



**AGENDA**  
**VENTURA COUNCIL OF GOVERNMENTS**  
**ADMINISTRATIVE COMMITTEE**  
**(ZOOM Conference Call)**  
**Thursday, June 23, 2022, 2:00 p.m.**  
**VIA ZOOM**

Agenda reports and other disclosable public records related to open session agenda items are available on the VCOG website under agenda and minutes at [www.venturacog.org](http://www.venturacog.org) and at the principal VCOG business office located at 33 East High Street, Suite 200, Moorpark, California by appointment [(805) 217-9448] during regular business hours, Monday through Friday, 9:00 a.m. to 4:00 p.m.

- 1. Call to Order**
- 2. Public Statements**
- 3. Adoption of (a) March 24, 2022 and (b) May 26, 2022 Committee Meeting Summaries** *(Attached) Page 2.*
- 4. Preview- 2022-2023 Operating Budget Amendment** *(Attached) Page 8*
- 5 Executive Director's Report**
  - a. Financial Report *(Attached) Page 15*
  - b. Legislative Bill Summary and Report *(Attached) Page 19*
  - c. Audited Financial Statements- F.Y. 2020-2021 *(Attached) Page 25*
  - d. SCAG Update for June 2022 *(Attached) Page 54*
  - e. REAP 2.0 Sub Regional Partnership Draft Guidelines *(Attached) Page 59*
  - f. Annual Dinner in Camarillo- Comp. Ticket Sales Policy- *(for Discussion)*
- 6. REAP Update-** *Chris and Hugh*
- 7. Plans for September 1, 2022 Council Meeting (Topics)**
  - Report on Ventura County Coast- (Ventura, Oxnard, Pt. Hueneme)
  - SCAG Executive Director Presentation on the Regional Data Platform
  - Homeless Issues Update- Continuum of Care Report
  - Report on Local Affordable Housing Development Projects- (Invite member cities/county to Provide brief report)
  - Other

**Adjournment- Next Committee Meeting- July 21, 2022 (Consider Rescheduling)**

Copies of staff reports or other written documentation relating to each item of business referred to on this agenda are on file with the VCOG Executive Director and are available for public inspection. If you have any questions regarding any agenda item, contact the Executive Director at (805) 217-9448.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Executive Director. Notification 48 hours before the meeting will allow VCOG to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35, 102-35, 104 ADA Title II).

**VCOG ADMINISTRATIVE COMMITTEE**  
**March 24, 2022**  
**ZOOM CONFERENCE CALL**  
**33 E. High St., Ste. 200, Moorpark, CA**  
**93021**  
**Meeting Summary**

**1. Call to Order - 2:00 p.m.**

Members on Zoom Call: Chair Kildee, Chair-elect Haney, Immediate-past Chair Crosswhite and Members-at-Large Parvin and Litster.

Staff on Call: Executive Director Riley, Chris Williamson, Housing Programs Specialist, Mina Layba, Legislative Affairs Manager, City of Thousand Oaks; Brian Chong, Assistant to the City Manager, City of Moorpark,

**2. Public Statements** – There were no public statements submitted for the record.

**3. Adoption of January 27, 2022 Meeting Summary** - The meeting Summary of the January 27, 2022 Committee Meeting was reviewed. A **MOTION** was made by Member Haney to approve the January 27, 2022, Admin Committee Meeting Summary. The motion was **SECONDED** by Member Litster.

**Roll Call Vote:** Yes – 5; No – 0: Motion Carried

**4. Executive Director's Report –**

**a. Financial Report-** The Financial Report was presented by Riley. Riley advised that Payments for REAP Reimbursement Invoice Nos. 8, 7, and 10 for October, November and December 2021 have been received from SCAG. Invoice No. 11. for January 2022 expenses totaling \$22,959.31 and Invoice No. 12 for \$2,029.25 totaling \$24,988.56 in REAP Reimbursements pending. He also reported that field work for the 2020-2021 Audit will occur on April 11-13, 2022 VIA Conference Call. A **MOTION** was made by Member Parvin to approve the Accept the Financial Report. The motion was **SECONDED** by Member Litster.

