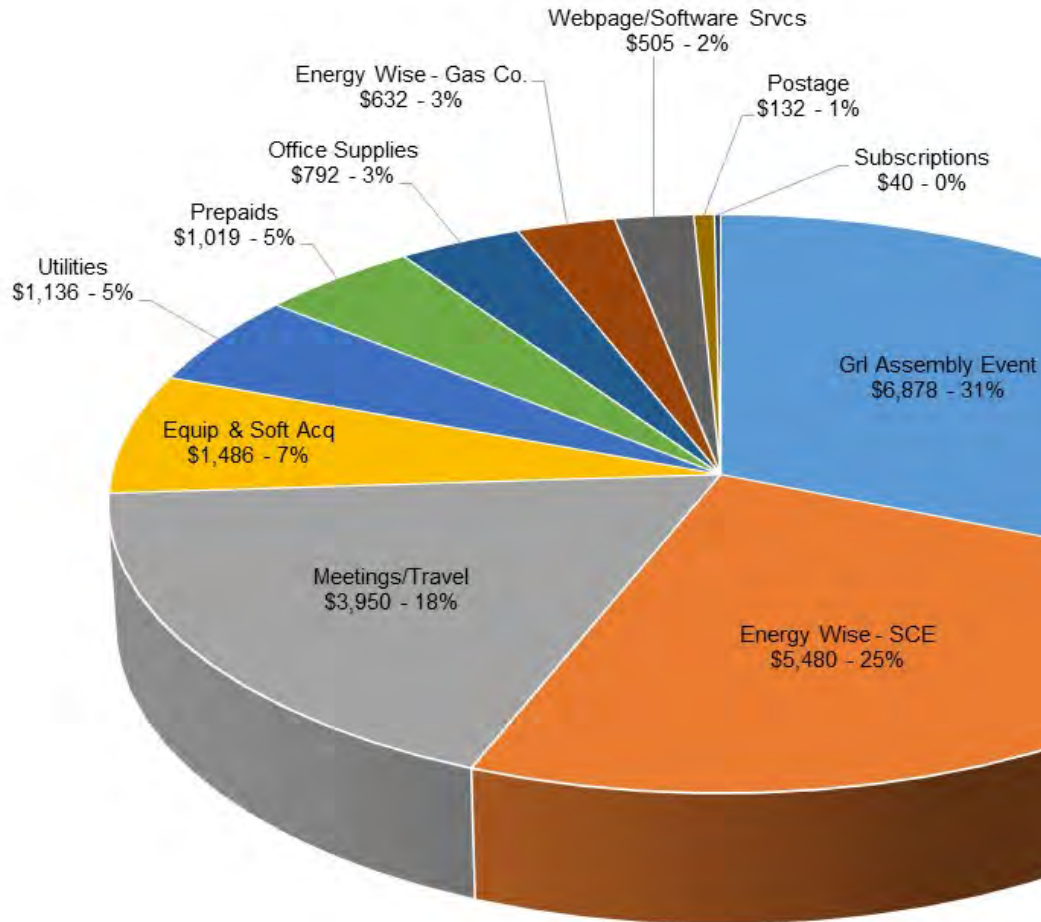
	<u>12.31.2016</u>	<u>Change</u>	<u>09.30.2016</u>
CBB - Checking	\$ 796,442	\$ (169,500)	\$ 965,942
CBB- 242-034-325 CD	55,535	14	55,521
CBB - 2766 Savings	1,587	0	1,586
CBB -242-034-953 CD	54,769	14	54,755
Petty Cash	400	-	400
LAIF	229,005	347	228,657
LAIF Maket Value	86	-	86
Cash and equivalents	<u>1,137,823</u>	<u>(169,125)</u>	<u>1,306,947</u>
Member Cities Receivable	800	(30,289)	31,089
Grants/Contracts Receivable	88,144	(12,375)	100,519
Receivables - Other	-	-	-
Receivables	<u>88,944</u>	<u>(42,664)</u>	<u>131,608</u>
Misc receivables, prepaids, and deferrals	41,342	9,024	32,318
Total assets	<u>1,268,109</u>	<u>(202,764)</u>	<u>1,470,873</u>
Accounts Payable	26,861	26,861	-
Unearned Revenues - Member Cities Dues	371,933	(185,967)	557,900
Pension Liability	538	-	538
Accruals, deferrals and other payables	30,357	(45,230)	75,587
Total liabilities	<u>429,689</u>	<u>(204,336)</u>	<u>634,025</u>
Net Position, beginning of period	783,697	(2,500)	786,197
Change in net position	54,723	4,072	50,651
Net Position, end of period	<u>\$ 838,420</u>	<u>\$ 1,573</u>	<u>\$ 836,848</u>

Item #7

CITICARD Charges: Period October – December 2016

Attachment A

\$22,049



SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS

2nd Quarter FY 2017 Budget Report

As of December 31, 2016

	General Fund	Transportation	SGVEWP	CEESP Phase 3	Oct/16 - Dec/16 Actual	FY 2017 Budget	% of Budget
1 General Operating Income							
2 Member Dues	\$ 349,744	\$ 24,233	\$ -	\$ -	\$ 373,977	\$ 745,909	50%
3 Sponsorships	12,551	-	-	-	12,551	10,500	120%
4 Hero Revenue	6,124	-	-	-	6,124	12,000	51%
5 Miscellaneous Revenue	-	1,073	-	-	1,073	2,500	43%
6 Interest	404	-	-	-	404	1,000	40%
7 <i>Total General Operating Income</i>	368,822	25,306	-	-	394,128	771,909	51%
8 Grants & Special Project Income							
9 MTA Consultant	-	44,239	-	-	44,239	88,413	50%
10 Energy Wise (SGVEWP) - Gas	-	-	42,983	-	42,983	80,000	54%
11 Energy Wise (SGVEWP) - Edison	-	-	66,198	-	66,198	109,000	61%
12 SCE CEESP Phase 3 Grant	-	-	-	15,846	15,846	47,850	33%
13 <i>Total Grants & Special Project Income</i>	-	44,239	109,181	15,846	169,265	325,263	52%
14 Total Income	368,822	69,545	109,181	15,846	563,393	1,097,172	51%
15 General Operating Expenses							
16 <u>Ongoing Operational Contracts</u>							
17 Legal Services	8,529	-	-	-	8,529	30,000	28%
18 Financial Audit Services	-	-	-	-	-	20,000	N/A
19 Treasurer	3,150	-	-	-	3,150	5,000	63%
20 Financial/Accounting Services (ACE)	13,533	-	-	-	13,533	28,000	48%
21 <u>Personnel</u>							
22 Salaries & Deferred Compensation	93,295	12,801	24,129	6,710	136,935	260,000	53%
23 Internship Program	-	-	32,763	3,645	36,408	40,500	90%
24 Benefits	19,214	1,825	2,504	311	23,854	33,600	71%
25 PERS & Employer Taxes	9,540	906	1,243	154	11,843	19,162	62%
26 Staff Training and Professional Development	-	-	-	-	-	5,000	N/A

SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS

2nd Quarter FY 2017 Budget Report

As of December 31, 2016

	General Fund	Transportation	SGVEWP	CEESP Phase 3	Oct/16 - Dec/16 Actual	FY 2017 Budget	% of Budget
27 <u>General & Administrative</u>							
28 Rent & Parking	18,430	-	17,861	1,021	37,312	72,627	51%
29 Utilities	1,232	-	1,194	68	2,494	8,025	31%
30 Postage	191	-	141	8	340	2,000	17%
31 Equipment & Software Acquisition	1,128	-	1,093	63	2,284	10,000	23%
32 Storage	743	-	720	41	1,504	2,671	56%
33 Office Supplies	819	-	794	45	1,658	5,000	33%
34 Miscellaneous maint/ops expense	12	-	12	1	25	5,000	1%
35 Meeting/Travel	4,544	-	4,075	233	8,852	40,000	22%
36 Dues & Subscriptions	54	-	52	3	110	3,500	3%
37 Administrative Fees	864	-	837	48	1,749	3,500	50%
38 Insurance	1,320	-	1,279	73	2,672	8,000	33%
39 General Assembly	10,315	-	-	-	10,315	13,000	79%
40 <u>Consultant Services</u>							
41 Management Services	65,000	-	-	-	65,000	156,000	42%
42 MTA Board Support	-	52,787	-	-	52,787	106,090	50%
43 Transportation Technical Support (ACE)	8,091	1,226	-	-	9,317	30,000	31%
44 Administrative Support (ACE)	19,456	-	-	-	19,456	20,000	97%
45 Media/Public Relations	2,000	-	-	-	2,000	2,000	100%
46 Information Technology	1,258	-	-	-	1,258	2,000	63%
47 Grant Writing Services	22,520	-	-	-	22,520	50,000	45%
48 Transportation Consultant	-	-	-	-	-	10,000	N/A
49 <u>Direct Expenses</u>							
50 Board Stipends & Taxes	3,704	-	-	-	3,704	11,000	34%
51 Printing / Publication	5,158	-	-	-	5,158	12,000	43%
52 <u>Direct Grant Expenses</u>							
53 SGVEWP Edison & Gas Expenses	-	-	20,483	-	20,483	40,000	51%
54 SCE CEESP Phase 3 Expenses	-	-	-	3,422	3,422	40,000	9%
55 <i>Total Grant & Special Project Expenses</i>	-	-	20,483	3,422	23,905	80,000	30%
56 Total Expenditures	314,100	69,545	109,181	15,846	508,671	1,093,674	47%
57 Net income (Loss)	\$ 54,723	\$ -	\$ -	\$ -	\$ 54,723	\$ 3,498	

SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS

Trial Balance
As of December 31, 2016

Flex Field	CC	Account	Description	Amount
ASSETS				
000-000-000-1010	000	1010	CBB - Checking	\$ 796,442
000-000-000-1020	000	1020	CBB- 242-034-325 CD	55,535
000-000-000-1030	000	1030	CBB - 2766 Savings	1,587
000-000-000-1040	000	1040	CBB -242-034-953 CD	54,769
000-000-000-1090	000	1090	Petty Cash	400
000-000-000-1100	000	1100	LAIF	229,005
000-000-000-1101	000	1101	LAIF Maket Value	86
000-000-000-1210	000	1210	Member Receivable	800
000-000-000-1220	000	1220	Grants/Contracts Receivable	88,144
000-000-000-1225	000	1225	Sponsorships Receivable	25
000-000-000-1232	000	1232	Rental Deposits Receivable	215
000-000-000-1291	000	1291	Receivables - Other	3,889
000-000-000-1400	000	1400	Prepaid Expense	13,959
000-000-000-1510	000	1510	Fixed Assets - Book	8,645
000-000-000-1600	000	1600	Accumulated Depreciation	(8,645)
000-000-000-1901	000	1901	Deferred Outflow of Resources	23,254
TOTAL ASSETS				\$ 1,268,109
LIABILITIES				
000-000-000-2010	000	2010	Accounts Payable	\$ 26,861
000-000-000-2102	000	2102	Citi Bank Card	2,844
000-000-000-2123	000	2123	Payroll Payable	(1)
000-000-000-2210	000	2210	Vacation Accrual	19,223
000-000-000-2300	000	2300	Empl Ded - 457 Contribution	118
000-000-000-2901	000	2901	Pension Liability	538
000-000-000-2902	000	2902	Deferred Inflow of Resources	8,172
000-000-000-2910	000	2910	Unearned Revenues - Member Cities Dues	371,933
TOTAL LIABILITIES				\$ 429,689
NET POSITION				
000-000-000-3101	000	3101	Net Position, beginning of period	\$ 783,697
000-000-000-3101	000	3101	Change in net position	54,723
000-000-000-3101	000	3101	Net Position, end of period	\$ 838,420
OPERATING REVENUES				
012-000-000-4010	012	4010	Revenues - Member Cities Dues	\$ 373,977
012-000-000-4015	012	4015	Revenues - Grl Assembly/Sponsorship/Ticket Sales	12,551
015-125-050-4103	015	4103	Grant Reimbursements - Energy Wise - SCE	66,198
015-130-050-4114	015	4114	Grant Reimbursements - CEESP 3 - SCE	15,846
015-120-040-4116	015	4116	Grant Reimbursement - MTA Board Support Svcs-Tran	44,239
015-125-060-4117	015	4117	Grant Reimbursements - Energy Wise - So Gas Co.	42,983
015-120-040-4118	015	4118	Grant Reimbursement - MTA Adm Fee - Board Support	1,073
012-000-000-4120	012	4120	Revenues - HERO Program	6,124
TOTAL OPERATING REVENUES				\$ 562,990
OPERATING EXPENSE				
012-000-000-5110	012	5110	G & A - Salaries and Wages	\$ 89,829
012-000-000-5111	012	5111	G & A - Stormwater Program - Salaries and Wages	14,657
012-000-000-5113	012	5113	G & A - Open Streets - Salaries and Wages	508
012-000-000-5114	012	5114	G & A - Vacation Time - Salaries and Wages	11,304
012-000-000-5116	012	5116	G & A - Holiday Pay - Salaries and Wages	4,250
012-000-000-5118	012	5118	G & A - Sick Time Pay - Salaries and Wages	672
012-000-000-5119	012	5119	G & A - Admn Leave, Jury Duty, Other	2,173
012-000-000-5121	012	5121	Fringe Benefits - Medical	670
012-000-000-5122	012	5122	Fringe Benefits - Long Term Disability	1,252
012-000-000-5123	012	5123	Fringe Benefits - Parking	1,733
012-000-000-5125	012	5125	G & A - Salaries and Wages - Auto Allowance	2,100
012-000-000-5126	012	5126	G & A - S & W - Medical In Lieu of - FT Staff	13,300
012-000-000-5128	012	5128	Salaries and Wages - Medical in Lieu of - PT Staff	4,200
012-000-000-5130	012	5130	Fringe Benefits - Retirement - CalPERS	4,103

SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS

Trial Balance
As of December 31, 2016

Flex Field	CC	Account	Description	Amount
012-000-000-5135	012	5135	Fringe Benefits - Workers Compensation	599
012-000-000-5151	012	5151	Employer Payroll Tax Allocation	7,741
012-000-000-5181	012	5181	Employer Payroll Tax Expense - Board Stipend	4
012-000-000-5310	012	5310	Rent - Other	37,312
012-000-000-5315	012	5315	Utilities	2,494
012-000-000-5320	012	5320	Postage	295
012-000-000-5325	012	5325	Office Supplies	1,658
012-000-000-5330	012	5330	Printing/Publications	5,158
012-000-000-5345	012	5345	Insurance	2,672
012-000-000-5350	012	5350	Dues & Subscriptions	110
012-000-000-5355	012	5355	Meetings/Travel	8,512
012-000-000-5360	012	5360	Administrative Fees	1,749
012-000-000-5365	012	5365	Storage	1,504
012-000-000-5370	012	5370	General Assembly Expense	10,315
012-000-000-5380	012	5380	Misc Maint/Op Expense	25
012-000-000-5505	012	5505	Contract Srvc - Executive Director	65,000
012-000-000-5510	012	5510	Contract Srvc - Treasurer	3,150
012-000-000-5525	012	5525	Contract Srvc - ACE Transportation Tech Support	9,317
012-000-000-5530	012	5530	Contract Srvc - ACE IT, Acctg & Fin'l Support	13,533
012-000-000-5540	012	5540	Contract Srvc - ACE Administrative Support	19,456
012-000-000-5550	012	5550	Media/Public Relations	2,000
012-000-000-5561	012	5561	Legal Expense - SGVCOG	8,473
012-000-000-5563	012	5563	Legal Expense - Conway	56
012-000-000-5586	012	5586	Grant Writing Services	22,520
012-000-000-5910	012	5910	Equipment & Soft Acquisition	2,284
012-000-000-5920	012	5920	Webpage/Software Services	1,258
014-000-000-5010	014	5010	Unallowable - DL	739
014-000-000-5180	014	5180	Unallowable - Board Stipend	3,700
014-000-000-5320	014	5320	Unallowable - Postage	45
014-000-000-5355	014	5355	Unallowable - Meetings/Travel	340
015-120-040-5110	015	5110	Salaries & Wages - Transportation (Prop A & C)-Tr	12,801
015-125-050-5110	015	5110	Energy Wise - SCE - Administration - DL	1,896
015-125-060-5110	015	5110	Energy Wise - SGC - Administration - DL	1,240
015-125-050-5111	015	5111	Energy Wise - SCE - Marketing - DL	4,891
015-125-060-5111	015	5111	Energy Wise - SCG - Marketing - DL	3,355
015-125-050-5112	015	5112	Energy Wise - SCE - Direct Implementation - DL	16,320
015-125-060-5112	015	5112	Energy Wise - SCG - Direct Implementation - DL	11,013
015-130-050-5112	015	5112	CEESP3 - SCE - Green Bldg Direct Impl - DL	227
015-130-050-5114	015	5114	CEESP 3 - SCE - Online Permitting Admn - DL	100
015-130-050-5116	015	5116	CEESP 3 - Online Permitting Direct Impl - DL	18
015-130-050-5119	015	5119	CEESP 3 - SCE - Point of Permit - Direct Impl - DL	4,247
015-120-040-5520	015	5520	Contract Srvc - MTA Board Support	52,787
015-125-050-6010	015	6010	Energy Wise - SCE - Program Mgt	10,992
015-125-060-6010	015	6010	Energy Wise - Gas Co. - Program Mgt	(120)
015-130-050-6013	015	6013	CEESP 3 - SCE - Program Mgt	2,322
015-125-060-6017	015	6017	Energy Wise - SC Gas Company - Program Mgt	3,658
015-130-050-6018	015	6018	CEESP 3 - SCE - Grant Management Expense	153
TOTAL OPERATING EXPENSE				\$ 508,670.5
NONOPERATING REVENUE				
012-000-000-4090	012	4090	Interest Income	404
				<u>509,074</u>
CHANGE IN NET POSITION				\$ 54,723



Alameda Corridor-East Construction Authority

Attachment B

4900 Rivergrade Rd. Ste. A120 Irwindale, CA 91706 (626) 962-9292 fax (626) 962-3552 www.theaceproject.org

MEMO TO: ACE Construction Authority Finance Committee

FROM: Mark Christoffels
Chief Executive Officer

DATE: January 26, 2017

SUBJECT: Review of Quarterly Progress Reports

RECOMMENDATION: Receive and file a report on the ACE Quarterly Progress Reports for the period from October 1, 2016 through December 31, 2016

BACKGROUND: ACE is required to produce quarterly financial reports to update revenues, project budgets, expenditure forecasts, grant reimbursements, investments, and project schedules. Attached are exhibits that provide this required information and below is a summary of any changes from the prior quarter.

Exhibit I – ACE Revenue by Source

This exhibit details all funding authorized, allocated to projects, and remaining unallocated (surplus) since the inception of the ACE Project. During this review period there were no additional allocations, however project funding adjustments based on current total projected cost estimates have reduced the un-programmed surplus to \$5.3 million. If we are successful in obtaining the remaining funding needed for the Turnbull Canyon Road Grade Separation, these funds will be used on that project.

Exhibit II – ACE Project Funding by Source

The funding allocation for the entire ACE Project is distributed among projects in this Exhibit based on the available revenues identified in Exhibit I. Funding allocations are adjusted either up or down quarterly to reflect updated project cost estimates as the project design is further developed, right of way acquisition costs become known as appraisals are made and purchase agreements executed, and finally when construction bids are received. In addition, funding sources may need to be changed due to **modification on ACE's grant funding agreements with Caltrans and the MTA**. Project allocation changes are shown on the summary sheet at the end of Exhibit II.

Exhibit III – ACE Project Allocations vs. Estimate at Completion

This Exhibit tracks project allocations as compared to the estimated cost to complete for each project, along with other data. The current report shows that if the current ACE projects were to be completed based on what we know today; there would be an approximate \$2.6 million surplus. As the projects are bid out, or those in design are further developed, the cost estimates will be refined and the needed allocations adjusted **based on ACE's available balance of grant funds**.

Exhibit IV – Expenditure Forecasts

This is a cash flow forecast for active projects. The spreadsheets show full anticipated project costs regardless of whether the project is currently in design, right of way, or a construction phase. This allows staff to keep track of the overall program status and determine what remaining funds are available for future projects. The reasons for any changes shown in the Estimated at Completion (EAC) column are noted with footnotes at the bottom of the spreadsheet. Significant changes (additional funding allocated) to several projects based on a detailed review of the projects made over the past several months. The intent of these adjustments is to insure each project has sufficient funding allocated for a worst case scenario, before remaining funds in our program are allocated to our final project, Turnbull Canyon. The Durfee Road and Montebello Corridor Projects had their budgets adjusted by \$12.7m and \$18m respectively based on higher than expected land acquisition costs, utility relocation costs, and design modifications to accommodate City and property owner concerns. The **Fullerton Road Project's budget** increased by \$5.8m to provide a project contingency due to pending land acquisition cases, and the high number of notice of intent to file claim letters received from our contractor. The Temple Avenue Diversion Project budget was adjusted by \$6.1m based on recent estimates from Union Pacific Railroad for their crews to place the final segments of track and related track signal equipment. The remaining project budgets had minor adjustments to account for anticipated indirect costs.

Exhibit V – ACE Expenditures vs. Reimbursements

This exhibit captures the reimbursement status for all active or completed projects as of September 30, 2016. Since ACE must borrow funds to make current payments to its vendors, consultants, and contractors, and then seek reimbursement from its granting agencies, minimizing the time for reimbursements is a key component to avoid incurring significant interest costs on **ACE borrowed funds. ACE's policy is to try to bill and receive** reimbursements within 30 days. As noted in this exhibit, as of December 31, 2016, ACE was current on all of its requested grant reimbursements except for \$1,319,000 in receivables that were over 30 days. Staff believes these aged receivables should be collected within the next quarterly reporting period.