**Roll Call Vote:** Yes – 5; No – 0: Motion Carried

**b. SCAG Travel Authorization Request-** Authorization for registration, travel, and lodging expense for Executive Director to attend the SCAG Annual Conference and General Assembly on May 4-6, 2022 in Palm Desert, CA, and the CalCities Annual Conference in Long Beach on September 7-9 2022. Estimated expense were summarized as follows:

**SCAG Annual Conference & General Assembly- 05/4-6/22 in Palm Desert CA**

Description	Date	Rate (Mi. @	Amount
Conference Registration	05/04/22	NA	\$ -0- SCAG Comp.
Lodging	05/040/05/22	NA	\$ 826.22
Mileage	05/040/06/22	331.6 Mi. @ \$058	\$ 192.32
<b>TOTAL</b>		<b>2021-2022 Budget</b>	<b>\$ 1,018.54</b>
* May be Comped by SCAG			



**CalCities Annual Conference - 09/7- 09/9/22 in Long Beach, CA**

Description	Date	Rate (Mi. @	Amount
Conference Registration	09/07/22	NA	\$ 650.00
Lodging	09/7-09/8/22	NA	\$ 761.19
Parking	09/7-09/8/22	NA	\$ 74.00
Mileage	05/040/06/22	NA (No Charge in LA County)	
<b>TOTAL</b>		<b>2022-2023 Budget</b>	<b>\$ 1,485.19</b>

A **MOTION** was made by Member Parvin to approve the Accept the Financial Report. The motion was **SECONDED** by Member Litster.

**Roll Call Vote:** Yes – 5; No – 0: Motion Carried

**c. Fiscal Year 2022/2023 Budget Preview** – Riley presented a Draft of the proposed 2022-2023 VCOG Operating Budget for review. Fiscal Year 2021/2022 total expenditures are estimated to be \$363,651. The 2021-2022 Budget as amended totaled \$489,002 including \$416,900 in REAP Grant Funds leaving a probable unexpended fund balance of \$125,351. Estimated expenses for Executive Administration (Executive Director) \$45,000 are within the budgeted \$45,000. No other budget line items were exceeded

Annual revenue is budgeted at \$185,186 including REAP Grant Funds for the remainder of the program. Thus the proposed expenditure plan for Fiscal Year 2022/2023 is \$185,186. Staff will solicit Annual Dinner Sponsorships from SCAG and Southern California Edison to support the event costs.

The Executive Administration line item has been maintained at \$45,000 which conforms to the services contract to be submitted on May 12, 2022. Accounting Fees and Audit are presented as separate line items at \$1,500 and \$5,500 respectively. This reflects the current fee estimate from the auditor for the 2021-2022 Audit and estimated costs for bookkeeping/accounting services for the year.

Separate line items for Insurance and Legal Services have also been included in the budget based on the existing Alliant insurance policy premium with a slight increase for inflation and \$300 for possible legal services. \$8,500 has been budgeted for the Annual Dinner, \$3,900 for Conference and Meetings and \$1,702 for staff Travel if authorized. Costs for staff attendance at both the CalCities Annual Conference in Long Beach in September 2022, and the SCAG Annual Conference and General Assembly in May 2023 have been included as both events are planned as live events.

\$113,884 in REAP Project Expenses needed to complete the current projects. These numbers may change as we approach the end of the budget year. Expenses for office supplies, printing and copying, and Internet are based on current year's expenditures including the annual fee for the Quickbooks Program. The proposed budget for 2022-2023 continues to separate these expenses and maintains a similar, overall total amount with adjustments based on actual expenses in the previous year.

The proposed Fiscal Year 2022/2023 budget totals \$185,186 to continue operations and programming of VCOG including the probable completion of the REAP Program by June 30, 2023. Member agency Dues Assessments have been maintained at the same level as 2021-2022 as they have for the past six years.

A **MOTION** was made by Member Litster recommend approval of the proposed VCOG Operating Budget for F.Y. 2022-2023 to full Council on May 12, 2022. The motion was **SECONDED** by Member Parvin.

**Roll Call Vote:** Yes – 5; No – 0: Motion Carried

**d. Review of Independent Contractor Agreement with Hugh Riley, Professional Management, LLC for Executive Director/ Administrative Services-** The Independent Contractor Agreement with Riley for Executive Director Services expires on June 30, 2022. Riley is offering a new, two-year Agreement with the same compensation and other provisions as the current agreement.

Member Haney asked when the last compensation adjustment had occurred. Riley advised that he had not requested an adjustment in the compensation since accepting the position in April 2016 and that his goal since then had been to continue VCOG's operations without increasing member dues assessments.

The proposed agreement contains provisions for contractor insurance requirements, indemnification of and by the parties, a termination clause, and dispute resolution procedures. As an independent contractor, Mr. Riley receives no benefits and will be responsible for any taxes as required by law. The contract term is recommended to commence upon Council approval and continue through June 30, 2024.

A **MOTION** was made by Member Haney to recommend approval of the proposed Independent Contractor Agreement with Riley to full Council on May 12, 2022. The motion was **SECONDED** by Member Litster.

**Roll Call Vote:** Yes – 5; No – 0: Motion Carried

**e. Annual Dinner Date Change-** Kevin advised that there were no Thursday dates available at Camarillo House in October. The Committee discussed other dates in October and it was agreed that Riley and Kildee would work on finding an alternative when the Camarillo House venue might be available.