Exhibit VI – Project Schedules

This exhibit reflects current estimated schedules for different phases of active projects. **Changes from last quarter's report** are as follows:

Durfee Ave	Three-month delay based design revisions required by Union Pacific RR.
Fairway Ave	Three-month delay due to the design revision
Montebello	Three-month delay based on anticipated approval process for environmental documentation process

Exhibit VII – Treasury/Banking Investments

This exhibit has two components – a statement of net assets as of December 13, 2016 and an accounting of all banking and investments.

The exhibit shows that if ACE were to conclude all operations as of this date, it would have assets over liabilities of \$8,366,076 million after paying off its current liabilities including the CalPERS liabilities. In an agreement with CalPERS, ACE is currently paying down its unfunded and termination liabilities through additional payments made each month. CalPERS current published unfunded and termination liability numbers (shown on Exhibit VII) do not yet reflect all payments so our actual liability is much less than currently stated.

ACE's banking and investments remain in compliance with the SGVCOG investment policy.

Attachments

EXHIBIT I - ACE REVENUE BY SOURCE
As of December 31, 2016

Grant		Authorized	Adjustments	Note	Net Authorized	Allocated To Projects	Surplus	Allocated Inc/(Decr)
Federal								
TEA - 21	Sect 0491	4,655,048	(402,000)	a	4,253,048	4,253,048	-	
TEA - 21	Sect 1017	2,205,000	(141,317)	b	2,063,683	2,063,683	-	
TEA - 21	Sect 1138	17,250,000	-		17,250,000	17,250,000	-	
TEA - 21	Sect 1533	100,000,000	-		100,000,000	100,000,000	-	
TEA - 21	Sect 198	9,562,500	(572,760)	b	8,989,740	8,989,740	-	
Hiway Fund FY 01		1,500,000	(3,300)	b	1,496,700	1,496,700	-	
NCPD FY 2000		1,240,000	-		1,240,000	1,240,000	-	
NCPD FY 2001		2,400,000	(2,565)	b	2,397,435	2,397,435	-	
NCPD FY 2002		4,000,000	(116,000)	b	3,884,000	3,884,000	-	
NCPD FY 2003		1,495,000	(10,000)	b	1,485,000	1,485,000	-	
NCPD FY 2004		2,000,000	(119,163)	b	1,880,837	1,880,837	-	
STP FY 2006		4,200,000	(42,000)	b	4,158,000	4,158,000	-	
STP FY 2009		570,000	-		570,000	570,000	-	
STP FY 2010		500,000	(85)	b	499,915	499,915	-	
AAA FY 2010		1,349,000	(230)	b	1,348,770	1,348,770	-	
SAFETEA-LU FY 05	Sect 1701	2,528,000	(255,185)	c	2,272,815	2,272,815	-	
SAFETEA-LU FY 06	Sect 1701	2,528,000	(254,883)	c	2,273,117	2,273,117	-	
SAFETEA-LU FY 07	Sect 1701	2,528,000	(252,029)	c	2,275,971	2,275,971	-	
SAFETEA-LU FY 08	Sect 1701	2,528,000	(252,029)	c	2,275,971	2,275,971	-	
SAFETEA-LU FY 09	Sect 1701	2,528,000	(251,136)	c	2,276,864	2,276,864	-	
SAFETEA-LU FY 05	Sect 1934	3,000,000	(280,077)	c	2,719,923	2,719,923	-	
SAFETEA-LU FY 06	Sect 1934	6,000,000	(560,154)	c	5,439,846	5,439,846	-	
SAFETEA-LU FY 07	Sect 1934	7,500,000	(700,192)	c	6,799,808	6,799,808	-	
SAFETEA-LU FY 08	Sect 1934	7,500,000	(700,192)	c	6,799,808	6,799,808	-	
SAFETEA-LU FY 09	Sect 1934	6,000,000	(560,154)	c	5,439,846	5,439,846	-	
SAFETEA-LU FY 05	Sect 1301	3,125,000	(247,763)	c	2,877,237	2,877,237	-	
SAFETEA-LU FY 06	Sect 1301	6,250,000	(495,526)	c	5,754,474	5,754,474	-	
SAFETEA-LU FY 07	Sect 1301	7,812,500	(619,407)	c	7,193,093	7,193,093	-	
SAFETEA-LU FY 08	Sect 1301	7,812,500	(619,407)	c	7,193,093	7,193,093	-	
SAFETEA-LU FY 09	Sect 1301	6,250,000	(495,526)	c	5,754,474	5,754,474	-	
FRA		2,544,100	-		2,544,100	2,544,100	-	
PUC (Section 130)		10,000,000	-		10,000,000	10,000,000	-	
ISTEA (Nogales-LA)		6,936,147	-		6,936,147	6,936,147	-	
CMAQ (Nogales-LA)		6,347,000	-		6,347,000	6,347,000	-	
	Subtotal	252,643,795	(7,953,080)		244,690,715	244,690,715	-	
State								
ITIP		39,000,000	(18,426)	d	38,981,574	38,981,574	-	
PUC (Section 190)		10,000,000	-		10,000,000	10,000,000	-	
TCRP		150,000,000	(19,700,000)	e	130,300,000	130,300,000	-	
Prop 1B - HRCSA (Nogales-LA/Fullerton)		43,906,000	-		43,906,000	43,906,000	-	
TCIF (SG Trench/Baldwin/Fairway/Puente)		420,497,000	-		420,497,000	419,576,000	921,000	
	Subtotal	663,403,000	(19,718,426)		643,684,574	642,763,574	921,000	
Local								
MTA 1 (FY 98-02)	C 25%	37,500,000	(23,360,000)	f	14,140,000	14,140,000	-	
MTA 2 (FY 03-05)	C 10%	1,857,000	-		1,857,000	1,857,000	-	
MTA 2 (FY 03-05)	C 25%	13,178,000	-		13,178,000	13,178,000	-	
MTA 2 (FY 03-05)	AB 3090	9,308,000	-		9,308,000	9,308,000	-	
MTA 2 (FY 03-05)	STIP-RIP	5,496,000	-		5,496,000	5,496,000	-	
MTA 3 (FY 06-09)	C 25%	85,000,000	-		85,000,000	85,000,000	-	
MTA 4 (FY 09-15)	C 25%-Remaining	28,566,800	-		28,566,800	28,566,800	-	
MTA 5 (FY 09-15)	C 25%-Supplemental	112,324,000	-		112,324,000	112,324,000	-	9,979,000
MTA 6 (Nogales-LA)	C 25%	28,849,000	-		28,849,000	28,849,000	-	
MTA 7 (Phase II)	Measure R	400,000,000	-	g	400,000,000	399,587,000	413,000	30,590,000
	Subtotal	722,078,800	(23,360,000)		698,718,800	698,305,800	413,000	
Other Sources								
Railroad (UPRR/Metrolink)		40,552,000	-	h	40,552,000	36,910,000	3,642,000	6,044,000
Cities/LA County (Nogales-LA)		9,915,303	-		9,915,303	9,915,303	-	
Betterments (Cities/Metrolink)		35,527,807	-		35,527,807	35,527,807	-	
MWD (Brea Canyon)		2,207,402	-		2,207,402	2,207,402	-	
Property Sale		3,224,226	-		3,224,226	2,894,012	330,214	
	Subtotal	91,426,738	-		91,426,738	87,454,524	3,972,214	
TOTAL GRANTS		1,729,552,333	(51,031,506)		1,678,520,827	1,673,214,613	5,306,214	
Other Income								
Property Rental Income		139,316	-		139,316	-	139,316	
Recovered Costs		17,288	-	i	17,288	-	17,288	
	Subtotal	156,604	-		156,604	-	156,604	
TOTAL ACE Construction		1,729,708,937	(51,031,506)		1,678,677,431	1,673,214,613	5,462,818	46,613,000

Notes:

- Transferred by LA County to ACE for the Nogales-LA project.
- Federal budgetary reduction.
- Based on Caltrans updated OA, appropriations reduced by 10% instead of 15%.
- \$18K for Ramona lapsed in June 2008 prior to project closeout.
- \$19.7 million programmed to other entities (yet to be allocated by State).
- Allocated to City of LA.
- Of the \$400M Measure R funds, \$135M has executed MOU.
- Based on individual projects, UPRR paid 1/2 before and 1/2 after construction phase.
\$39.552M committed by UPRR but due to phasing of construction, only \$25.614M has been received.
- Costs recovered from audit after a project had been closed.

EXHIBIT II - ACE PROJECTS FUNDING BY SOURCE
As of December 31, 2016

(\$ 000's)

Project	Task	Fed #	TEA-21	NCPD/STP	SAFETEA	ITIP	ISTEA/CMQ	FRA/PUC	TCRP	Prop 1B	MTA 1	MTA 2	MTA 3	MTA 4	MTA 5	MTA 6	MTA 7	Railroad	Prop Sale	Cities/Better
Total																				
212 At-Grade Crossing	Design	n/a	4,463	-	-	-	-	-	-	-	-	-	-	-	100	-	4,363	-	-	-
	ROW	n/a	1,075	-	-	-	-	-	-	-	-	-	-	-	1,075	-	-	-	-	-
	Constr	n/a	17,378	-	-	-	-	-	-	-	-	-	-	-	12,315	-	5,063	-	-	-
			22,916	-	-	-	-	-	-	-	-	-	-	-	13,490	-	9,426	-	-	-
At-Grade Crossing Total																				
102 Baldwin	Design	(017)	5,390	3,013	-	753	-	-	-	-	-	-	495	696	432	-	-	-	-	-
	ROW	(028)	37,237	-	21,008	-	-	-	-	-	-	-	9,382	2,500	4,347	-	-	-	-	-
	Constr	(017)	27,738	-	-	-	-	-	-	27,738	-	-	-	-	-	-	-	-	-	-
			70,365	3,013	21,008	753	-	-	-	27,738	-	-	9,877	3,196	4,779	-	-	-	-	-
Baldwin Total																				
208 Durfee	Design	(039)	9,046	-	6,984	-	-	-	-	-	-	-	-	-	2,062	-	-	-	-	-
	ROW	n/a	32,624	-	1,349	-	-	-	-	-	-	-	-	-	10,865	-	13,961	-	2,894	-
	Constr	n/a	49,473	-	3,883	-	-	-	-	-	-	-	-	-	-	-	45,590	-	-	-
			91,143	-	1,349	14,422	-	-	-	-	-	-	-	-	12,927	-	59,551	-	2,894	-
Durfee Total																				
204 Fairway-LA	Design	(036)	8,231	-	-	-	-	-	-	-	-	-	-	60	8,171	-	-	-	-	-
	ROW	n/a	31,603	-	-	-	-	-	-	-	-	-	-	-	657	-	30,946	-	-	-
	Constr	n/a	99,523	-	99,523	-	-	-	-	71,000	-	-	-	-	538	-	18,069	-	-	9,916
			139,357	-	-	-	-	-	-	71,000	-	-	-	-	9,365	-	49,015	-	-	9,916
Fairway-LA Total																				
207 Fullerton	Design	n/a	10,698	-	-	-	-	-	-	-	-	-	-	-	1,970	-	8,728	-	-	-
	ROW	n/a	26,625	-	-	-	-	-	-	-	-	-	-	-	16,333	-	10,292	-	-	-
	Constr	n/a	115,061	-	-	-	-	-	-	53,366	-	-	-	-	12,173	-	37,176	4,508	-	7,838
			152,384	-	-	-	-	-	-	53,366	-	-	-	-	30,476	-	56,196	4,508	-	7,838
Fullerton Total																				
205 Hamilton	Design	n/a	1,767	-	-	-	-	-	-	-	-	-	-	-	1,242	-	525	-	-	-
	ROW	n/a	22	-	-	-	-	-	-	-	-	-	-	-	22	-	-	-	-	-
	Constr	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			1,789	-	-	-	-	-	-	-	-	-	-	-	1,264	-	525	-	-	-
Hamilton Total																				
209 Montebello	Design	n/a	13,530	-	-	-	-	-	-	-	-	-	-	-	4,023	-	9,507	-	-	-
	ROW	n/a	29,660	-	-	-	-	-	-	-	-	-	-	-	100	-	29,560	-	-	-
	Constr	n/a	116,855	-	-	-	-	-	-	-	-	-	-	-	-	-	99,404	17,451	-	-
			160,045	-	-	-	-	-	-	-	-	-	-	-	4,123	-	138,471	17,451	-	-
Montebello Total																				
250 Nogales-LA	Design	(032)	4,706	932	-	-	-	-	-	-	-	-	-	-	-	1,766	-	-	-	2,008
	ROW	(035)	50,295	-	-	-	-	-	-	-	-	-	-	-	-	6,877	27,083	-	-	5,407
	Constr	(032)	66,087	3,321	570	12,810	6,936	1,109	-	25,600	-	-	-	-	-	-	-	-	-	1,004
			121,088	4,253	570	12,810	13,283	17,544	-	25,600	-	-	-	-	6,877	28,849	-	2,883	-	8,419
Nogales-LA Total																				
202 Puente	Design	(034)	9,413	-	(0)	-	-	-	-	-	-	-	-	84	9,329	-	21,145	-	-	-
	ROW	n/a	30,828	-	-	-	-	-	-	-	-	-	-	-	9,683	-	-	-	-	-
	Constr	(040)	57,136	-	-	-	-	-	-	48,000	-	-	-	-	984	-	8,152	-	-	-
			97,377	-	-	(0)	-	-	-	48,000	-	-	-	84	19,996	-	29,297	-	-	-
Puente Total																				
201 SG Trench	Design	(030)	33,458	120	1,881	11,913	-	-	-	-	3	27	3,006	1,365	-	-	15,144	-	-	-
	ROW	n/a	33,273	-	500	-	-	-	-	-	-	-	-	-	-	-	27,533	-	-	2,185
	Constr	(037)(038)	245,026	-	-	-	-	-	-	237,778	-	-	-	-	-	-	5,323	-	-	2,925
			312,758	120	2,381	11,913	-	-	-	237,778	3	27	3,006	1,365	3,055	-	48,000	-	-	5,115
SG Trench Total																				
106 Temple	Design	(009)	7,265	4,680	-	-	-	-	-	-	1,168	151	978	288	-	-	-	-	-	-
	ROW	(009)	13,077	7,768	-	-	-	-	-	-	969	1,370	2,260	-	-	-	-	710	-	-
	Constr	(009)	77,822	36,073	3,884	1,043	1,387	-	-	-	33	7,589	13,505	3,950	-	-	-	10,358	-	-
			98,165	48,522	3,884	1,043	1,387	-	-	-	2,169	9,110	16,743	4,238	-	-	-	11,068	-	-
Temple Total																				
206 Turnhill Cyn	Design	n/a	10,106	-	-	-	-	-	-	-	-	-	-	-	1,000	-	9,106	-	-	-
	ROW	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Constr	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			10,106	-	-	-	-	-	-	-	-	-	-	-	1,000	-	9,106	-	-	-
Turnhill Cyn Total																				

Attachment B

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Item # 64

(\$,000 \$)

Attachment B

Exhibit II - ACE PROJECTS FUNDING BY SOURCE
Changes in Funding on Active Projects
As of December 31, 2016
(\$ 000's)

Project	Task	9/30/2016	SAFETEA-LU	TEA-21	PUC	TCIF	MTA 5	MTA 6	MTA 7	Railroad	City	12/31/2016	Comments
At-Grade Crossing	Design	3,707							756			4,463	Based on revised budget
	ROW	311										1,075	Based on revised budget
	Constr	15,822					764		2,320			17,378	Based on revised budget
	At-Grade Crossing Total	19,840					(764)					22,916	
Baldwin	Design	5,390										5,390	
	ROW	37,237										37,237	
	Constr	27,738										27,738	
	Baldwin Total	70,365										70,365	
Durfee	Design	8,738					308					9,046	Based on revised budget
	ROW	27,771					(308)		5,161			32,624	Based on revised budget
	Constr	41,872							7,601			49,473	Based on revised budget
	Durfee Total	78,381										91,143	
Fairway-LA	Design	8,231										8,231	
	ROW	34,196							(2,595)			31,603	Based on revised budget
	Constr	96,928							2,595			99,523	Based on revised budget
	Fairway-LA Total	139,357										139,357	
Fullerton	Design	10,583							115			10,698	Based on revised budget
	ROW	25,412							1,213			26,625	Based on revised budget
	Constr	110,622						9,979	(5,540)			115,061	Based on revised budget
	Fullerton Total	146,617										152,384	
Hamilton	Design	1,767										1,767	
	ROW	22										22	
	Constr	-										-	
	Hamilton Total	1,789										1,789	
Montebello	Design	12,970							560			13,530	Based on revised budget
	ROW	27,200							2,460			29,660	Based on revised budget
	Constr	101,830							15,025			116,855	Based on revised budget
	Montebello Total	142,000										160,045	
Nogales-LA	Design	4,706										4,706	
	ROW	50,295										50,295	
	Constr	66,087										66,087	
	Nogales-LA Total	121,088										121,088	
Puenite	Design	9,413										9,413	Based on revised budget
	ROW	30,163							665			30,828	Based on revised budget
	Constr	56,882							254			57,136	Based on revised budget
	Puenite Total	96,458										97,377	
SG Trench	Design	33,458										33,458	
	ROW	33,273										33,273	
	Constr	246,026										246,026	
	SG Trench Total	312,757										312,757	
Temple	Design	7,265										7,265	
	ROW	13,070								7		13,077	Based on revised budget
	Constr	71,785								6,037		77,822	Based on revised budget
	Temple Total	92,120										98,164	
Turnbull Cyn	Design	10,106										10,106	
	ROW	-										-	
	Constr	-										-	
	Turnbull Cyn Total	10,106										10,106	
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Exhibit III

ACE Projects Allocation vs. Actual Summary

As of December 31, 2016

		(\$ 000's)						
	Project	Cost Estimate (1997)	Cost Estimate (2006)	(Exhibit II) Total Allocated to Projects	ITD Expenditures (Exhibit V)	Estimate at ** Completion Exhibit IV	Variance (Allocated vs. Estimate at Completion)	Status
	Start-up/Misc			\$ 11,926	\$ 9,952			
ACE Projects								
1	At-Grade Crossing Safety Improvements	N/A	N/A	\$ 22,916	\$ 952	\$ 22,916	\$ -	Active
2	Durfee Road	N/A	N/A	91,143	20,279	91,143	-	Active
3	Fairway Drive (LA)	N/A	N/A	139,357	62,849	139,357	-	Active
4	Fullerton Road	N/A	N/A	152,384	38,778	152,384	-	Active
5	Montebello Corridor	N/A	N/A	160,045	3,267	160,045	-	Active
6	Nogales South (LA)	24,307	N/A	121,088	111,731	118,493	2,595	Active
7	Puente Avenue	N/A	N/A	97,377	60,682	97,377	-	Active
8	San Gabriel Trench	198,205	N/A	312,758	242,184	312,755	3	Active
9	Temple Avenue	35,985	80,272	98,165	90,197	98,165	-	Active
10	Turnbull Canyon Road	N/A	N/A	10,106	292	10,106	-	Preliminary
11	Baldwin Avenue	23,994	64,765	70,365	70,365	70,364	1	Closed
12	Brea Canyon	26,571	64,401	73,903	73,459	73,903	-	Closed
13	Crossing Safety/IRRIS	61,000	35,200	34,141	34,343	34,141	-	Closed
14	East End/Reservoir	56,571	69,180	79,000	78,960	79,000	0	Closed
15	Hamilton Blvd.	N/A	N/A	1,789	1,789	1,789	-	Closed
16	Nogales North (Alh)	39,636	54,599	49,798	49,797	49,798	0	Closed
17	Ramona Blvd.	14,489	47,102	53,091	53,091	53,091	-	Closed
18	Sunset Avenue	22,259	70,502	93,862	93,794	93,862	-	Closed
	Subtotal	\$ 503,017	\$ 486,021	1,673,215	\$ 1,096,761	\$ 1,658,689	\$ 2,600	

Estimated Total Project Cost	\$ 950,000	\$ 1,400,000
Net Authorized	\$ 1,678,520,827	
Allocated	1,673,214,613	
Available	\$ 5,306,214	

** Excludes Start-up/Misc of \$11.926M to agree with Exhibit-IV EAC.

Exhibit IV Expenditure Forecast (Active Projects)

As of December 31, 2016
(\$ millions)

ITD 2015	Actual 2016	Budget		Estimate ^A		Forecast			EAC ^C	
		2017	2018	2019	2020 ^B	Q1 FY17	Change	Q2 FY17		
Active Projects										
At-Grade Crossing Safety	0.1	0.2	1.5	1.5	7.7	10.3	3.1	19.8	3.1 ^D	22.9
Durfee Road	7.6	2.6	14.2	17.3	24.6	18.5	20.5	78.4	12.7 ^E	91.1
Fairway Drive (LA)	37.8	12.1	25.7	25.7	23.1	27.8	12.9	139.4		139.4
Fullerton Road	26.8	14.1	26.0	15.1	31.4	34.0	31.0	146.6	5.8 ^F	152.4
Montebello Corridor	0.1	0.2	4.9	4.9	25.6	21.7	107.5	142.0	18.0 ^D	160.0
Nogales (LA)	88.4	24.3	3.8	5.8				118.2	0.3 ^G	118.5
Puente Ave	41.0	12.1	15.5	15.5	20.6	8.2		96.5	0.9 ^F	97.4
San Gabriel Trench	169.0	55.3	41.4	41.4	44.6	2.5		312.8		312.8
Temple	88.9	0.2		9.1				92.1	6.1 ^H	98.2
Turnbull Canyon Rd	0.0		0.5	0.5	9.5			10.0		10.0
Completed Projects										
Baldwin	69.9	0.5						70.4		70.4
Brea Cyn	73.9							73.9		73.9
Crossing Safety/IRRIS	34.2							34.2		34.2
East End/Reservoir	79.0							79.0		79.0
Hamilton Blvd.	1.8							1.8		1.8
Nogales (Alh)	49.8							49.8		49.8
Ramona	53.1							53.1		53.1
Sunset	93.8							93.8		93.8
Total	915.2	121.6	133.5	136.8	187.1	123.0	175.0	1,611.8	46.9	1,658.7

Note: Project forecasts include indirect cost.

^A 2017 estimate includes mid-year adjustments

^B Includes costs beyond 2020

^C EAC includes 2017 estimate

^D Updated design, utility relocations and construction estimates

^E Updated design, ROW acquisition and construction estimates

^F Updated utility relocations and construction estimates

^G Revised construction estimate

^H Additional railroad costs

Attachment B

Exhibit V

ACE Expenditures vs. Reimbursements

As of December 31, 2016

Reimbursement Status (\$ 000)						
Projects	ITD Expenditures	Received	Current/ 30 days or Less	Aged ** Receivable	To Be Billed	MTA Retention
At Grade Crossing	\$ 952	\$ 787	\$ 155	\$ 0.25	\$ 9	\$ 1
Baldwin	70,365	70,336	-	27	-	2
Durfee	20,279	18,432	-	55	1,769	24
Fairway Drive	62,849	60,871	1,324	177	461	16
Fullerton	38,778	34,467	1,658	458	2,059	137
Montebello	3,267	2,426	-	0	840	2
Nogales (LA)	111,731	104,378	-	273	6,640	439
Puente Ave.	60,682	59,189	1,209	192	70	22
SG Trench	242,184	237,184	4,830	75	82	13
Temple	90,197	89,368	-	-	830	-
Turnbull Cyn.	292	221	-	-	63	8
Brea Canyon	73,459	73,459	-	-	-	-
Crossing Safety / IRRIS	34,343	34,343	-	-	-	-
EE/Reservoir	78,960	78,960	-	-	-	-
Hamilton	1,789	1,738	-	51	-	-
Nogales (AH)	49,797	49,797	-	-	-	-
Ramona	53,091	53,091	-	-	-	-
Sunset	93,794	93,784	-	9	-	-
Sub-total Projects	1,086,809	1,062,829	9,176	1,319	12,823	662
Project Administration	9,952	9,889	-	-	63	-
Total ACE	\$ 1,096,761	\$ 1,072,719	\$ 9,176	\$ 1,319	\$ 12,886	\$ 662

** Represents retention billed MTA and collection is expected soon, pending completion of Measure R final audit report.

Exhibit VI

Project Schedules

As of 12/31/16

Activity Name	FY2017				FY2018				FY2019				FY2020				FY2021			
	FQ1	FQ2	FQ3	FQ4	FQ1	FQ2	FQ3	FQ4	FQ1	FQ2	FQ3	FQ4	FQ1	FQ2	FQ3	FQ4	FQ1	FQ2	FQ3	FQ4
ACTIVE PROJECTS																				
At-Grade Crossing Safety																				
Design																				
Construction																				
Closeout																				
Durfee Avenue																				
Design																				
ROW Acquisition																				
Construction																				
Caltrans Closeout (Extends beyond reporting period)																				
Fairway Drive (LA)																				
Design (Completed)																				
ROW Acquisition (Completed)																				
Construction																				
Caltrans Closeout																				
Fullerton Road																				
Design (Completed)																				
ROW Acquisition (Completed)																				
Construction																				
Caltrans Closeout																				
Montebello Corridor																				
Design																				
ROW Acquisition																				
Construction (Extends beyond reporting period)																				
Caltrans Closeout (Occurs after reporting period)																				
Nogales (LA)																				
Design (Completed)																				
ROW Acquisition (Completed)																				
Construction																				
Caltrans Closeout																				
Puente Avenue																				
Design (Completed)																				
ROW Acquisition (Completed)																				
Construction																				
Caltrans Closeout																				

Exhibit VI
Project Schedules
As of 12/31/16

Activity Name	FY2017				FY2018				FY2019				FY2020				FY2021			
	FQ1	FQ2	FQ3	FQ4	FQ1	FQ2	FQ3	FQ4	FQ1	FQ2	FQ3	FQ4	FQ1	FQ2	FQ3	FQ4	FQ1	FQ2	FQ3	FQ4
San Gabriel Trench																				
Design (Completed)																				
ROW Acquisition (Completed)																				
Construction																				
Caltrans Closeout																				
Turnbull Canyon																				
Design																				
ROW Acquisition																				
Construction (Extends beyond reporting period)																				
Caltrans Closeout (Occurs after reporting period)																				
COMPLETED AND CLOSED																				
No Projnum																				
Nogales Street (Alh)																				
Ramona Blvd																				
Brea Canyon Blvd																				
Temple Ave																				
East End/Reservoir																				
Crossing Safety/IRRIS																				
Sunset Avenue																				
Hamilton Blvd																				
Baldwin Ave																				

Previous Report ☐ Remaining Work ☐
Actual Work ☐ Critical Remaining Work ☐

Exhibit VII

Treasury / Banking Investments

As of December 31, 2016

	12.31.2016	Change	09.30.2016
Cash on hand			
Operating Account	\$ 2,801,880	\$ (82,376)	\$ 2,884,255
Money Market Account	12,105,329	1,884,576	10,220,753
Money Market (UPRR Contributions)	7,693,912	6,240	7,687,672
Total cash on hand	22,601,121	\$ 1,808,440	20,792,680
Investments			
LAI	1,587,750	2,409	1,585,341
CBT - Portfolio	30,910,119	109,869	30,800,250
Total investments	32,497,869	112,278	32,385,591
Current - 30 days or less	9,175,815	(1,119,803)	10,295,618
Aged Receivable	1,319,214	1,319,214	-
To Be Billed	12,885,904	3,053	12,882,850
MTA Retention	661,782	(1,221,970)	1,883,752
Total Exhibit V	24,042,714	(1,019,506)	25,062,220
Other receivables, prepaids and deferred costs	7,396,669	493,251	6,903,418
Total Cash, Cash Equivalents & Receivables	86,538,373	1,394,464	85,143,909
Liabilities			
Payables & other Accruals	2,027,080	(97,594)	2,124,674
Unearned revenues	24,952,780 (a.)	1,481,153	23,471,627
MTA Working Capital Loan	45,000,000	-	45,000,000
Total liabilities	71,979,860	1,383,559	70,596,301
Fund balance			
Resources net of actual liabilities	14,558,513	10,905	14,547,608
Less estimated:			
CalPERS - Unfunded Liability	947,089 (b.)	(90,948)	1,038,037
CalPERS - Unfunded Termination Liability	5,245,348 (b.)	1,290,667	3,954,681
Resources net of estimated liabilities	\$ 8,366,076	\$ 1,199,719	\$ 9,554,890

a.) Represents surplus property appraised value, net proceeds from sale of ROW surplus properties, advanced UPRR funding, disallowed retention, and Betterment funds billed in advance to City of Industry for Fairway Drive and Fullerton projects.

b.) Updated based on CalPERS's annual valuation report as of June 30, 2015.

Exhibit VII

Treasury / Banking Investments

As of December 31, 2016

Deposit/ Investment Amount 12.31.2016	% of Invest- ments	Bank Deposits	Maximum Maturity	Maximum Percent of Portfolio	Maximum Investment in One Issuer
		Ace deposits are held by Citizens Business Bank (CBB) under a deposit agreement in amounts not to exceed \$50 million. Under the agreement, CBB maintains collateral deposits of at least 110% of the value of all ACE deposits at Bank of New York Mellon in eligible securities. The CBB deposits accounts are:			
\$ 2,801,880		Checking Account			
\$ 19,799,241		Money Market Accounts (3) *			
\$ 22,601,121		Total Deposits			
		Permitted Investments **			
\$ 13,009,162	40.07%	Government Securities (3.0 - 5.00 years)	5 years	50%	15%<=
\$ 9,131,503	28.13%	Corporate Bonds (3.40 - 4.99 years)	5 years	30%	10%<=
\$ 2,727,292	8.40%	Gov't Mortgages (4.06 - 4.78 years)	5 years	15%	None stated
\$ 736,529	2.27%	Municipals (4.7 - 5.03 years)	None stated	None stated	None stated
\$ 4,533,577	13.96%	CDs (2.75 - 5.01 years)	5 years	30%	10%<=
\$ 751,857	2.32%	Money Markets	None stated	None stated	None stated
\$ 30,889,919	95.15%	Subtotal Investments - Book value *			
\$ 1,587,750	4.89%	State's Local Agency Investment Fund	None stated	None stated	None stated
\$ 32,477,669	100.00%	Total Investments			
\$ 55,078,790		Total			

* Note: Includes \$20,163,447 of available unearned revenues

** Complies with SGVCOG Investment Policy

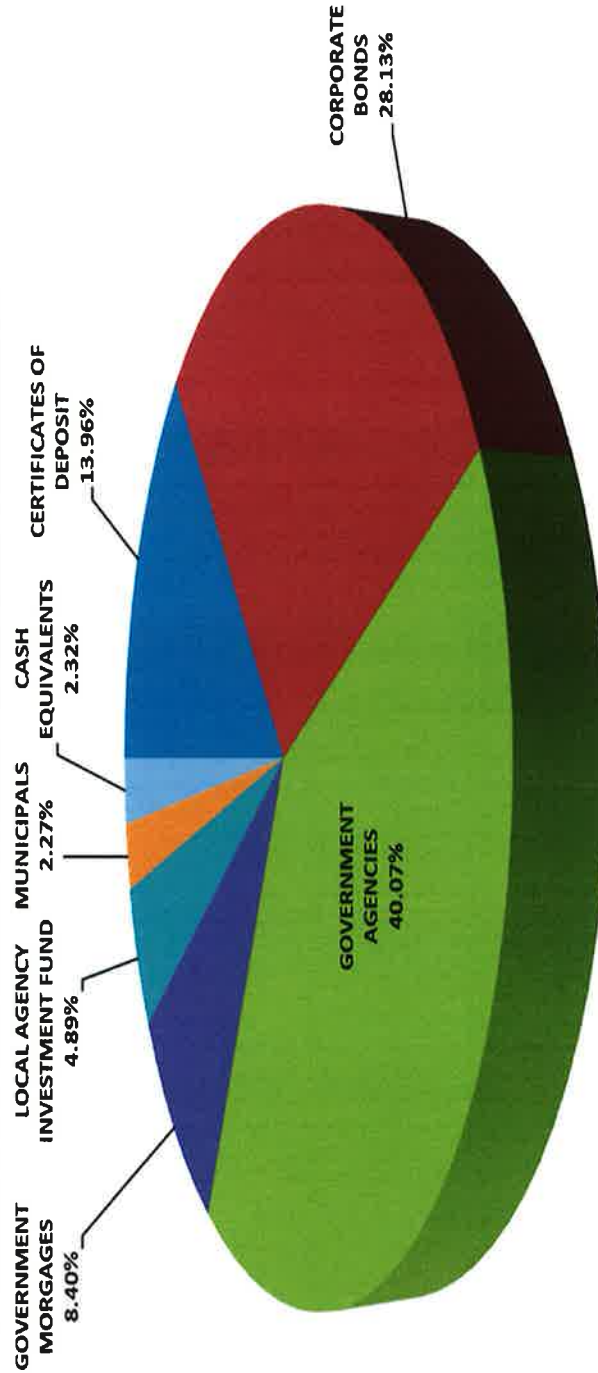
Fixed Income Investments at 12-31-2016 - Summary



Alameda Corridor - East Construction Authority
Office of ACE Construction Authority Finance Director/Treasurer

ASSET ALLOCATION

Assets (Dollars)	Current Par Value	Current Book Value	Market Value	Mkt/Book
CERTIFICATES OF DEPOSIT	4,534,370	4,533,577	4,517,448	99.64%
CORPORATE BONDS	9,111,000	9,131,503	9,037,362	98.97%
GOVERNMENT AGENCIES	12,863,066	13,009,162	12,711,976	97.72%
GOVERNMENT MORTGAGES	2,545,046	2,727,292	2,592,217	95.05%
LOCAL AGENCY INVESTMENT FUND	1,587,750	1,587,750	1,587,750	100.00%
MUNICIPALS	690,000	736,529	731,542	99.32%
CASH EQUIVALENTS	751,857	751,857	751,857	100.00%
Totals (Dollars)	32,083,088	32,477,669	31,930,152	98.31%



Fixed Income Composition by Book Value

Par Value: Or face value is the amount of money redeemed to the bondholder once the bonds matures
Book Value: Is the par value or face value plus any unamortized premiums or less any unamortized discounts.
Market Value: Is the current price at which the bond is trading
Mkt/Book: Measures the market value over the book value of a bond.

Fixed Income Investments Portfolio

December 31, 2016

Cusip	Name	Coupon	Yield to Maturity	Purchase Date	Maturity Date	Current Price	Bid Value	Market Value	Current Book Value
3136G1M55	Fannie Mae	0.80	0.837	12/10/2013	1/28/2017	99.884	250.000	249.635	248.494
3135G0J46	Fannie Mae	1.25	1.338	2/26/2016	2/26/2019	99.743	200.000	199.486	199.926
3136G1C98	Fannie Mae	1.42	1.536	5/11/2016	2/5/2020	99.579	150.000	149.369	151.575
3136G3C78	Fannie Mae	1.55	2.227	7/28/2016	7/28/2021	96.813	200.000	193.626	200.000
3136G3X23	Fannie Mae	1.50	2.125	7/28/2016	8/25/2021	97.047	300.000	291.141	300.000
3136G3Y33	Fannie Mae	1.40	2.080	8/25/2016	8/25/2021	96.785	400.000	387.140	400.000
3136G0N66	Fannie Mae	1.40	2.084	8/24/2016	8/24/2020	97.387	1,400.000	389.548	399.924
3136G3T34	Fannie Mae	1.60	2.256	9/23/2016	9/23/2021	97.083	1,000.000	970.830	999.720
3136G3V16	Fannie Mae	1.60	2.256	9/23/2016	9/23/2021	97.083	1,000.000	970.830	999.720
3136G3E1V	Fannie Mae	1.63	2.250	10/28/2016	10/28/2021	97.057	250.000	242.643	249.686
3136G4GF4	Fannie Mae	1.55	2.211	10/31/2016	10/28/2021	96.891	200.000	193.782	200.000
3133EC5V2	Federal Farm Credit Bank	1.19	1.271	12/6/2013	12/4/2018	99.609	625.000	622.556	617.613
3133EFZ91	Federal Farm Credit Bank	1.62	2.271	4/12/2016	4/12/2021	96.936	500.000	484.680	499.545
313378QK0	Federal Home Loan Bank	1.88	1.626	4/28/2016	3/8/2019	101.161	250.000	252.903	250.742
3130AEN41	Federal Home Loan Bank	1.40	1.760	10/29/2015	10/29/2019	98.615	200.000	197.230	200.000
3133B0F88	Federal Home Loan Bank	1.38	1.465	11/5/2015	9/13/2019	99.663	365.000	363.770	363.785
3133B0H16	Federal Home Loan Bank	1.48	1.825	7/28/2016	7/13/2021	95.159	100.000	98.189	100.000
3130A8NT6	Federal Home Loan Bank	1.48	1.952	7/28/2016	7/13/2021	97.894	400.000	391.576	400.000
3130A8VMW	Federal Home Loan Bank	1.30	1.885	8/3/2016	5/1/2020	97.894	400.000	391.576	400.000
3130AGS44	Federal Home Loan Bank	1.70	2.237	10/12/2016	10/12/2021	97.473	600.000	584.838	600.000
3130AA2S6	Federal Home Loan Bank	1.80	2.123	11/30/2016	11/26/2021	98.479	300.000	295.437	299.727
3134G3C08	Freddie Mac	1.68	2.420	8/25/2016	8/25/2021	96.531	400.000	386.124	400.000
3134G9SL7	Freddie Mac	1.60	2.333	8/25/2016	8/25/2021	96.559	700.000	675.913	700.000
3134GAEE0	Freddie Mac	1.50	2.282	9/30/2016	3/30/2021	96.676	1,000.000	966.760	999.480
3134GBXK3	Freddie Mac	1.50	2.282	9/30/2016	3/30/2021	96.676	1,000.000	966.760	999.480
3134BEP73	Freddie Mac	1.48	2.315	9/7/2016	12/25/2020	107.916	323.608	346.101	355.226
3137ABFH9	Freddie Mac	3.99	2.538	9/7/2016	6/25/2021	106.517	466.000	528.326	547.013
3134GARB2	Freddie Mac	1.60	2.291	10/27/2016	10/27/2021	96.751	300.000	290.253	300.000
3134GAZR8	Freddie Mac	2.05	2.154	12/30/2016	12/30/2021	99.508	200.000	199.016	200.000
880591EQ1	Tenn Valley Authority DTD	1.75	1.530	10/6/2014	10/15/2018	100.858	200.000	201.716	200.358
880591EL2	Tenn Valley Authority DTD	3.88	2.063	9/19/2016	10/15/2021	107.602	500.000	538.010	555.440
Government Securities (3.0 - 5.00 years)									
020972DMK	Aly Bank Medium	2.50	1.611	9/15/2016	6/16/2019	99.165	250.000	247.913	250.000
025972WMQ	Aly Bank Medium	2.50	1.611	9/15/2016	6/16/2019	99.165	250.000	247.913	250.000
06740KHU9	Barclays Bank/Delaware	1.60	1.466	7/18/2014	7/23/2018	100.434	100.000	100.434	100.000
05580AF47	BMW Bank/North America	1.20	1.559	9/13/2016	8/26/2019	98.989	250.000	247.422	250.000
05580ACZ5	BMW Bk North, America DTD	2.20	1.896	10/8/2015	9/30/2020	101.440	250.000	253.601	249.950
05586P6C6	BMW Bk North, America Salt Lake	2.00	1.770	11/20/2013	11/15/2018	101.095	250.000	252.738	249.488
140420D64	Capital One Bank	1.65	1.919	9/13/2016	8/31/2021	98.730	249.000	245.837	249.000
140420F21	Capital One Bank	1.65	1.966	9/14/2016	9/14/2021	98.407	250.000	246.018	250.000
140420B82	Capital One Bank Medium	1.60	1.865	9/13/2016	8/17/2021	98.293	250.000	245.733	249.408
140420C90	Capital One Bank MSA	2.60	1.898	7/13/2016	9/4/2021	98.636	250.000	246.590	250.573
140420D90	Capital One Bank MSA	2.20	1.895	10/8/2015	10/7/2020	100.447	250.000	202.695	199.230
14042PRA2	Discover Bank DTD	1.85	1.833	12/14/2016	12/14/2020	100.065	200.000	200.130	200.000
254672W02	GE Capital Retail Bank	1.50	1.418	11/15/2013	11/22/2017	100.321	250.000	250.803	250.000
36830KEU5	GE Capital Retail Bank	2.00	1.768	11/15/2013	11/23/2018	101.108	250.000	252.770	248.725
36157QTF4	Morton Community Bank	1.60	1.753	12/16/2016	6/16/2020	99.483	200.000	198.965	200.000
619165GX5	Synchrony Bank DTD	1.55	1.912	7/13/2016	6/29/2021	98.292	250.000	245.731	249.463
87164YML5	Wells Fargo Bank	1.30	1.589	9/14/2016	9/8/2019	99.164	250.000	247.910	250.000
949763AW6	Wells Fargo Bank	1.30	1.589	9/14/2016	9/8/2019	99.164	250.000	247.910	250.000
949763AW6	Wells Fargo Bank	1.30	1.589	9/14/2016	9/8/2019	99.164	250.000	247.910	250.000
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949763AW6	Wells Fargo Bank	1.30	1.589	9/14/2016	9/8/2019	99.164	250.000	247.910	250.000
949763AW6	Wells Fargo Bank	1							



Alameda Corridor-East Construction Authority

4900 Rivergrade Rd. Ste. A120 Irwindale, CA 91706 (626) 962-9292 fax (626) 962-3552 www.theaceproject.org

MEMO TO: ACE Construction Authority Finance Committee

FROM: Mark Christoffels
Chief Executive Officer

DATE: January 26, 2017

SUBJECT: Update on Working Capital Financing Program

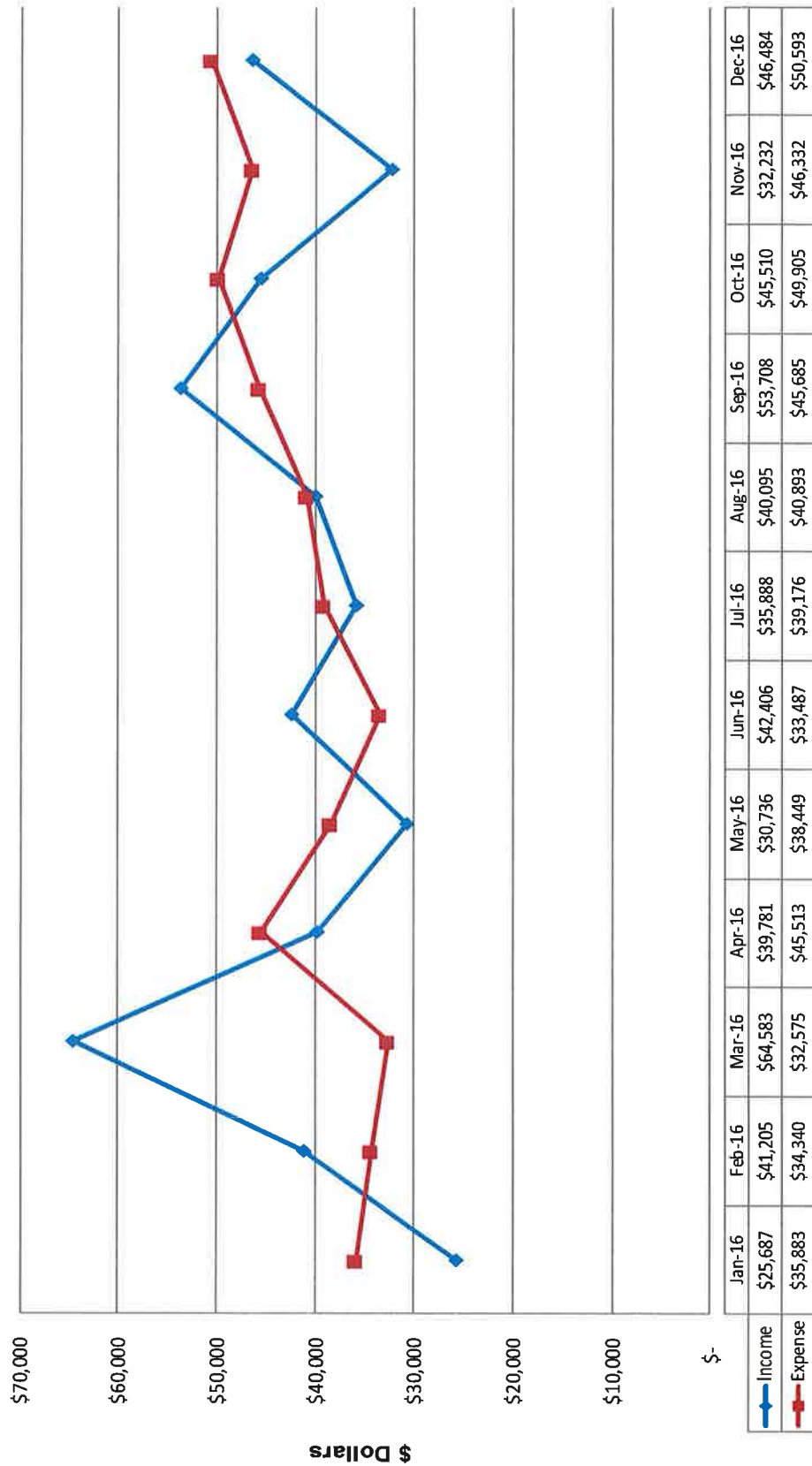
RECOMMENDATION: Receive and file a report on the ACE's Working Capital Financing Program for the period from October 1, 2016 through December 31, 2016

BACKGROUND: ACE's revenue is primarily based on grant funding which is allocated on a reimbursement basis. In order to meet its financial obligations under the contracts issued, ACE must obtain working capital through borrowing and cash on hand. The attached documents identify ACE's working capital investment returns and how much of our incurred debt is available for short term investments.

ACE staff has been working hard to keep receivables (essentially grant reimbursements) at less than 30 days. A benefit of reducing aging receivables is that ACE's cost of borrowing is substantially reduced because we are able to maintain a healthy balance in our short-term investments. For the months of July, August, and September, the cost of borrowing was \$146,830 and the interest income on short-term investments was \$124,226 for a net interest expense of \$22,604 on a \$45m loan.

Attachment

ACE Construction Authority Cost of Borrowing



REPORT

DATE: February 1, 2017

TO: City Managers' Steering Committee
Executive Committee
Governing Board Delegates and Alternates

FROM: Phil Hawkey, Executive Director

RE: **FY 2016-17 BUDGET AMENDMENT #2**

RECOMMENDED ACTION

Recommend Governing Board adopt Resolution 17-03 approving Amendment #2 to the FY 2016-17 budget.

BACKGROUND

Staff is recommending some minor revisions to the FY 2016-17 budget related to the completion of one grant-funded project, payroll taxes and financial and administrative support services. The overall impact of the proposed revision is to have a net year-end balance of -\$24,511.

Prepared by: _____

Marisa Creter
Marisa Creter
Assistant Executive Director

Approved by: _____

Phil Hawkey
Phil Hawkey

ATTACHMENTS

Attachment A– Explanation of Revisions to Revenue and Expenses
Attachment B – Resolution 16-32

Attachment A - Summary of Proposed Revisions (FY 2016-17)

Line	Note
3, 42	The SGVCOG held its first General Assembly in October 2016. Initially, it was anticipated that the SGVCOG would receive approximately \$10,500 in sponsorships to offset the cost of the event. Including ticket sales for attendees, the total revenues for the event were \$12,551. The total cost was \$10,500. Therefore, the SGVCOG netted approximately \$2,051 on this event.
5, 27	Miscellaneous Revenue reflects revenue from two sources: <ul style="list-style-type: none"> • MTA MOU administrative fees: The SGVCOG receives a 3% administrative fee associated with the funding that is used to contract with the SGVCOG Transportation/Metro Board Consultant. The total amount to be received in FY 2016-17 for administration is \$2,146. • CalPERS Repayment: In November, the SGVCOG Governing Board took action to convert the Executive Director position from a consultant position to an in-house staff position due to a determination by CalPERS regarding the applicability of the Public Employment Pension Reform ACT (PEPRA) to this position. As a result of that action, CalPERS determined that the SGVCOG and the employee were required to submit payment for the CalPERS contribution that would have been withheld during the time in which the now-employee was employed as a consultant. The total amount of the contributions owed is approximately \$25,000. This includes both the employee and employer contribution. PEPRA prohibits employers from covering employee contributions for employees hired after January 1, 2013. Therefore, the employee is being invoiced for the employee share of the back payments (approximately \$11,000).
10, 24	In 2016, the SGVCOG Governing Board approved a three-year contract with SoCalGas (SCG) for administration of the San Gabriel Valley Energy Wise Partnership (SGVEWP). Typically, the SGVCOG does not expend its full budget. This program is primarily staffed through SGVCOG interns, and the full costs of the intern positions (including payroll taxes and overhead) are reimbursed through the grant. Staff is recommending increasing both the anticipated revenues and expenditures by \$20,000 to reflect additional SGVEWP projects and initiatives. There is no net impact as a result of this revision.
12, 57	SGVCOG staff recently completed work on the SCE CEESP Phase 3 grant, which funded projects related to energy efficiency including a green building guidebook, online permitting, and a home energy assessment program. In addition to staff labor and expenses, additional funding was included in the FY 2016-17 budget to reimburse cities for software costs associated with the online permitting task. However, no invoices were received and all work has been completed on this grant. Therefore, the final grant revenue and expenditures for FY 2016-17 reflect only SGVCOG labor and expenses. The final revenue calculation was reduced by \$32,004, from \$47,850 to \$15,845 and the final expenditure calculation was reduced by \$37,525, from \$40,000 to \$2,475. The net impact of these changes was to increase net revenues by \$5,521.
13	In January 2017, the SGVCOG was awarded an additional \$80,000 towards its SGVEWP to assist the cities of West Covina, Pomona, South Pasadena and Monrovia

REPORT

	with energy benchmarking. Energy benchmarking allows cities to inventory their facilities' energy usage and compare it to similar facilities. All work will be completed in-house and must be completed by December 2017. Because this grant is paid on a reimbursement basis, only half of the grant award (\$40,000) is being included in the FY 2016-17 budget. The remainder will be included in the FY 2017-18 budget.
18	SGVCOG General Counsel has been directed by the Executive Committee to perform work outside of the scope of the retainer services related to ongoing communication from CalPERS. General Counsel estimates that the cost for this work will not exceed \$5,000.
20	In February 2016, the Governing Board approved a contract with Vincenti Lloyd and Stutzman for treasurer services. The scope of work includes reviewing the quarterly financial reports and reporting to the Executive Committee. The annual budget is not to exceed \$22,500, and the costs are shared between ACE and SGVCOG. It was originally anticipated that the majority of the costs (75%) would be attributed to reviewing ACE's financial documents. However, the allocation of time currently averages approximately 60/40, weighted towards review of SGVCOG financial documents. Therefore, staff is recommending that the budget be revised to increase the anticipated annual costs by \$8,500, from \$5,000 to \$13,500.
21, 46	Staff is recommending increasing the budget for both financial/accounting services and administrative services by \$4,000 and \$5,000 respectively, reducing net revenues by \$9,000. Both of these services are provided by ACE staff via Memorandums of Understanding that were approved by the Governing Board in February 2016. ACE administrative and finance staff have assisted on special projects this year, including the preparation of the SGVCOG's updated financial policy and participation in the Caltrans pre-award audit. These increases reflect the additional labor associated with assisting on these efforts.
23, 25, 26, 44	<p>Adjustments to these budget items are related to two actions taken by the SGVCOG Governing Board:</p> <ul style="list-style-type: none"> • Executive Director position: As discussed above, in November, the SGVCOG Governing Board took action to convert the Executive Director position from a consultant position to an in-house staff position. The annual salary for this position is \$150,000, and there are additional costs associated with benefits, taxes, and PERS contributions. The line items associated with staff salaries, benefits, and PERS/Employer Taxes were increased to reflect the conversion of this position (pro-rated to a seven-month period from December – June). The benefits line item also includes \$9,800 in back payment of health insurance benefits to the employee (\$700 X 14 months). The line item for management consultant services was reduced by \$91,000 to reflect termination of that agreement with Kelly Associates Management Group effective December 1, 2016. • SGVEWP Position: In January 2017, the Governing Board approved addition of a new limited-term management analyst position to manage the SGVEWP. The cost of this position, including salary, benefits, and overhead, will be fully reimbursed by the SGVEWP. Staff is currently undertaking a recruitment for this position and anticipates that the position will be filled by March 2017.

REPORT

	Therefore, the staff salaries, benefits, and PERS/Employers Taxes line items were adjusted to reflect the four-month pro-rated cost of this position (\$21,150).
52	In March, the SGVCOG President formed the Ad Hoc ACE/ Large Capital Project Subcommittee to review and make recommendations related to the future of the SGVCOG and whether it should be primarily a planning agency or should it also have the internal capacity to implement and build large capital projects. The ad hoc committee began meeting in August and presented its initial recommendations to the Governing Board in January. In September, the Governing Board approved an amendment to the Budget that provided up to \$10,000 to hire a technical consultant to assist this committee and provide information, recommendations, and research. However, all work has been completed in-house. Therefore, staff is recommending eliminating this expenditure. The net impact of this change is to increase net revenues by \$10,000.

		Adopted Budget FY 16/17	Adopted Amendment #1	Proposed Amendment #2	Change (+/-)
1	General Operating Income				
2	Member Dues	\$ 745,909	\$ 745,909	\$ 745,909	\$ -
3	Sponsorships	-	10,500	12,551	\$ 2,051
4	Hero Revenue	12,000	12,000	12,000	\$ -
5	Miscellaneous Revenue	-	2,500	13,146	\$ 10,646
6	Interest	1,000	1,000	1,000	\$ -
7	<i>Total General Operating Income</i>	<u>758,909</u>	<u>771,909</u>	<u>784,606</u>	
8	Grants & Special Project Income				
9	MTA Consultant	88,413	88,413	88,413	\$ -
10	Energy Wise (SGVEWP) - Gas	80,000	80,000	100,000	\$ 20,000
11	Energy Wise (SGVEWP) - Edison	109,000	109,000	109,000	\$ -
12	SCE CEESP Phase 3 Grant	47,850	47,850	15,846	\$ (32,004)
13	SGVEWP Strategic Plan Grant			40,000	\$ 40,000
14	<i>Total Grants & Special Project Income</i>	<u>325,263</u>	<u>325,263</u>	<u>353,259</u>	
15	Total Income	<u>1,084,172</u>	<u>1,097,172</u>	<u>1,137,865</u>	
16	General Operating Expenses				
17	<u>Ongoing Operational Contracts</u>				
18	Legal Services	30,000	30,000	35,000	\$ 5,000
19	Financial Audit Services	20,000	20,000	20,000	\$ -
20	Treasurer	5,000	5,000	13,500	\$ 8,500
21	Financial/Accounting Services (ACE)	28,000	28,000	32,000	\$ 4,000
22	<u>Personnel</u>				
23	Salaries & Deferred Compensation	260,000	260,000	364,167	\$ 104,167
24	Internship Program	40,500	40,500	60,500	\$ 20,000
25	Benefits	33,600	33,600	56,700	\$ 23,100
26	PERS & Employer Taxes	19,162	19,162	34,122	\$ 14,960
27	Calpers Payment (Includes FY 2015-16)	-	-	25,000	\$ 25,000
28	Staff Training and Professional Development	5,000	5,000	5,000	\$ -
29	PER Unfunded Liability	-	-		
30	<u>General & Administrative</u>				
31	Rent & Parking	72,627	72,627	72,627	\$ -

		Adopted Budget FY 16/17	Adopted Amendment #1	Proposed Amendment #2	Change (+/-)
32	Utilities	8,025	8,025	8,025	\$ -
33	Postage	2,000	2,000	2,000	\$ -
34	Equipment & Software Acquisition	10,000	10,000	10,000	\$ -
35	Storage	2,671	2,671	2,671	\$ -
36	Office Supplies	5,000	5,000	5,000	\$ -
37	Miscellaneous maint/ops expense	5,000	5,000	5,000	\$ -
38	Meeting/Travel	40,000	40,000	40,000	\$ -
39	Dues & Subscriptions	3,500	3,500	3,500	\$ -
40	Administrative Fees	3,500	3,500	3,500	\$ -
41	Insurance	8,000	8,000	8,000	\$ -
42	General Assembly	-	13,000	10,500	\$ (2,500)
43	<u>Consultant Services</u>				
44	Management Consultant Services	156,000	156,000	65,000	\$ (91,000)
45	MTA Board Support	106,090	106,090	106,090	\$ -
46	Transportation Technical Support (ACE)	30,000	30,000	30,000	\$ -
47	Administrative Support (ACE)	20,000	20,000	25,000	\$ 5,000
49	Media/Public Relations	2,000	2,000	2,000	\$ -
50	Information Technology	2,000	2,000	2,000	\$ -
51	Grant Writing Services	50,000	50,000	50,000	\$ -
52	Transportation Consultant	-	10000	-	\$ (10,000)
52	<u>Direct Expenses</u>				
53	Board Stipends & Taxes	11,000	11,000	11,000	\$ -
54	Printing / Publication	12,000	12,000	12,000	\$ -
55	<u>Direct Grant Expenses</u>		-		
56	SGVEWP Edison & Gas Expenses	40,000	40,000	40,000	\$ -
57	SCE CEESP Phase 3 Expenses	40,000	40,000	2,475	\$ (37,525)
58	Total Expenditures	1,070,675	1,093,675	1,162,376	
59	Net income (Loss)	\$ 13,497	\$ 3,497	\$ (24,511)	

RESOLUTION NO. 17-03

**RESOLUTION OF THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS
(SGVCOG) APPROVING AMENDMENT #2 TO THE FY 2016-17 BUDGET**

WHEREAS, the SGVCOG Governing Board adopted the FY 2016-17 Budget on May 19, 2016;

WHEREAS, annual budget serves as the basis for the SGVCOG's programs and activities;

WHEREAS, since the adoption of the budget the SGVCOG has updated information regarding revenues and expenditures;

NOW, THEREFORE, BE IT RESOLVED that the Governing Board approves Amendment #2 to the FY 2016-17 budget to incorporate the following changes (as shown in Exhibit A):

1. Increase Sponsorship revenues by \$2,051 from \$10,500 to \$12,551.
2. Increase Miscellaneous revenues by \$10,646 from \$2,500 to \$13,146.
3. Increase Energy Wise (Gas) revenues by \$20,000 from \$80,000 to \$100,000.
4. Reduce revenues by \$32,004 from the CEESP Phase 3 grant, from \$47,850 to \$15,846.
5. Add SGVEWO Strategic Plan Grant revenues of \$40,000.
6. Increase Legal Services expenses by \$5,000 from \$30,000 to \$35,000.
7. Increase Treasurer expense by \$8,500 from \$5,000 to \$13,500.
8. Increase Financial/Accounting Services expenses by \$4,000, from \$28,000 to \$32,000.
9. Increase Salaries & Deferred Compensation expense by \$104,167 from \$260,000 to \$364,167.
10. Increase Internship Program expenses by \$20,000 from \$40,500 to \$60,500.
11. Increase Benefits expenses by \$23,100 from \$33,600 to \$56,700.
12. Increase PERS and Employer Taxes expenses by \$14,960, from \$19,162 to \$34,122.
13. Add Calpers Payment expenses of \$25,000.
14. Reduce General Assembly expenses by \$2,500 from \$13,000 to \$10,500.
15. Reduce Management Consultant Services by \$91,000 from \$156,000 to \$65,000.
16. Increase Administrative Support expenses by \$5,000, from \$20,000 to \$25,000.
17. Remove Transportation Consultant expenses, currently budgeted at \$10,000.
18. Reduce CEESP Phase 3 expenses by \$37,525, from \$40,000 to \$2,475.

PASSED AND ADOPTED by the Governing Board of San Gabriel Valley Council of Governments, County of Los Angeles, in the County of Los Angeles, State of California, on the 16th day of February, 2017.

San Gabriel Valley Council of Governments

Gene Murabito, President

Attest:

I, Philip A. Hawkey, Executive Director and Secretary of the Board of Directors of the San Gabriel Valley Council of Governments, do hereby certify that Resolution 17-03 was adopted at a regular meeting of the Governing Board held on the 16th day of February, 2017, by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Philip A. Hawkey, Secretary

REPORT

DATE: February 1, 2017

TO: City Managers' Steering Committee

FROM: Phil Hawkey, Executive Director

RE: **LOS ANGELES COUNTY HOMELESS QUARTER CENT SALES TAX
MEASURE FOR HOMELESS SERVICES**

RECOMMENDED ACTION

Provide recommendations to the Governing Board.

BACKGROUND

On December 6, 2016, the Los Angeles County Board of Supervisors (BOS) unanimously voted to place a quarter-cent sales tax measure for homeless services on the March 7, 2017, ballot (Attachment A). This measure would raise an estimated \$355 million annually and would sunset after ten years. The funding would support the strategies identified in the County Wide Homeless Initiative Plan (HI). Specifically, the funding would support the following strategies:

- Provide homeless prevention assistance for families and individuals;
- Provide, subsidized housing to disabled individuals utilizing federal housing subsidies and partner with cities to expand rapid re-housing;
- Provide family reunification subsidies and interim/bridge housing for those exiting institutions;
- Increase and subsidize employment for homeless adults as well as veterans' benefits advocacy;
- Provide case management and services for jail in-reach, regional integrated re-entry network, and for the criminal record clearing project;
- Provide mental health, substance use, counseling services, and rental subsidies for permanent supportive housing;
- Create a coordinated county-wide outreach system, strengthen the coordinated entry system, enhance the emergency shelter system, and enhance services for transition age youth; and
- Increase affordable homeless housing and preserve current homeless housing for families and individuals;

This measure needs a two-thirds majority in order to pass, and it will complement Measure HHH, which was passed by voters in the City of Los Angeles in November 2016. Measure HHH authorizes \$1.2 billion in general bonds for capital construction of housing for the homeless.

If Measure H passes, the BOS intends to develop recommendations for the distribution of funding through an inclusive planning process. The proposed schedule is as follows:


- **Mid-March:** Review process and eligible Strategies
- **April:** Discuss and develop recommendations for funding
- **April/May:** Seek community input on the recommendations
- **Early May:** Discuss community feedback and outreach
- **Late May:** Homeless Policy Deputies meeting to review and discuss recommendations to the BOS
- **June:** BOS meeting to review/deliberate on recommendations

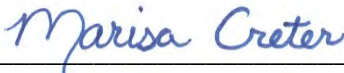
It is anticipated that cities and service providers will be eligible to apply for funds through a competitive process. The funds would be distributed to LA County Service Planning Areas (SPAs) based on need, utilizing the most recent Los Angeles Homeless Services Authority (LAHSA) count data. Each SPA's estimated homeless population is as follows:

- **SPA-1 (Antelope Valley):** 3,038= (7%)
- **SPA-2 (San Fernando Valley):** 7,094= (16%)
- **SPA-3 (San Gabriel Valley):** 2,612= (6%)
- **SPA-4 (Metro Los Angeles):** 11,860= (27%)
- **SPA-5 (West Los Angeles):** 4,659= (11%)
- **SPA-6 (South Los Angeles):** 7,459= (17%)
- **SPA-7 (East Los Angeles):** 3,469= (8%)
- **SPA-8 (South Bay):** 3,669= (8%)

In anticipation of Measure H providing an ongoing revenue source for homeless services, the BOS directed the Community Development Commission develop a proposed Memorandum of Understanding (MOU) with cities and public housing authorities. These MOUs are intended to support the creation of additional Permanent Supportive Housing (PSH) by codifying existing informal agreements to guide case management services, increase, coordination, identify priority populations and incentivize the participation of other jurisdictions. The report and framework was provided to the BOS on December 9, 2016 (Attachment C).

The SGVCOG Homelessness Committee reviewed Measure H at its January 2017 meeting and recommended that the Governing Board support this ballot measure.

Prepared by: 
Christian Cruz
Management Analyst

Approved by: 
Marisa Creter
Assistant Executive Director

ATTACHMENTS

Attachment A – LA County Measure H Staff Report and Resolution
Attachment B – Tax Measure Overview and Strategies Eligible for Funding
Attachment C – MOU Framework Report

**MOTION BY SUPERVISORS MARK RIDLEY-THOMAS AND
AND JANICE HAHN**

DECEMBER 6, 2016

Securing Ongoing Funding to Address the Homeless Crisis

On August 17, 2015, the Los Angeles County (County) Board of Supervisors (Board) launched the Homeless Initiative to combat the homeless crisis that pervades its communities. The County Homeless Initiative conducted an inclusive and comprehensive planning process, including 18 policy summits on nine topics from October 1 to December 3, 2015, which brought together 25 County departments, 30 cities and other public agencies, and over 100 community partners and stakeholders.

The Homeless Initiative generated a powerful set of 47 coordinated and integrated strategies divided into the following six areas, which are each key to combating homelessness:

- Prevent Homelessness;
- Subsidize Housing;
- Increase Income;
- Provide Case Management and Services;
- Create a Coordinated System; and
- Increase Affordable/Homeless Housing.

- MORE -

MOTION

SOLIS	_____
KUEHL	_____
HAHN	_____
BARGER	_____
RIDLEY-THOMAS	_____

**MOTION BY SUPERVISORS MARK RIDLEY-THOMAS AND JANICE HAHN
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On February 9, 2016, after hearing the testimony of elected officials and representatives of over fourteen cities from throughout the County who pledged their support and commitment to working collaboratively with the County, the Board adopted the Chief Executive Officer's Homeless Initiative's 47 strategies (Strategies). The Board also approved new, one-time funding of \$100 million to initiate the implementation of these Strategies; however, the Board will soon need to replenish these one-time funds. The community-based organizations that participated in crafting the Strategies strongly advocated that the Board needed to secure additional, ongoing, annual funds to implement the Strategies in the years to come.

The best budget projections make it very clear that current County resources are not sufficient to fund Countywide initiatives and services to combat homelessness on an ongoing basis at the levels required to address the current crisis within the County.

The passage of Proposition HHH in November 2016 will allow the City of Los Angeles (City) to leverage resources and finance about 8,000-10,000 units of permanent supportive housing over the next 10 years. Furthermore, the State of California's No Place Like Home bond would also leverage resources and finance about 5,700 permanent supportive housing units over four funding cycles across all 88 cities and unincorporated areas of the County. Finally, in addition to other local, state and federal grant solicitations, the County's Community Development Commission also provides capital development funds for construction of permanent housing set aside for special needs and homeless populations. As a leader in the regional strategy to address homelessness, the Board is committed to securing annual, ongoing revenue to fund the essential support services that would complement these permanent supportive housing units and associated rental subsidies. To that end, on October 25, 2016, the Board unanimously approved a motion to craft the framework for a proposed Memorandum of Understanding that would facilitate a coordinated Countywide strategy on construction of permanent housing, allocation of rent subsidies and provision of supportive services.

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To ensure the success of these permanent supportive housing units, and to fully implement the Homeless Initiative and other promising practices, the County has an urgent need to provide prevention, crisis, and support services, including health care, mental health services, and substance abuse treatment for homeless children, families, foster youth, seniors, battered women, disabled individuals, veterans, and other homeless adults.

The Los Angeles Homeless Services Authority (LAHSA) has estimated that \$450 million a year (not counting construction costs) in services funding is required to make serious strides to address homelessness across the County. LAHSA calculates that over 15,000 units of permanent supportive housing are needed to aid persons who are living with disabilities and have had long durations of homelessness; the \$450 million estimate includes, but is not limited to, supportive services and rental subsidies for these proposed permanent supportive housing units.

While the key to ending homelessness is linking individuals and families to permanent housing, not all persons experiencing homelessness need permanent supportive housing. Many families and individuals can be linked to permanent housing and services through rapid rehousing programs. Additionally, the County's Homeless Initiative is implementing prevention, outreach, employment and bridge housing and other critical strategies that will need to be sustained and expanded in the coming years.

The County has diligently examined existing programs and reallocated funds to high-performing, effective programs that have shown the best outcomes. The County has also set aside General Funds to implement innovative programs, such as C3 street engagement teams, rapid rehousing and landlord incentive programs. The County has already taken steps through the Whole Person Care application to secure \$90 million in federal funding for the next five years, a portion of which will help finance supportive service needs for homeless persons eligible for Medicaid. However, an ongoing

**MOTION BY SUPERVISORS MARK RIDLEY-THOMAS AND JANICE HAHN
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revenue measure is critical if the County is to fully honor any long-term commitments to address the regional homeless crisis consistent with the strategies for combating homelessness developed through the Homeless Initiative adopted by the Board.

The County is authorized to impose a retail transactions and use (sales) tax in the incorporated and unincorporated territory of the County to generate revenue dedicated to preventing and combating the homelessness crisis and to fund the County's Homeless Initiative Plan.

In order to meet the urgent need of the people of this County to combat the homeless crisis, this Board must place a ¼-cent special sales tax on the ballot at the next available election to be held on March 7, 2017.

WE THEREFORE MOVE THAT THE BOARD OF SUPERVISORS, adopt the attached resolution calling and giving notice of the special election on a countywide sales tax measure, that will be levied for a period of ten (10) years, to generate ongoing revenue dedicated to preventing and combating the homeless crisis and to fund the County's Homeless Initiative Plan, to be held in Los Angeles County on March 7, 2017, and consolidating the special election with other elections to be held on March 7, 2017.

YV/DW

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RESOLUTION OF THE BOARD OF SUPERVISORS OF
THE COUNTY OF LOS ANGELES CALLING AND GIVING
NOTICE OF A SPECIAL TAX ELECTION ON A
COUNTYWIDE TRANSACTIONS AND USE (SALES) TAX
TO PREVENT AND COMBAT HOMELESSNESS TO BE
HELD IN THE COUNTY OF LOS ANGELES ON MARCH 7,
2017, AND CONSOLIDATING THE SPECIAL TAX
ELECTION WITH OTHER ELECTIONS TO BE HELD ON
MARCH 7, 2017

WHEREAS, the County of Los Angeles ("County") is facing a pervasive and deepening homeless crisis, which currently endangers the health and safety of tens of thousands of residents, including veterans, women, children, LGBTQ youth, persons with disabilities, and seniors; and

WHEREAS, the tremendous scale of homelessness in the County threatens the economic stability of the region by burdening emergency medical services and the social services infrastructure; and

WHEREAS, according to the 2016 Homeless Count released by the Los Angeles Homeless Services Authority (LAHSA), the number of homeless persons in the County on any given night is roughly 47,000, including over 6,000 parents and their children; and

WHEREAS, over 3,000 of the homeless in the County are veterans; and

WHEREAS, since 2013, the number of homeless women has risen 55 percent; and

WHEREAS, the number of homeless persons living in encampments, tents and vehicles increased by a staggering 123 percent from 2013 to 2016, from 5,153 persons to 11,472; and

WHEREAS, homelessness is also increasing in the suburbs of the County. The homeless population has grown by 35 percent in the San Fernando Valley from 2015 to 2016, from 5,424 to 7,334, and in the South Bay, homelessness increased by 10 percent, from 5,351 to 5,913 during the same period; and

WHEREAS, many homeless people are facing severe threats to their health and safety on a daily basis; recent research has demonstrated that homeless persons are 3 to 4 times more likely to die than members of the general population, and studies

indicate that premature death most often results from acute and chronic medical conditions aggravated by homeless life; and

WHEREAS, on August 17, 2015, the County Board of Supervisors launched the Homeless Initiative to combat the homeless crisis that pervades our communities; and

WHEREAS, the County Chief Executive Officer's ("CEO") Homeless Initiative conducted an inclusive and comprehensive planning process, including 18 policy summits on nine topics from October 1 to December 3, 2015, which brought together 25 County departments, 30 cities and other public agencies, and over 100 community partners and stakeholders; and

WHEREAS, the Homeless Initiative generated a powerful set of 47 coordinated and integrated strategies divided into the following six areas, which are each key to combating homelessness:

- Prevent Homelessness;
- Subsidize Housing;
- Increase Income;
- Provide Case Management and Services;
- Create a Coordinated System; and
- Increase Affordable/Homeless Housing; and

WHEREAS, the recommended strategies of the Homeless Initiative reflect the following key principles:

- Homelessness is an extraordinarily complex problem which necessitates active, sustained countywide collaboration amongst the County, cities and other public agencies, and a wide array of community partners;
- The web of established collaborative relationships in Los Angeles County provides a very strong foundation for the implementation of these strategies;
- These recommended strategies must strengthen and build upon current County efforts by:
 - Directing more resources to proven strategies;
 - Integrating existing programs and services more effectively;
 - Enabling cities to join the County in combating homelessness; and

- Identifying opportunities to leverage mainstream criminal justice, health, and social services; and

WHEREAS, on February 9, 2016, after hearing the testimony of elected officials and representatives from over 14 cities from throughout the County who pledged their support and commitment to working collaboratively with the County, the Board of Supervisors adopted the CEO's Homeless Initiative strategies; and

WHEREAS, for fiscal year 2016-17, the Board of Supervisors approved new, one-time funding of \$100 million to initiate the implementation of the strategies developed by the Homeless Initiative; however, this funding will not sustain the recommended strategies through 2017. The Board will soon need to replenish the \$100 million dollars in one-time funds allocated to fund the Homeless Initiative strategies. The community-based organizations that participated in crafting the Homeless Initiative strategies strongly advocated that the Board of Supervisors needed to secure additional, ongoing, annual funds to implement the Homeless Initiative strategies in the years to come; and

WHEREAS, the best budget projections make it very clear that current County resources are not sufficient to fund countywide initiatives and services to combat homelessness on an ongoing basis at the levels required to address the current crisis within Los Angeles County; and

WHEREAS, this past winter, both the County and the City of Los Angeles declared local states of emergency as it relates to the lack of shelter for homeless persons within the County and the City; and

WHEREAS, the Board of Supervisors unanimously voted to seek a statewide declaration of emergency for the State's homeless crisis. The County's petition to get the Governor to declare a state of emergency on homelessness has garnered over 27,000 signatures. The State Assembly overwhelmingly passed a resolution urging the Governor to declare a state of emergency for homelessness. The City of Los Angeles, City and County of San Francisco, and the City of Santa Rosa have also passed similar resolutions urging the Governor to declare a state of emergency for homelessness. Thirty-two members of Congress have signed a joint letter urging the Governor to augment annual funding to address the homeless crisis and Congress members Hahn,

Napolitano, Sanchez, and Lowenthal have all also urged the Governor to declare a state of emergency for homelessness. The Governor has refused, however, to declare such an emergency, and therefore, local governments, like the County, must take immediate action to address the homeless crisis in their own jurisdictions; and

WHEREAS, the passage of Proposition HHH in November 2016 will allow the City of Los Angeles to leverage resources and finance about 8,000-10,000 units of permanent supportive housing over the next 10 years. Furthermore, the State of California's "No Place Like Home" bond would also leverage resources and finance about 5,700 permanent supportive housing units over four funding cycles across all 88 cities and unincorporated areas of the County. Finally, in addition to other local, state and federal grant solicitations, the County's Community Development Commission (CDC) also provides capital development funds for construction of permanent housing set aside for special needs and homeless populations. As a strong partner in the regional strategy to address homelessness, the Board of Supervisors is committed to securing annual, ongoing revenue to fund the essential support services that would complement these permanent supportive housing units and associated rental subsidies. To that end, on October 25, 2016, the Board of Supervisors unanimously approved a motion to craft the framework for a proposed Memorandum of Understanding that would facilitate a coordinated countywide strategy on construction of permanent housing, allocation of rent subsidies and provision of supportive services. To ensure the success of these permanent supportive housing units, and to fully implement the Homeless Initiative and other promising practices, the County has an urgent need to provide prevention, crisis, and support services, including healthcare, mental health services, and substance abuse treatment for homeless children, families, foster youth, seniors, battered women, disabled individuals, veterans, and other homeless adults; and

WHEREAS, LAHSA has estimated that \$450 million a year (not counting construction costs) in services funding is required to make serious strides to address homelessness across the County. LAHSA calculates that over 15,000 units of permanent supportive housing are needed to aid persons who are living with disabilities and have had long durations of homelessness; the \$450 million estimate includes

supportive services and rental subsidies for these proposed permanent supportive housing units; and

WHEREAS, while the key to ending homelessness is linking individuals and families to permanent housing, not all persons experiencing homelessness need permanent supportive housing. Many families and individuals can be linked to permanent housing and services through rapid rehousing programs. Additionally, the County's Homeless Initiative is implementing prevention, outreach, employment and bridge housing and other critical strategies that will need to be sustained and expanded in the coming years.

WHEREAS, the County has diligently examined existing programs and reallocated funds to high-performing, effective programs that have shown the best outcomes. The County has also set aside general fund money to implement innovative programs, such as C3 street engagement teams, rapid rehousing and landlord incentive programs. The County has already taken steps through the Whole Person Care application to secure \$90 million in federal funding for the next five years, a portion of which will help finance supportive service needs for homeless persons eligible for Medicaid. However, an ongoing revenue measure is critical if the County is to fully honor any long-term commitments to address the regional homeless crisis consistent with the strategies for combating homelessness developed through the Homeless Initiative adopted by the Board of Supervisors; and

WHEREAS, pursuant to Parts 1.6 and 1.7 of Division 2 of the Revenue and Taxation Code, the County is authorized to impose a retail transactions and use tax at a rate of 0.125% (or any multiple thereof) in the incorporated and unincorporated territory of the County to generate revenue for specific purposes ("special sales tax"); and

WHEREAS, pursuant to Article XIII C, section 2(d) of the Constitution, and California Revenue and Taxation Code section 7285.5, a special sales tax is subject to approval by a two-thirds vote of the Board of Supervisors and by a two-thirds vote of the qualified voters voting in an election on the issue; and

WHEREAS, pursuant Government Code section 53724(d), an election for the approval of a special tax may be held at any election date otherwise permitted by law; and

WHEREAS, the County desires to impose a special retail sales tax at a rate of one-quarter percent (0.25%) on the sale of tangible personal property and the storage, use, or other consumption of such property to generate revenue for the specific purpose of preventing and combating homelessness in Los Angeles County; and

WHEREAS, the Board of Supervisors deems it necessary and essential to submit the question of the special sales tax to the qualified voters within the County at the regular election to be held on March 7, 2017, and to consolidate such election with the other elections to be held on that date.

NOW, THEREFORE BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles as follows:

Section 1. Call of the Election and Purpose. An election shall be held and the same is hereby called and ordered to be held in the County on the 7th day of March, 2017, for the purpose of submitting to the voters a proposed ordinance regarding a special sales tax in the amounts hereinafter set forth.

Section 2. Ballot Measure. The measure for the County to levy a special tax shall appear on the ballot substantially as follows:

Los Angeles County Plan to Prevent and Combat Homelessness To fund mental health, substance abuse treatment, health care, education, job training, rental subsidies, emergency and affordable housing, transportation, outreach, prevention, and supportive services for homeless children, families, foster youth, veterans, battered women, seniors, disabled individuals, and other homeless adults; shall voters authorize Ordinance No. ____ to levy a ¼ cent sales tax for ten years, with independent annual audits and citizens' oversight?	YES _____ NO _____
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Section 3. Ordinance. The attached ordinance, Exhibit A, is incorporated by reference ("Ordinance").

Section 4. Specific Purpose. The specific purpose of the special sales tax is to generate ongoing funding to prevent and combat homelessness within Los Angeles County, including funding mental health, substance abuse treatment, health care, education, job training, rental subsidies, emergency and affordable housing,

transportation, outreach, prevention, and supportive services for homeless children, families, foster youth, veterans, battered women, seniors, disabled individuals, and other homeless adults, consistent with the strategies developed through the Homeless Initiative adopted by the Board of Supervisors, and as otherwise directed by the Board to address the causes and effects of homelessness, as further described in the Ordinance.

Section 5. Accountability Measures. Pursuant to Government Code section 50075.3, if the special sales tax is approved, for so long as any proceeds of the special sales tax remain unexpended, the County Auditor-Controller shall cause a report to be prepared by an independent auditor and to be filed with the Board of Supervisors no later than December 31st of each year, commencing December 31, 2018, stating (1) the amount of special sales tax revenues collected and expended in such year; and (2) the status of any project and description of any services or programs funded from proceeds of the special sales tax. The report may relate to the calendar year, fiscal year, or other appropriate annual period, as the Auditor-Controller shall determine, and may be incorporated into or filed with the annual budget, audit, or other appropriate routine report to the Board of Supervisors.

Section 6. Community Oversight and Accountability. A Citizens' Oversight Advisory Board shall be created, as provided for in the Ordinance, to review all expenditures from the special sales tax, and submit periodic evaluations of the Homeless Initiative and the County's programs to combat homelessness funded by the special sales tax.

Section 7. Tax Account. If the ballot measure authorizing the special sales tax is approved, the proceeds of the special sales tax shall be deposited in a special account, to be created and maintained by the County.

Section 8. California Environmental Quality Act. Based upon all of the facts before it on this matter, the Board of Supervisors finds that the submission of this question of a special sales tax to the voters is not subject to, or is exempt from, the California Environmental Quality Act (CEQA). Submission of the special sales tax to the voters is not a project as defined by California Code of Regulations Section 15378(b)(4) because it relates to the creation of government funding mechanisms, which do not

involve commitment to any specific project which may result in a potentially significant physical impact on the environment.

Section 9. Proclamation. Pursuant to section 12001 of the Elections Code, the Board of Supervisors of the County of Los Angeles hereby PROCLAIMS that an election shall be held in the County on Tuesday, March 7, 2017, to vote upon the proposed ordinance. The polls shall be open from 7:00 a.m. to 8:00 p.m.

Section 10. Election Procedure. All qualified voters residing within the County shall be permitted to vote in the election and in all particulars not recited in this resolution, the elections shall be held as nearly as practicable in conformity with the Elections Code of the State of California. The votes cast for and against the measure shall be separately counted and if the measure receives the required number of votes, two-thirds (2/3) of the votes cast by the qualified electors voting on the measure, the special sales tax in the amounts stated in the Ordinance shall be effective and ratified.

Section 11. Sample Ballot. The Registrar-Recorder/County Clerk is instructed to print the entire proposed Ordinance in the sample ballot.

Section 12. Consolidation. The election called by this Resolution shall be consolidated with the other elections conducted by the Registrar-Recorder/County Clerk to be held in the County of Los Angeles on March 7, 2017, and the measure shall be placed on the same ballot.

Section 13. Authority. This Resolution is adopted pursuant to section 12001 of the Elections Code and section 25201 of the Government Code. The Executive Officer-Clerk of the Board of Supervisors is ordered to file a copy of this Resolution with the Registrar-Recorder/County Clerk at least eighty-eight (88) days prior to the day of the election. The Registrar-Recorder/County Clerk is authorized, instructed and directed to prepare any documents and take any additional actions that may be necessary in order to properly and lawfully conduct the election.

The foregoing Resolution was on the 6th day of December 2016, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies, and authorities for which said Board so acts.

LORI GLASGOW, Executive Officer-
Clerk of the Board of Supervisors of the
County of Los Angeles

By: _____

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By: Mary C. Wickham
Deputy County Counsel

ANALYSIS

This ordinance adds Chapter 4.73--Transactions and Use Tax to Prevent and Combat Homelessness, of the Los Angeles County Code to impose a special countywide tax of 0.25% on all retail sales consummated at the retailer's place of business, and on the storage, use or other consumption of tangible personal property for a period of ten (10) years. The sole purpose of the Transactions and Use Tax to Prevent and Combat Homelessness is to generate revenue to address the causes and effects of homelessness within Los Angeles County. The ordinance will become effective only after approval by a two-thirds vote of the County Board of Supervisors and a two-thirds vote of the qualified voters voting in an election on the issue.

MARY C. WICKHAM
County Counsel

By Mary C. Wickham
Deputy County Counsel

ORDINANCE NO. _____

An ordinance amending Title 4, Revenue and Finance of the Los Angeles County Code, to add Chapter 4.73—Transactions and Use Tax to Prevent and Combat Homelessness, relating to a special countywide transactions and use tax to prevent and combat homelessness within Los Angeles County.

The people of the County of Los Angeles ordains as follows:

SECTION 1. Chapter 4.73 is hereby added to read as follows:

Chapter 4.73

Transactions and Use Tax to Prevent and Combat Homelessness

Sections:

- 4.73.010 Title.
- 4.73.020 Operative Date.
- 4.73.030 Purpose.
- 4.73.040 Expenditure Plan.
- 4.73.050 Special Account.
- 4.73.060 Community Oversight and Accountability.
- 4.73.070 Accountability Measures.
- 4.73.080 Contract with State.
- 4.73.090 Transactions Tax Rate.
- 4.73.100 Place of Sale.
- 4.73.110 Use Tax Rate.
- 4.73.120 Adoption of Provisions of State Law.
- 4.73.130 Limitations on Adoption of State Law and Collection of Use.
- 4.73.140 Permit Not Required.

- 4.73.150 Exemptions and Exclusions.
- 4.73.160 State Law Amendments.
- 4.73.170 Amendment of Ordinance.
- 4.73.180 Enjoining Collection Forbidden.
- 4.73.190 Severability.
- 4.73.200 Effective Date.
- 4.73.201 Execution.
- 4.73.010 Title.**

This Chapter shall be known as the "Transactions and Use Tax to Prevent and Combat Homelessness" ordinance. The County of Los Angeles hereinafter shall be called "County." This ordinance shall be applicable in the incorporated and unincorporated territory of the County.

4.73.020 Operative Date.

Except as provided for in Section 4.73.050, the "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance, the date of such adoption being as set forth below.

4.73.030 Purpose.

This ordinance is adopted to achieve the following and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with section 7251) of Division 2 of the Revenue and Taxation Code and section 7285.5 of Part 1.7 of Division 2 which authorizes the County to adopt this tax ordinance which shall be operative if two thirds of the electors voting on

the measure vote to approve the imposition of the tax at an election called for that purpose.

B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefor that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

E. To adopt a retail transactions and use tax ordinance for the specific purpose of preventing and combatting homelessness within Los Angeles County. Revenues generated by the retail transactions and use tax shall be used to sustain the implementation of the County's Homeless Initiative's recommended strategies, adopted by the Board of Supervisors on February 9, 2016, and as otherwise directed by the

Board of Supervisors to address the causes and effects of homelessness, consistent with this Chapter.

4.73.040 Expenditure Plan.

A. Consistent with Subsection E of Section 4.73.030, above, the revenues generated by the retail transactions and use tax will be expended by the County pursuant to an expenditure plan approved by the Board of Supervisors prior to June 30th of each year. The annual expenditure plan will include, but not be limited to, the following projects:

1. Prevent Homelessness:
 - a. Homeless Prevention Program for Families;
 - b. Homeless Prevention Program for Individuals.
2. Subsidize Housing:
 - a. Expand Rapid Rehousing;
 - b. Provide subsidized housing to homeless disabled individuals pursuing Supplemental Security Income;
 - c. Facilitate utilization of federal housing subsidies;
 - d. Family reunification housing subsidies;
 - e. Interim/bridge housing for those exiting institutions.
3. Provide Case Management and Services:
 - a. Mental health, substance use, and counseling services;
 - b. Regional Integrated Re-entry Network;
 - c. Jail In-reach;
 - d. Criminal Record Clearing Project;
 - e. Provide services for Permanent Supportive Housing.

4. Increase Income:

- a. Increase employment for homeless adults by supporting social enterprise;
- b. Subsidized employment for homeless adults;
- c. Countywide Supplemental Security/Social Security Disability income, and Veterans benefits advocacy.

5. Create a Coordinated System:

- a. Expand the Countywide Outreach System;
- b. Strengthen the Coordinated Entry System;
- c. Enhance the Emergency Shelter System;
- d. Enhance services for transition age youth.

6. Affordable Housing for the Homeless:

- a. Preserve current affordable housing;
- b. Promote the development of affordable housing for homeless families and individuals.

7. Other services to address the causes and effects of homelessness.

B. To the extent feasible, revenues from the retail transactions and use tax shall be used to leverage additional public and private resources to address the causes and effects of homelessness, consistent with this Chapter.

C. Revenues from the retail transactions and use tax may be awarded as grants to public agencies and non-profit organizations to address the causes and effects of homelessness, consistent with this Chapter. The Board of Supervisors shall adopt policies and procedures for the solicitation and award of such grants. Nothing herein precludes the County from using revenue generated by the retail transactions and use

tax for contracting with for-profit contractors and private businesses in compliance with applicable law.

4.73.050 Special Account.

Any retail transactions and use tax proceeds shall be deposited in a special account, created and maintained by the County, and used only for the specific purposes identified in Subsection E of Section 4.73.030, above, in accordance with Section 4.73.030, above.

4.73.060 Community Oversight and Accountability

A. The Citizens' Homelessness Initiative Oversight Advisory Board ("Advisory Board") is hereby created.

B. The Advisory Board shall be comprised of five members appointed by the Board of Supervisors. Each Supervisorial District shall nominate one member for appointment by the Board of Supervisors. The Advisory Board shall include at least one member that meets each of the following criteria:

1. A professional from the field of municipal/public finance and/or accounting and budgeting with a minimum of ten years of relevant experience in evaluating financial transactions and program cost-effectiveness; and
2. An individual working in the homelessness services, research, or advocacy field in a management position with a minimum of ten years of relevant experience.

The Advisory Board members shall be governed by and comply with State conflict of interest laws (e.g., Government Code section 87000 et seq.; and section 1090 et seq.) and the County's conflict of interest policies. The members shall have no legal action pending against Los Angeles County and are prohibited from acting in any

activity directly or indirectly involving funding provided through this ordinance during their tenure on the Advisory Board. Advisory Board members shall not have direct interest or employment with any public or private entity, which receives funding provided through this ordinance.

C. The Advisory Board shall do all of the following:

1. Semi-annual review of all expenditures from the retail transactions and use tax;
2. Publish a complete accounting of all allocations each year, posting the information on the County's publicly accessible Internet Web site; in a downloadable spreadsheet format, including information about the location and footprint of each funded project, its objectives, status, and outcomes, any matching funds used, and the applicable program from the expenditure plan schedule;
3. Submit periodic evaluations to the County of the retail transactions and use tax expenditures, which may at the Board of Supervisors' direction be undertaken by independent researchers, identifying any changes needed to meet the objectives of the Homeless Initiative.

D. Members of the Advisory Board shall serve a term of four years at the pleasure of the Board of Supervisors, and no member may serve more than two consecutive four-year terms. The Board of Supervisors may, by order, extend this length of service or waive this limit for individuals or the Advisory Board as a whole. A member's position shall become vacant upon his or her death, resignation, or removal by the Board of Supervisors. In the case of such a vacancy, the Supervisorial District from which the vacancy arose shall nominate a successor for appointment by the Board of Supervisors to fill the unexpired term.

E. Members of the Advisory Board shall not be compensated for their service, but may be reimbursed for actual and necessary expenses incurred in the performance of their duties.

4.73.070 Accountability Measures.

For so long as any proceeds of the retail transactions and use tax remain unexpended, the Auditor-Controller shall cause a report to be prepared by an independent auditor and filed with the Board of Supervisors no later than December 31st of each year, stating: (i) the amount of retail transactions and use tax proceeds collected and expended in such year; and (ii) the status of any projects or description of any services or programs funded from proceeds of the retail transactions and use tax.

4.73.080 Contract with State.

Prior to the operative date, the County shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the County shall not have contracted with the State Board of Equalization prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

4.73.090 Transactions Tax Rate.

For the privilege of selling tangible personal property at retail, a transaction tax is hereby imposed upon all retailers in the incorporated and unincorporated territory of the County at the rate of 0.25% of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory for a period of ten (10) years beginning on and after the operative date of this ordinance.

4.73.100 Place of Sale.

For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the State sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

4.73.110 Use Tax Rate.

A use tax is hereby imposed on the storage, use or other consumption in the County of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of 0.25% of the sales price of the property for a period of ten (10) years beginning on and after the operative date of this ordinance. The sales price shall include delivery charges when such charges are subject to State sales or use tax regardless of the place to which delivery is made.

4.73.120 Adoption of Provisions of State Law.

Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

4.73.130 Limitations on Adoption of State Law and Collection of Use

Taxes.

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this County shall be substituted therefor. However, the substitution shall not be made:

1. When the word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Equalization, State Treasury, or the Constitution of the State of California;

2. Where the result of that substitution would require action to be taken by or against this County or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this ordinance.

3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the State under the said provision of that code.

4. In sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "County" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in section 6203 of the Revenue and Taxation Code, and in the definition of that phrase in section 6203.

4.73.140 Permit Not Required.

If a seller's permit has been issued to a retailer under section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

4.73.150 Exemptions and Exclusions.

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the County in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the County which is shipped to a point outside the County, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the County shall be satisfied:

a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with section 9840) of the Vehicle Code by registration to an out-of-County address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

b. With respect to commercial vehicles, by registration to a place of business out-of-County and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease

has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this County of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in sections 6366 and 6366.1 of the Revenue and Taxation Code.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs 3 and 4 of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the

unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph 7, a retailer engaged in business in the County shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the County or participates within the County in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the County or through any representative, agent, canvasser, solicitor, subsidiary, or person in the County under the authority of the retailer.

7. "A retailer engaged in business in the County" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the County.

D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a County imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

E. When contracting with the State Board of Equalization pursuant to section 4.73.080 to administer the tax imposed by this ordinance, it shall be the County's intent,

and any agreement shall ensure, that the combined rate limit specified in Revenue and Taxation Code section 7251.1 is not exceeded in any district within the County that has imposed a transactions and use tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code in effect on or before the effective date of this ordinance. The agreement shall include that appropriate steps are taken by the Board of Equalization to ensure that the County tax imposed by this ordinance, when aggregated with all other transactions and use taxes imposed pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code within that district, will 1) not cause the rate of the transactions and use tax within the district to exceed the combined rate limit; 2) not cause any person subject to the tax imposed by this ordinance to pay more than the legally permissible combined rate; and 3) have no impact on the revenue received by each district within the County as the result of any transactions and use tax imposed by the district on or prior to the effective date of this ordinance.

4.73.160 State Law Amendments.

All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

4.73.170 Amendment of Ordinance.

Except for amendments that would increase the tax rate, impose the tax on transactions and uses not previously subject to the tax (unless the amendment occurs

pursuant to Section 4.73.160), extend the tax, or be inconsistent with the purposes of this ordinance, the Board of Supervisors may amend this ordinance without submitting the amendment to the voters for approval.

4.73.180 Enjoining Collection Forbidden.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the County, or against any officer of the State or the County, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

4.73.190 Severability.

If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

4.73.200 Effective Date.

This ordinance relates to the levying and collecting of the County's Transactions and Use Tax to Prevent and Combat Homelessness and shall take effect immediately upon approval by a majority of the electorate voting in an election on this ordinance.

4.73.201 Execution.

The Chair of the Board of Supervisors is authorized to attest to the adoption of this ordinance by the voters of the County.

I hereby certify that the foregoing ordinance was PASSED, APPROVED and ADOPTED by the people of the County of Los Angeles voting on the 7th day of March, 2017.

Chair of the Board of Supervisors

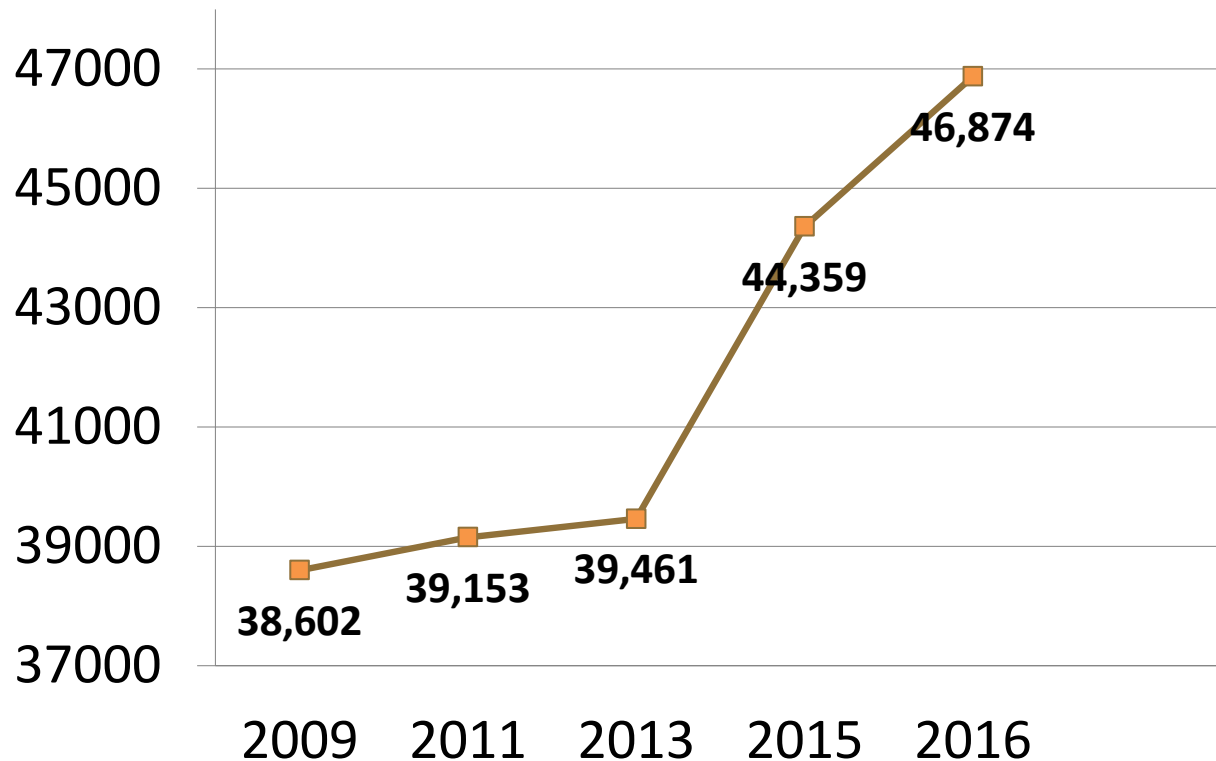


**Ongoing Revenue to
Combat Homelessness
Throughout
Los Angeles County
Chief Executive Office
December 6, 2016**



Homeless Crisis is Worsening

Homeless Count
Daily Homeless Population*
(in Los Angeles County)

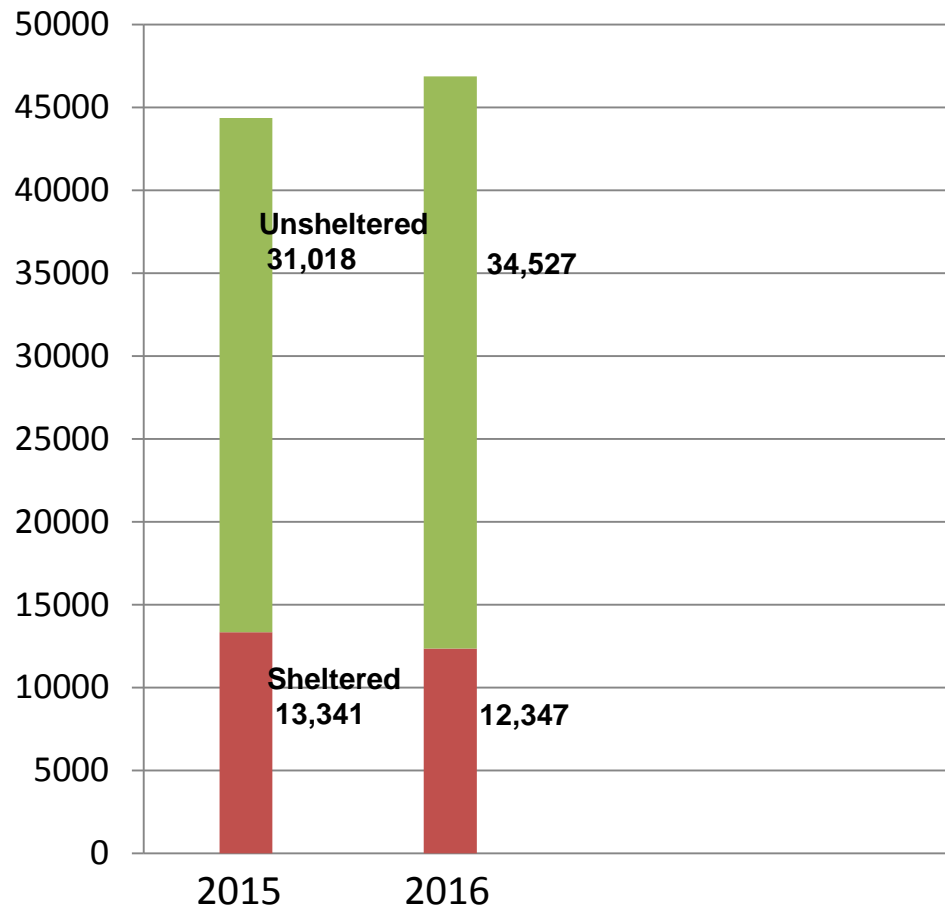


*Homeless Count Data provided by Los Angeles Homeless Services Authority



Sheltered vs. Unsheltered

Total Homeless Population - Sheltered and Unsheltered



Data provided by Los Angeles Homeless Services Authority

Item #9

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Los Angeles County Homeless Initiative

- In February 2016, Los Angeles County adopted a **coordinated set of 47 strategies** to combat homelessness, including strategies in which cities, businesses and faith leaders can participate.
- Inclusive and collaborative planning process involving over 1100 experts and community members focused on what works.









What the Plan Does

- 47 strategies covering six areas:
 - Prevent Homelessness
 - Subsidize Housing
 - Increase Income
 - Provide Case Management and Services
 - Create a Coordinated System
 - Increase Affordable/Homeless Housing



Homeless Housing/Services Gap

<u>Housing Type</u>	<u>Total Gap (units)*</u>	<u>Description</u>
 Permanent Supportive Housing	15,341	Provides intensive support services to chronically homeless persons
 Rapid Re-Housing	8,376	Provides short-term housing assistance. Each unit can potentially house 2 households per year
 Emergency Shelter	2,279	Provides crisis housing to unsheltered persons on the path to permanent housing
 Homeless Prevention	2,555	Provides stabilizing housing assistance that keeps people and families from falling out of housing and into the homeless system

*Homeless Housing Gaps in the County of Los Angeles, Los Angeles Homeless Services Authority, January 2016
Item #9



Ongoing Funding Needed

- Unmet need for homeless housing/services
 - **\$450 million per year***
(not counting construction costs)
- Current funding
 - **\$100 million one-time**

*Homeless Housing Gaps in the County of Los Angeles, Los Angeles Homeless Services Authority, January 2016



Proposed March Ballot Measure

- **¼ Cent sales tax for services, rental subsidies and housing**
- **Generates \$355 Million annually** for ten years (legally restricted to combating homelessness)
- **Complements “Brick and Mortar” Initiatives to build housing**
- **Strong Oversight** with Citizens Advisory Committee



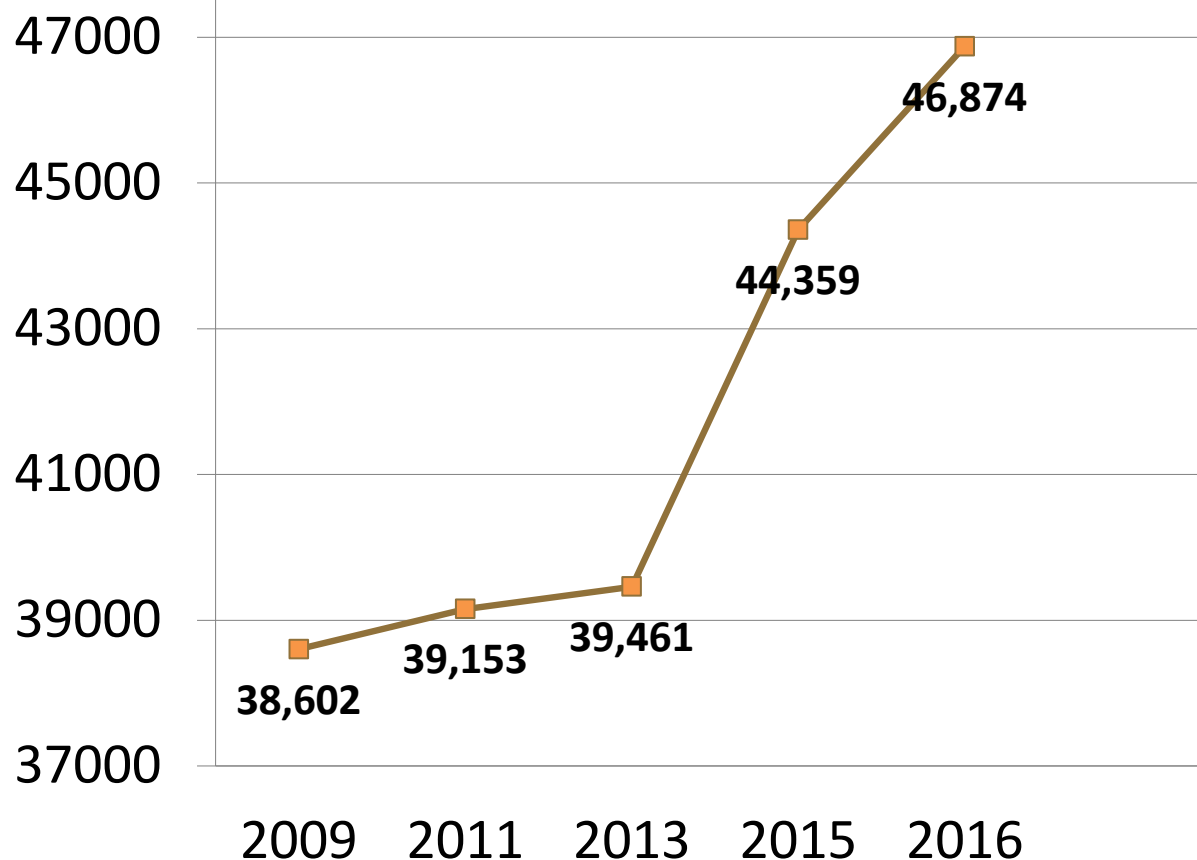
Securing Dedicated Revenue to Combat Homelessness Across Los Angeles County

March 2017 Special Ballot Measure H



County's Current Homeless Population

Homeless Count Daily Homeless Population* (in Los Angeles County)

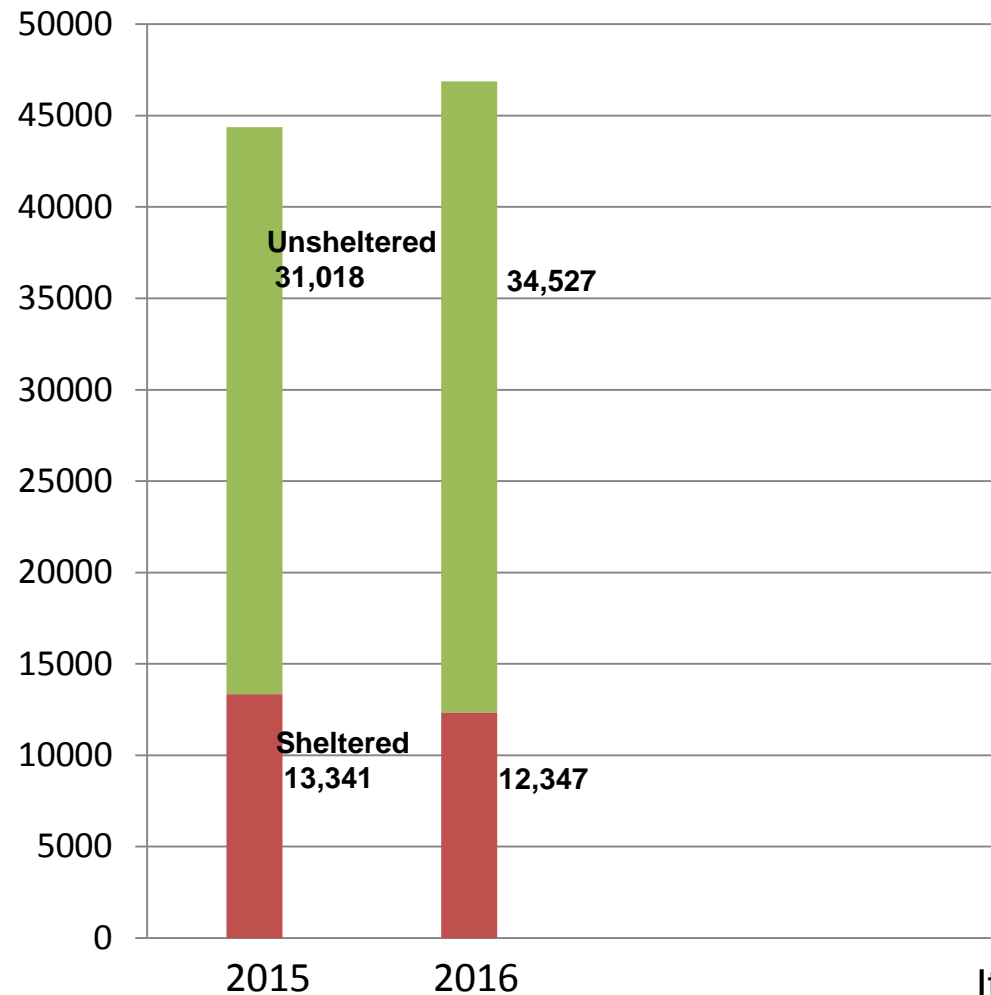


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Sheltered vs. Unsheltered

Total Homeless Population - Sheltered and Unsheltered



Item #9



Los Angeles County Homeless Initiative (HI)

- In February 2016, Los Angeles County adopted a **coordinated set of 47 strategies** to combat homelessness, including strategies in which cities, businesses and faith leaders can participate.
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Item #9







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Item #9



Ongoing Funding Needed

- Unmet need for homeless housing/services
 - **\$450 million per year***
(not counting construction costs)
- Current funding
 - \$100 million one-time funds



Proposed March 7 Measure

- ¼ percent increase to the County's sales tax commencing after July 1, 2017, to fund services, rental subsidies and housing
- Tax revenue estimate: \$355 Million annually for ten years (solely to be used to combat homelessness)



Legal Requirements

- Citizens' Oversight Advisory Board would monitor and evaluate spending of tax revenue
- Requires an independent auditor to report on the amount of tax revenues collected and expended and the status of projects and services funded
- Tax revenue dedicated to funding support services intended to complement "Brick and Mortar" Initiatives to build housing



Strategies Eligible for Funding

Preventing Homelessness

- Homeless Prevention Program for Families (Strategy A1)
- Homeless Prevention Program for Individuals* (Strategy A5)



Strategies Eligible for Funding

continued

Subsidizing Housing and Related Housing Services

- Provide Subsidized Housing to Homeless Disabled Individuals Pursuing SSI (Strategy B1)
- Partner with Cities to Expand Rapid Re-Housing (Strategy B3)
- Facilitate Utilization of Federal Housing Subsidies (Strategy B4)
- Family Reunification Housing Subsidies (Strategy B6)
- Interim/Bridge Housing for those Exiting Institutions (Strategy B7)



Strategies Eligible for Funding

continued

Employment Assistance

- Increase Employment for Homeless Adults by Supporting Social Enterprise (Strategy C2)
- Countywide SSI/SSDI and Veterans Benefits Advocacy (Strategies C4, C5 and C6)
- Subsidized Employment for Homeless Adults* (Strategy C7)



Strategies Eligible for Funding

continued

Providing Case Management and Services

- Jail In-Reach (Strategy D2)
- Regional Integrated Re-Entry Network (Strategy D4)
- Criminal Record Clearing Project (Strategy D6)
- Provide Mental Health, Substance Use, Counseling Services and Rental Subsidies for Permanent Supportive Housing* (Strategy D7)



Strategies Eligible for Funding

continued

Creating a Coordinated System

- Countywide Outreach System (Strategy E6)
- Strengthen the Coordinated Entry System (Strategy E7)
- Enhance the Emergency Shelter System (Strategy E8)
- Enhanced Services for Transition Age Youth (Strategy E14)



Strategies Eligible for Funding

continued

Increasing Affordable Homeless Housing

- Preserve current homeless housing and promote the development of affordable housing for homeless families and individuals* (Strategy F7)



Planning Process

Recommendations to the Board of Supervisors regarding the distribution of the revenue from the March 2017 ballot measure will be developed through an inclusive planning process which will bring together:

- County
- Los Angeles Homeless Services Authority
- United Way - Home for Good
- Cities and Councils of Government
- Homeless service providers and technical advisors
- People with lived homeless experience



Planning Timeline - 2017

- **Mid March:** Review process and eligible strategies (current and new)
- **April:** Discuss and develop recommendations for funding
- **April/May:** Seek community input on the recommendations (Web Meeting, Lived Experience Advisory Group and On-line Comments)
- **Early May:** Discuss community feedback and reach consensus
- **Late May:** Homeless Policy Deputies Meeting to review and discuss recommendations to the Board
- **June:** Board meeting to review/deliberate on recommendations

Office of Homeless Initiative

Kenneth Hahn Hall of Administration

County of Los Angeles

500 West Temple Street, Room 493

Los Angeles, CA 90012

(213) 974 - 2326

homelessinitiative@lacounty.gov



Community Development Commission

December 9, 2016

TO: Each Supervisor

FROM: Sean Rogan
Executive Director



SUBJECT: REPORT BACK ON FRAMEWORK FOR A PROPOSED MEMORANDUM OF UNDERSTANDING TO FACILITATE A COORDINATED COUNTYWIDE STRATEGY ON CONSTRUCTION OF PERMANENT HOUSING, ALLOCATION OF RENT SUBSIDIES AND PROVISION OF SUPPORTIVE SERVICES

On October 25, 2016, the Board of Supervisors (Board) directed the Community Development Commission (Commission), in consultation with the Executive Director of the Los Angeles Homeless Services Authority (LAHSA), the Chief Executive Officer (CEO), and County Counsel, to provide a written report, as part of the implementation of the Homeless Initiative (HI), on a framework for a proposed Memorandum of Understanding (MOU) that would facilitate a coordinated countywide strategy on construction of permanent housing, allocation of rent subsidies and provision of supportive services. This correspondence serves as a report back to the Board's aforementioned directive, and provides background on the subject matter, a proposed framework for a MOU, and recommended next steps.

Background

On February 9, 2016, the Board approved the Los Angeles County HI recommendations including 47 Strategies to combat homelessness, which included various strategies to increase the supply of affordable/permanent supportive housing, maximize the availability of subsidized housing, and improve and expand supportive services. The development of an adequate supply of affordable housing is the foundation to effectively combat homelessness. Both the comprehensive planning process and implementation have led to unprecedented cooperation and engagement between County departments, service providers, philanthropy and cities within Los Angeles County (County).

Of the 47 strategies, six seek to increase the supply of affordable/permanent supportive housing. The success of numerous other strategies rest on the ability of persons experiencing homelessness to locate housing in the private market with the assistance of various rental subsidies administered by Public Housing Authorities (PHAs), rapid-rehousing subsidies administered by LAHSA and other rental assistance provided by County departments.

Efficacy of Permanent Supportive Housing to Combat Homelessness

Permanent Supportive Housing (PSH) is a proven solution to end homelessness. PSH combines non-time limited affordable housing, rental/operating subsidies and supportive services. The

combination of these three strategies help the homeless stabilize. Supportive housing improves housing stability, employment, mental and physical health, and school attendance; and reduces active substance use. People in supportive housing are able to reintegrate into the community and live more productive lives.

To effectively combat homelessness, the County and local jurisdictions should continue to remove barriers to the development of affordable/permanent supportive housing and streamline allocation of supportive services, rental and operating subsidies to encourage the creation of a robust pipeline of PSH projects. The County can play a key role in supporting the creation of this pipeline of PSH developments by creating a mechanism to provide Intensive Case Management Services (ICMS) and other appropriate services for completed projects.

Future Increase in Permanent Supportive/Affordable Housing Production

Los Angeles City voters approved the \$1.2 billion HHH bond measure in November 2016. City officials expect to produce 1,000 housing units on an annual basis for the next ten years. The State of California's No Place Like Home Initiative (NPLH) will provide the County with an estimated \$650 million over four years to finance acquisition, construction, rehabilitation, or preservation, and to capitalize operating reserves for permanent supportive housing for individuals or households who are homeless, chronically homeless, or at risk of chronic homelessness with mental illness. Together with the County's commitment to reach an annual allocation of \$100 million towards affordable housing, these two funding sources will dramatically increase the supply of affordable housing. The majority of these units will be PSH.

Current financial models for PSH leverage public financing from local jurisdictions and agencies with capital and financing from the private sector. The majority of the capital is provided through Low Income Housing Tax Credit (LIHTC) investors. Construction and permanent financing is provided by financial institutions. Acquisition and pre-development financing is provided through various public and private entities, including Community Development Financial Institutions (CDFIs). In addition to capital financing, the long-term financial feasibility of PSH requires rental/operating subsidies and supportive services to provide stable cash flow and operations.

Upcoming health reform opportunities, such as the Whole Person Care pilots, the Health Home Program, and the Drug Medi-Cal Organized Delivery System, will create additional resources for the provision of supportive services for the chronically homeless. On their own, these sources cannot meet the demand for services that an additional 11,500-15,700 PSH units will require.

Successful and financially viable PSH requires capital, operating subsidies and supportive services. Given the increase in capital resources, investment in supportive services must keep pace with unit production. *A source of ongoing revenue to fund supportive services is needed to guarantee the success and financial feasibility of future PSH units.* Should such an ongoing source be secured, a mechanism is needed for the County to provide ICMS for completed projects and to incentivize the participation of cities and other PHAs to site and build PSH in their jurisdictions.

Permanent Supportive Housing through Tenant Based Vouchers

Development of newly constructed PSH units typically requires a minimum of three years. The supply of available permanent supportive housing may also be expanded through the use of tenant based vouchers. In addition to supporting the development of new PSH units by committing Project Based Vouchers (PBVs), PHAs can elect to dedicate a portion of their turnover Housing Choice Vouchers (HCVs) to people experiencing homelessness. Both the Housing Authority of the County of Los Angeles (HACoLA) and Housing Authority of the City of Los Angeles (HACLA) use HCVs to house people experiencing homelessness. The client receives an HCV and proceeds to find a unit on the private housing market.

HACoLA developed the highly effective Landlord Veteran Incentive Program (VIP) to encourage more landlords to rent to homeless Veterans holding a Veterans Affairs Supportive Housing (VASH) voucher. The VASH program combines HCV rental assistance for homeless Veterans with case management and clinical services provided by the Department of Veterans Affairs (VA). Because VASH alone was not enough to quickly move veterans from the streets into safe housing, additional measures were needed to make VASH successful in a very tight housing market like Los Angeles.

The Board of Supervisors provided funding for VIP and its suite of incentives for landlord and housing location supports for Veterans. VIP is a model program and its elements should be implemented in current and future landlord incentive programs. HACoLA also operates the Homeless Incentive Program (HIP). Private landlords have not been as willing to rent to homeless clients as they were to veterans. A further complication has been HIP's lack of the full suite of incentives and supports that lead to VIP's success. Adjustments informed by VIP are currently under consideration for HIP. These adjustments will bolster HIP participation by landlords and improve client retention.

In addition to providing ICMS for newly constructed PSH units, the County should consider committing ICMS for each homeless client that is housed with an HCV. The County may wish to consider providing assistance to smaller PHAs for replication of landlord incentive programs like VIP and HIP. An ongoing revenue source for homeless services would be needed to provide this assistance.

Memoranda of Understanding and other Mechanisms to Document Agreements Between Jurisdictions and Agencies

If an ongoing revenue source for homeless services is secured, the County's Comprehensive Housing Strategy for permanent housing should be guided by an agreement between the County, PHAs and cities within the County. This agreement should codify existing informal agreements for ICMS, provide guidance, increase coordination, identify priority populations and incentivize the participation of other jurisdictions in the County's efforts to end chronic homelessness. Potential mechanisms to accomplish this include: A Memorandum of Understanding (MOU), a Mutual Cooperation Agreement, Interagency agreement or a Supportive Housing Agreement as New York City and New York State chose to execute.

Interagency and cross-jurisdictional agreements can be effective tools to address problems that require several parties to work together for successful resolution. For example, in 2011, HACoLA and HACLA executed an Interagency Agreement for the VASH Program to assist a total of 1,650 homeless Veterans and their families. This agreement enhanced homeless Veterans' ability to place their vouchers by allowing them to lease units within HACoLA's jurisdiction if they had a HACLA voucher and vice versa. This agreement replaced an otherwise cumbersome portability process.

In addition, there is a Master Services Agreement between the County and Commission as well as the County and the HACoLA, which allows the entities to provide specialized functions for each other. For each specialized function, the entities subsequently execute either a funding agreement or a MOU to specify the services to be performed by each entity and the funding source to be provided.

While there are many models for interagency and cross-jurisdictional agreements, the motion adopted by the Board of Supervisors specifically identifies a MOU as a tool to facilitate a coordinated countywide strategy on construction of permanent housing, allocation of rent subsidies and provision of supportive services. The following framework can be used for a MOU or any other interagency and cross-jurisdictional PSH agreement the Board of Supervisors may choose to execute in the future.

Framework for a Memorandum of Understanding

The framework for a proposed MOU should include the following elements to incentivize the participation of Los Angeles County's 88 cities in the fight to end homelessness:

1. Establish a term for the MOU. A ten-year term sends a strong message to LIHTC Investors, conventional lenders and other private entities that the County, PHAs and cities are committed to the development of PSH and mitigating certain risks associated with its development.
2. Establish the number of permanent supportive housing units that will be developed over the term of the MOU.
3. Delineate respective roles and responsibilities of each government entity with respect to capital, rental/operating subsidies and supportive services.
 - a. Capital – Capital will typically be provided by local jurisdictions in the form of a residual receipts loans to developers building PSH units. Donated and ground leased (with a de minimis payment) land may also be considered as a capital commitment. The cities that are parties to the MOU will commit to provide capital for a specific number of PSH units.
 - b. Rental/Operating Subsidies – A large percentage of the Rental/Operating subsidy will typically be provided through Public Housing Authorities in the form of PBVs. Additionally, the Los Angeles County Department of Health Services is providing rental subsidy commitments for units set aside for Frequent Users of the County's

- Health Services. The PHAs and local agencies that are parties to the MOU will commit to provide rental subsidies for a specified period of time and for a specified number of units. The length of commitment for rental/operating subsidies should be of a term sufficient to underwrite permanent conventional debt to finance PSH units.
- c. Supportive Services – Supportive Services will be provided by the County and will provide ICMS, linkage to appropriate health and other supportive services to chronically homeless and homeless individuals in PSH units built under this MOU.
4. Establish the County's commitment to provide a customized package of supportive services for every new unit of PSH built with capital subsidies from a municipality, built on donated or ground leased city owned land.
 5. Establish the County's commitment to provide a customized package of supportive services for every new unit of PSH with a PBV provided by a PHA.
 6. Establish the County's commitment to provide a customized package of supportive services for every new unit of PSH created through the use of a tenant based HCV provided by a PHA.
 7. Establish the County's commitment to provide a customized package of supportive services for every new unit of PSH with a long-term rental/operating subsidy with an enforceable long-term commitment from another government entity.
 8. Allocate and target supportive service resources to underserved areas of the County.
 9. Allocate and target supportive service resources and PSH unit production goals to a range of homeless populations informed by the Homeless Count and other data sources.
 10. Address tenant selection and referral through the Coordinated Entry System (CES), Housing for Health Access and Referral system or other current and future patient/client identification and referral systems utilized by the Health Agency.
 11. Create or identify an existing oversight body that will meet on no less than a quarterly basis to monitor implementation of the MOU.
 12. Delineate the duties of the oversight body, including a mechanism to allow mid-course adjustments based on resource utilization and availability, overall PSH production, and PSH gaps in difficult to develop areas of the County.

Next Steps

A MOU or other form of inter-governmental agreement to be determined by the Board of Supervisors, should be prepared to guide and underpin PSH development over the next ten years. The agreement should detail the level of supportive services the County is willing to commit

Each Supervisor
December 9, 2016
Page 6 of 6

to permanent supportive housing developed with capital subsidies from cities, PBVs from PHAs, HCVs, and other capital and rental subsidies. The framework outlined here provides the key elements that the agreement needs to address. The Board of Supervisors should identify the most appropriate County agency to lead or co-lead the development and negotiation of the MOU with cities and PHAs.

If you have any questions, please contact Maria Cabildo, Director of Homeless Initiatives at (626) 586-1664 or Maria.Cabildo@lacdc.org.

c: Each Deputy
Chief Executive Office

REPORT

DATE: January 19, 2017

TO: SGVCOG Governing Board

FROM: Phil Hawkey, Executive Director

RE: **ACE/LARGE CAPITAL PROJECTS AD HOC COMMITTEE DRAFT
REPORT**

RECOMMENDED ACTION

Discuss and provide direction to staff.

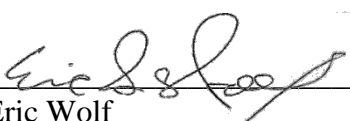
BACKGROUND

As part of its Strategic Planning process in early 2016, the SGVCOG Governing Board identified the need to conduct an assessment about the future of ACE and the role of the SGVCOG in planning, funding, and constructing large capital projects. As a result, the SGVCOG president, Gene Murabito, formed an ad-hoc committee with the purpose of studying and fully exploring these issues. The ACE/ Large Capital Projects Ad Hoc Committee was tasked with assessing the future of the SGVCOG and whether it should be primarily a planning agency or should it also have the internal capacity to implement and build large capital projects. A key issue relates to the future of ACE and whether it should dissolve upon completion of its mission in six years or should ACE be reformed and restructured as a division of the SGVCOG that would be responsible for the construction of large capital projects in the San Gabriel Valley.

With the passage of Measure M, San Gabriel Valley transportation projects and programs will receive more than \$3 billion in local sales tax funds over the coming decades. Significant Measure M funding will be passed through eight programs established by the SGVCOG. Over the course of the ad hoc committee's work, it became apparent that whatever organizational form emerged from the effort, it must include added capacity for the SGVCOG to manage the Measure M funding; possibly as soon as Fall 2017.

This report is being presented initially for information and discussion. The Governing Board will consider taking action to approve the recommendations included in the report at its February 16, 2017 meeting. If approved, actions that have budget impact, including the creation of a new transportation planner position, will be incorporated into the FY 2017-2018 budget, that will be presented to the Governing Board for adoption on May 18th, 2017. The Ad Hoc Committee will continue to meet monthly to monitor the development of the multi-year integration plan. Staff will present an update on the integration plan to the Governing Board by July 2017.

Prepared by:


Eric Wolf

Senior Management Analyst

REPORT

Approved by: Marisa Creter
Marisa Creter
Assistant Executive Director

ATTACHMENTS

Attachment A – ACE Ad Hoc Committee Draft Report



OFFICERS

President
Gene Murabito

1st Vice President
Kevin Stapleton

2nd Vice President
Cynthia Sternquist

3rd Vice President
Margaret Clark

MEMBERS

Alhambra

Arcadia

Azusa

Baldwin Park

Bradbury

Claremont

Covina

Diamond Bar

Duarte

El Monte

Glendora

Industry

Irwindale

La Cañada Flintridge

La Puente

La Verne

Monrovia

Montebello

Monterey Park

Pasadena

Pomona

Rosemead

San Dimas

San Gabriel

San Marino

Sierra Madre

South El Monte

South Pasadena

Temple City

Walnut

West Covina

First District, LA County
Unincorporated Communities

Fourth District, LA County
Unincorporated Communities

Fifth District, LA County
Unincorporated Communities

SGV Water Districts

January 19, 2017

President Gene Murabito, San Gabriel Valley Council of Governments
Governing Board, San Gabriel Valley Council of Governments

**RE: ACE/LARGE CAPITAL PROJECTS AD HOC COMMITTEE DRAFT
REPORT**

Dear President Murabito and Governing Board Members:

Based on your desire that the SGVCOG conduct an assessment of the future of the Alameda Corridor-East Construction Authority (ACE) and the role of the SGVCOG in planning, funding, and constructing large capital projects, I am submitting the attached draft report for your consideration, discussion, and potential adoption over the coming months. This report is the culmination of diligent work completed by the ACE/Large Capital Projects Ad Hoc Committee and presents the context, process, and recommendations of their exhaustive work.

The Ad Hoc Committee worked with thoughtfulness and patience, meeting twice a month for more than half a year in order to thoroughly discover and scrutinize all aspects of this important decision. With the passage of Measure M and the knowledge that San Gabriel Valley will receive over \$3 billion in the coming decades, the committee's efforts took on added importance. There was strong consensus for hiring a Transportation Planner to support Measure M planning and programming, and for better integrating the relationship between the ACE staff and the SGVCOG staff. Further study will be devoted to what role ACE should play in transportation construction management and the nuances involved in completing a transition to that role.

I would like to thank the committee for their professionalism and care. They respectfully addressed every point of view and acted at all times with concern for the long term health of the SGVCOG, as well as the reputation and benefit of San Gabriel Valley. I welcome your thoughts and ideas in response to this draft report.

Sincerely,

John Fasana

Chair, ACE/Large Capital Projects Ad Hoc Committee
San Gabriel Valley Council of Governments

Report of the ACE/ Large Capital Projects Ad Hoc Committee

EXECUTIVE SUMMARY:

The ACE/Large Capital Projects Ad Hoc Committee was appointed in June, 2016 by SGVCOG President Gene Murabito to study the future role of the SGVCOG as a planning agency and possibly modifying the role of ACE (Alameda Corridor-East Construction Authority) in order to give the SCVCOG the ability to implement and construct capital projects. The Ad Hoc Committee undertook the following activities:

- Studied the history of the SGVCOG and ACE;
- Evaluated the issues of risks and liability involved with construction;
- Examined the liabilities of PERS for both ACE and SGVCOG;
- Explored four case studies of major projects that might benefit from a more active role by the SGVCOG in construction;
- Compared how other COGs operate; and
- Developed guiding principles to identify core issues that should influence any decision about the future of the SGVCOG.

With the passage of Measure M in November 2016, the San Gabriel Valley region is now guaranteed to receive over \$3.3 billion in funding over the next 40 years, including hundreds of millions of dollars for transportation programs to be administered through the SGVCOG. It is important to note that the Measure M funds are intended to be leveraged in securing matching state, federal or other funds which will be needed to complete most, if not all, of the SGVCOG's priority projects.

The Ad Hoc Committee is recommending to the Governing Board that the SGVCOG expand its organizational capacity by creating a transportation planning division and hire a transportation planner to manage the implementation of Measure M in the San Gabriel Valley. In addition, the Ad Hoc Committee recommends that the SGVCOG develop a plan for integrating ACE as an integral part of the COG to allow for the potential to construct capital projects throughout the San Gabriel Valley pending specific direction from the Governing Board.

RECOMMENDED ACTION:

1. Approve the report of the ACE/Large Capital Projects Ad Hoc Committee.
2. Direct staff to undertake the necessary actions to develop and staff a new Transportation Planner position (i.e. develop near-term funding plan for position, prepare revisions to SGVCOG salary resolution, develop job description, and initiate recruitment).
3. Develop a multi-year plan to integrate ACE, as an ongoing integral part of the SGVCOG, to allow for potential future capacity to construct capital projects in the San Gabriel Valley pending future specific direction from the Governing Board. Report back within six months.
4. Direct ACE and SGVCOG staff to further integrate administrative functions.
5. Consult with legal counsel of ACE and SGVCOG to identify necessary changes to SGVCOG JPA and Bylaws.

BACKGROUND:

ACE was created by the SGVCOG in 1998 as a subsidiary of the SGVCOG. It was created with a specific narrow mission to address the traffic congestion caused by the expansion of freight rail traffic from the Ports of Los Angeles and Long Beach. For the past 18 years, ACE has had great success in securing more than \$1.6 billion in funding to construct grade separations to facilitate freight railroad movement through the southern portion of the San Gabriel Valley.

The mission of the ACE project is approaching completion in the next few years, and the SGVCOG must determine next steps. The expertise and excellent reputation of the ACE organization presents an opportunity to address an expanded and new scope of projects, but there are inherent risks and costs with this type of new endeavor.

In addition, with the passage of Measure M in Los Angeles County in November 2016, the SGVCOG will be responsible for guiding the allocation and implementation of over \$3.3 billion in capital projects and programs. The SGVCOG will either need to expand its capacity to handle these funds, or allow Metro to manage the funds in a manner guided by the advice of the SGVCOG.

As part of its Strategic Planning process in early 2016, the SGVCOG Governing Board identified the need to conduct an assessment about the future of ACE and the role of the SGVCOG in planning, funding, and constructing large capital projects. As a result, the SGVCOG president, Gene Murabito, formed an ad-hoc committee with the purpose of studying and fully exploring these issues.

Existing Structure

Currently, ACE operates as a subsidiary unit of the SGVCOG, but as a quasi-independent agency reporting to the ACE Board of Directors. ACE has a separate Chief Executive Officer who reports to the ACE Board, and all ACE employees report to the Chief Executive Officer. As specified in the SGVCOG JPA and bylaws, the SGVCOG Governing Board is responsible for approving ACE's scope of projects and annual budget. All other functions, including approving contracts, property acquisition, and hiring of staff, are delegated to the ACE Board of Directors. The ACE Board of Directors is comprised of the following members (all of which have, or did have, at least one ACE project within their jurisdiction):

- LA County
- El Monte
- Industry
- Montebello
- Pomona
- San Gabriel

Additionally, the SGVCOG President or his/her designee serves on the Board as a voting member.

In February 2015, the SGVCOG Governing Board approved a memorandum of understanding (MOU) with ACE to have ACE staff provide technical assistance related to transportation planning. Under this MOU, the CEO of ACE is compensated by SGVCOG to periodically perform the functions of the Transportation Director for the SGVCOG. This role was most active in the

development of the mobility matrix, as well in the communications with Metro and Caltrans on behalf of the SGVCOG. This work by the CEO of ACE as the Transportation Director of SGVCOG entails only a few hours a month and compensation from the SGVCOG is paid to ACE, which offsets the compensation that the CEO receives from ACE.

In February 2016, the SGVCOG Governing Board approved two additional MOUs to allow ACE staff to provide administrative/HR, IT and financial management support services. ACE is fully reimbursed for these labor costs.

Committee Purpose, Members, and Process

The ACE/ Large Capital Projects Ad Hoc Committee was tasked with assessing the future of the SGVCOG and whether it should be primarily a planning agency or should it also have the internal capacity to implement and build large capital projects.¹ A key issue relates to the future of ACE and whether it should close operations and dissolve upon completion of its mission or should ACE be reformed and restructured as a division of the SGVCOG that would be responsible for the construction of large capital projects in the San Gabriel Valley.

Two alternative future roles considered were as follows:

1. The SGVCOG should focus on being a planning agency that concentrates on assessing the needs of the San Gabriel Valley, developing proposals and plans that address those needs, pursuing grants and funding sources to pay for programs and capital projects, including transportation and capital improvements, and collaborating with appropriate agencies to construct the large capital improvements; OR
2. The SGVCOG should expand its organizational capacity from strictly a policy and planning agency, to become a construction agency as well. In addition to planning for transportation and large capital projects, the SGVCOG might take responsibility for managing the implementation of, and even constructing, these projects. These projects might include new highway construction, bridges, freeway interchanges, and bicycle paths, as well as non-transportation projects (e.g. storm water facilities).

The Committee considered several variations of each alternative.

The Ad Hoc Committee was comprised of the following members:

- John Fasana, Councilmember, City of Duarte, Chair
- Gene Murabito, Mayor of Glendora and SGVCOG President
- Terry Tornek, Mayor, City of Pasadena
- Victoria Martinez, Vice Mayor, City of El Monte
- Jack Hadjinian, Councilmember, City of Montebello
- Cynthia Sternquist, Councilmember, City of Temple City
- Sam Pedroza, Mayor, City of Claremont

¹ For the purposes of this report, the terms “planning”, “programs” and “projects” are used as follows:

- Planning: studies to determine current infrastructure assessments, future infrastructure needs, feasibility studies, preliminary environmental reports, preliminary cost estimates, and potential funding sources.
- Programs: a group of projects intended to implement a specific subregional goal or need.
- Projects: individual infrastructure improvements that can be constructed as stand-alone projects with independent merit.

- Cruz Baca, Councilmember, City of Baldwin Park
- Javier Hernandez, Transportation Deputy, LA County District #1
- Dave Perry, Transportation Deputy, LA County District #5
- Linda Lowry, City Manager, City of Pomona
- David Liu, Public Works Director, City of Diamond Bar

Phil Hawkey, Executive Director of SGVCOG and Mark Christoffels, CEO of ACE, were advisory to the Ad Hoc Committee. SGVCOG staff Marisa Creter and Eric Wolf also assisted the work of the Ad Hoc Committee.

Throughout September and October, the committee discussed four case studies (SR-57/SR-60 Interchange, Greenway Network, SR-71 Completion, and I-605 Hot Spots) as a means of considering the role the SGVCOG and the ACE could play in construction planning and management. Considerable attention was paid to the issues of liability and risk management involved with construction. The experience of ACE demonstrated that prudent management with comprehensive insurance can protect the organization. The legal structure of the Joint Powers Authority makes it a stand-alone legal entity for which the member cities of the JPA are protected from legal liability.

The issue of CalPERS liability for the ACE organization was studied by the Ad Hoc Committee, especially recognizing that the agency may terminate in a few years. A review of audit reports concluded that more than adequate funds have been set aside at ACE to adequately cover its CalPERS obligations.

Next, the committee reviewed other COG organizational and governance models and determined that there are a wide variety of different Council of Government structures in California, each organized to meet specific regional needs, as well as funding and partnership opportunities.

The Ad Hoc Committee gave time to establish some overriding principles that should guide any future actions of the SGVCOG in addressing the needs of the San Gabriel Valley. Guiding Principles were created and approved by the Ad Hoc Committee, against which the committee's recommended future SGVCOG structure could be evaluated.

Context: Opportunities and Challenges

Measure M funding

With the passage of Measure M, San Gabriel Valley transportation projects and programs identified and prioritized by SGVCOG will receive more than \$3 billion in local sales tax funds over the coming decades. Significant Measure M funding will be passed through eight programs established by the SGVCOG expressly for San Gabriel Valley projects:

- (1) Active Transportation (\$231 million)
- (2) Bus System Improvement (\$55 million)
- (3) First/Last Mile and Complete Streets (\$198 million)
- (4) Highway Demand Management (\$231 million)
- (5) Goods Movement (\$33 million)
- (6) Highway Efficiency (\$534 million)
- (7) ITS/Technology (\$66 million)

(8) Subregional Equity (\$199 million)

Over the course of the ad hoc committee's work, it became apparent that whatever organizational form emerges from the effort, it must include added capacity for the SGVCOG to manage the Measure M funding assigned to the San Gabriel Valley and to secure matching funds, as needed to complete project budgets.

Partner Agencies

Representatives from the Ad Hoc Committee met with key staff from Metro, including CEO Phil Washington, on November 29th. During that meeting, Metro staff referenced the Measure M Program Management Plan (PMP) that was presented to the Metro Board in October 2016. That report can be accessed here:

http://theplan.metro.net/wp-content/uploads/2016/11/report_prgm_mgmt_2016_11.pdf.

Metro indicated that the SGVCOG's proposal to take a more active role in planning, programming, and constructing projects and programs was consistent with the PMP, and Metro was supportive of subregional efforts that would facilitate projects being completed on-time and within budget.

A separate meeting is being scheduled with the Director of Caltrans Region 7 for the purpose of identifying the relationship that might occur between Caltrans and the SGVCOG regarding constructing transportation projects. However, of note, ACE is currently constructing freeway improvements (Lemon Avenue on- and off-ramps) related to a grade separation detour route under agreement with Caltrans and the Cities of Diamond Bar and Industry.

GUIDING PRINCIPLES

The Ad Hoc Committee developed Guiding Principles intended to define the core elements of the organizational structure and operating requirements of any new agency or division within the SGVCOG that would take on planning, programming, and construction projects. The following guiding principles were approved by the Committee:

Threshold Criteria & Member Benefit

- SGVCOG action will result in a measurable benefit to the region and member cities and/or non-action will result in a measurable disadvantage or loss to the San Gabriel Valley region.
- Collaborative relationships with impacted communities, LA Metro, Caltrans, LA County and/or other entities are explored before SGVCOG acts to plan or implement a program or project.
- Majority support from SGVCOG members is secured before a major program or project is undertaken.²

Liability & Risk

- Structures are in place, including proper insurance and indemnification, to ensure there is no financial exposure or increased legal liability to member cities as a result of SGVCOG taking action.

² Preliminary concept planning is considered part of normal administration as part of assembling information for the SGVCOG Governing Board to consider as part of their review and approval of a program or project.

- Agreements have been defined for long term ownership and maintenance by a responsible entity of the completed project.

Financial Impact

- SGVCOG may pursue funding for planning activities that may, or may not, result in programs or projects, but could fund staff costs.
- SGVCOG will not proceed with a program or project without securing all funding sources necessary to complete the phase.
- Member agencies may volunteer to fund a program, project, or study through an assessment in which only the participating members benefit from the work.
- SGVCOG may secure short term financing to fund start-up costs or accelerate a program or project with approval of a majority of SGVCOG members.

Legal Authority & Project Oversight

- Action will conform to SGVCOG's existing legal authority. If it does not, all legal risks and changes to authority will be identified before taking action.
- Oversight may be performed by a new organization created by SGVCOG that could plan, program, or implement projects in the San Gabriel Valley, and the SGVCOG might enter into agreements with this organization for the completion of those programs or projects.

COMMITTEE RECOMMENDATIONS:

The Ad Hoc Committee considered various roles the SGVCOG could assume with respect to transportation planning, programming and construction, and the organizational and governance models necessary to support these new roles. In terms of potential roles, the Ad Hoc Committee considered a spectrum of possible activities the SGVCOG could assume. Example activities the SGVCOG could undertake (from least to most resource intensive) are listed below:

- Participate on selected consultation panels (with Metro as lead);
- Prioritize projects;
- Program and allocate funding, including managing a subregional call for projects;
- Lead the effort to advocate for additional funding for projects;
- Serve as lead for design; and
- Serve as lead for construction.

The key recommendations of the Ad Hoc Committee are:

- 1) With the passage of Measure M, there developed strong consensus that, at a minimum, the SGVCOG should expand its transportation planning and programming capacity. Specifically, it was identified that the SGVCOG should hire a Transportation Planner who can coordinate all Measure M program management activities. This Transportation Planner, and potential future support staff, will be funded from Measure M revenues.
- 2) The other major question then is what role should ACE have within the SGVCOG organization and its role in constructing new projects throughout the San Gabriel Valley. ACE should continue its current grade separation mission in the Alameda Corridor East while the SGVCOG develops a plan to integrate ACE as an integral part of the COG with

future capacity to construct capital projects through the San Gabriel Valley pending future specific direction from the Governing Board.

Items to be considered as SGVCOG develops an integration plan include, but are not limited to:

- Changes to the SGVCOG Bylaws;
- Changes to the SGVCOG JPA;
- Financial decisions;
- ACE/SGVCOG staff integration (The attached organizational chart is representative of numerous options the Ad Hoc Committee considered.);
- Short and long range programs and projects; and
- Project/Program relationships with Metro and Caltrans.

With guidance from SGVCOG Governing Board, implementation of these recommendations will be presented in the form of Governing Board actions to amend the SGVCOG bylaws and Joint Powers Authority Agreement.

This report is being presented for information and discussion at the January 19, 2017 Governing Board meeting. The Governing Board will consider taking action to approve the recommendations included in the report at its February 16, 2017 meeting. If approved, actions that have budget impact, including the creation of a new transportation planner position, will be incorporated into the FY 2017-2018 budget, that will be presented to the Governing Board for adoption on May 18th, 2017. The Ad Hoc Committee will continue to meet monthly to monitor the development of the multi-year integration plan. Staff will present an update on the integration plan to the Governing Board by July 2017.

This report of the ACE/Large Capital Projects Ad Hoc Committee is submitted to the Governing Board with the endorsement of the Ad Hoc Committee as indicated below:

- John Fasana, Councilmember, City of Duarte Chair
- Gene Murabito, Mayor of Glendora and President SGVCOG
- Terry Tornek, Mayor, City of Pasadena
- Victoria Martinez, Vice Mayor, City of El Monte
- Jack Hadjinian, Councilmember, City of Montebello
- Cynthia Sternquist, Councilmember, City of Temple City
- Sam Pedroza, Mayor, City of Claremont
- Cruz Baca, Councilmember, City of Baldwin Park
- Javier Hernandez, Transportation Deputy, LA County District #1
- Dave Perry, Transportation Deputy, LA County District #5
- Linda Lowry, City Manager, City of Pomona
- David Liu, Public Works Director, City of Diamond Bar



ACE/Large Capital Projects Ad Hoc Committee Report

John Fasana, Chair

Presentation to the SGVCOG Governing Board
January 19, 2017



ACE History and Governance

ACE has secured \$1.6 billion for freight corridor construction and is respected for on time/on budget project delivery

- Created in 1998 as a subsidiary of the SGVCOG (not a separate JPA)
- ACE will complete its mission within six years
- ACE CEO reports to the ACE Board
 - ACE employees report to ACE CEO
- SGVCOG Governing Board approves ACE projects and annual budget
- ACE provides transportation, administrative, HR, financial management, and IT assistance to the COG at reimbursable rates



Purpose of the Study

- Study emerged from 2016 SGVCOG Strategic Planning in recognition that the ACE mission would end in six years
- Assess the future of ACE
 - Should ACE close out upon completion of it's freight corridor mission? OR
 - Should ACE be restructured and it's jurisdiction expanded in order to have the potential to implement large capital projects throughout the San Gabriel Valley?
- Assess the future of SGVCOG
 - Should the COG retain its limited role as a planning and policy agency? OR
 - Should the COG have expanded capability to act in any of the following roles: transportation planning, programming, or project implementation?

Ad Hoc Committee Membership

John Fasana (Chair)	Council Member, Duarte	Terry Tornek	Mayor, Pasadena
Gene Murabito	Mayor, Glendora; President SGVCOG	Cruz Baca	Council Member, Baldwin Park
Cynthia Sternquist	Council Member, Temple City	Sam Pedroza	Mayor, Claremont
Victoria Martinez	Vice Mayor, El Monte	Jack Hadjinian	Council Member, Montebello
Linda Lowry	City Manager, Pomona	David Liu	Public Works Dir, Diamond Bar
Javier Hernandez	Transportation Deputy, LA Dist #1	Dave Perry	Transportation Deputy, Dist #5
Phil Hawkey	SGVCOG Exec Dir (advisory)	Mark Christoffels	CEO, ACE (advisory)

Item #10

Recommendations

- Approve the report of the Ad Hoc Committee
- Direct staff to develop a Transportation Planner position
- Develop a plan to integrate ACE, as an ongoing integral part of the SGVCOG, to allow for potential future capacity to construct capital projects in the San Gabriel Valley pending future specific direction from the Governing Board
 - Report back within six months
- Direct ACE and SGVCOG staff to integrate administrative functions
- Consult with legal counsel to identify changes to JPA and Bylaws

Ad Hoc Committee Study Process

- Review ACE/SGVCOG core competencies, organization, and governance
- Consider case studies: 57/60 interchange, SR-71 completion, 605 Hotspots, Regional Greenway Network
- Consider liability and risk management involved with construction
- Examine potential PERS liabilities
- Review other COG organizational models
- Develop Guiding Principles
- Develop and weigh alternative structures and governance models

ACE/COG Possible Roles

- Participate in consultation panels (with Metro or other agency as lead)
- Prioritize projects
- Manage call for projects and program funding
- Advocate for additional funding
- Serve as the lead for design
- Serve as the lead for construction
- Managing other types of projects (stormwater, park construction, individual city projects)

Measure M Opportunities and Challenges

SGVCOG will be responsible for managing over \$3.3 billion in capital projects and programs over the next 40 years

Measure M Programs

- Active Transportation
(including Greenway Network) (\$231M)
- Bus System Improvements (\$55M)
- First/Last Mile and Complete Streets (\$198M)
- Highway Demand Management (\$231M)
- Goods Movement (\$33M)
- Highway Efficiency (\$534M)
- ITS/Technology (\$66M)
- Subregional Equity (\$199M)

Measure M Projects

- Goldline Phase 2B
- SR-71 Gap
- SR-57/SR-60 Interchange
- Goldline Eastside Extension
- I-605/SR-60 interchange
- I-605/I-10 interchange

Timeline for consideration, action and further study

- Jan 19 – Presentation to Governing Board: discuss and advise
- Feb 16 – Governing Board Action Item to Approve the Report of the Ad Hoc Committee and the Recommended Actions
- May 18 – Adopt 2017/2018 budget (including funding for Transportation Planner)
- June or July - report back to Governing Board on integrating ACE with SGVCOG and potentially expanding ACE's role in guiding or implementing projects throughout the San Gabriel Valley.

The report will include recommendations on:

- Revising ACE Board structure to include full SGV representation
- Process for all projects to be approved by SGVCOG Governing Board
- Integrating ACE personnel structure with SGVCOG
- Protecting SGVCOG cities from liability
- Changes needed to the SGVCOG By Laws and Joint Powers Authority

Questions