**f. Public Access Requirements for future, live VCOG Meetings- and applicability of virtual requirements to committee meetings –** The Committee discussed whether the virtual public access requirements would still apply after our Council meetings resumed the live format on May 12. The general consensus was that VCOG would not be required to provide the public with virtual access for future live meetings. It was also the conclusion that the virtual requirements did not apply to Admin Committee Meetings. Riley will seek further clarification on the applicability of these rules to Council Meetings. Various cities are dealing with the issue differently.



**5. REAP Update:** Riley reported on the REAP Project status. Project No. 2 and 3 have been completed. The final version of the Inclusionary Zoning Ordinance and Appendix were presented to a number of cities and cogs and have been distributed to all Ventura County City Attorneys and other appropriate city staff. As requested, these documents will be sent to VCOG Council Members and Alternates.

**PROJECT 4: Regional ADU Program for Pre-Fabricated and Garage Conversion ADU's**  
On January 24, 2022, as the contracting agency for the project, OCCOG Staff completed and issued a Request for Proposals (RFP) for consulting services support for planning activities related to Accessory Dwelling Unit permitting and housing-related model ordinance development. On February 11, 2022, OCCOG received two, competitive proposals from: (1.) Curt Pringle & Associates; and (2.) Bairde + Driskell, Community Planning. Staff from VCOG, OCCOG, and GCCOG completed a review and Evaluation of the proposals and the proposal from Baird + Driscoll was selected for further analysis and negotiations.

**PROJECT 5: Regional CEQA Streamlining VMT Adaptive Management and Mitigation Program** – Work is continuing with VCTC and our consultants led by Iteris, Inc. The latest Draft VMT Mitigation Program and Summary Memo are available.

**6. 2022 VCOG Program of Priorities-** The Committee reviewed the proposed 2022 VCOG Program of Priorities as amended during the VCOG Council Meeting on March 10 and made some minor clerical changes. As requested on March 10, the Program of Priorities will be placed on the May 12 VCOG Council Meeting Consent Calendar for final approval.

**7. 2022 VCOG Legislative Program** – The Committee reviewed the final draft of the 2022 Legislative Program and there were no further changes. As requested on March 10, the Legislative Program will be placed on the May 12, VCOG Council Meeting Consent Calendar for final approval.

**8. Reschedule September 8, 2022 Council Meeting to Thursday, September 1, 2022 in Camarillo** – Riley reported that the September 8, 2022 VCOG Council Meeting will be in conflict with the Annual *CalCities* Conference on September 7, 8, and 9 in Long Beach and many of the members may be planning to attend the conference.. Riley recommended that the September 8 Council Meeting be rescheduled to September 1, 2022. The VCOG Meeting Schedule for 2022 will be revised and distributed.

**9. Plans for Future Council Meeting- May 12, 2022 –.**

**Adjournment** – The conference call concluded, and the meeting adjourned at 4:05 p.m.

**Next Meeting** – May 26, 2022, at 2:00 PM VIA ZOOM.

**VCOG ADMINISTRATIVE COMMITTEE**  
**May 26, 2022**  
**ZOOM CONFERENCE CALL**  
**33 E. High St., Ste. 200, Moorpark, CA**  
**93021**  
**Meeting Summary**

**1. Call to Order - 2:00 p.m.**

Members on Zoom Call: Chair Kildee, Chair-elect Haney, Immediate-past Chair Crosswhite, and Members-at-Large Parvin and Litster.

Staff on Call: Executive Director Riley, Chris Williamson, Housing Programs Specialist, , City of Brian Chong, Assistant to the City Manager, City of Moorpark, Roger Pichardo, Senior Management Analyst, City of Camarillo.

**2. Public Statements** – There were no public statements submitted for the record.

**3. Adoption of March 24, 2022 Meeting Summary** - The meeting Summary for March 24, 2022 was inadvertently left out of the Agenda Material for this meeting and will be distributed with the material for the Committee's June 23, 2022 Meeting for approval.

**4. Executive Director's Report –**

**a. Financial Report-** The Financial Report was presented by Riley. Riley advised that Payments for REAP Reimbursement Invoice for March 2022 totaling \$ 1,966.75 was received from SCAG on May 5, 2022. Invoice No. 14 for April 2022 expenses totaling \$27,872.51 is being processed. SCAG has approved the Second Revision to VCOG's REAP Scope of Work (MOU- M-018-21). Minor adjustments to the REAP Program Budget will be presented to the Council on July 14, 2022.

**b. Legislative Report** – Riley presented his Legislative Report including a summary of the League of California Cities' (CalCities) Budget Request on behalf of cities and a letter opposing AB 2011. CalCities has submitted requests for budget consideration by the governor and legislature on behalf of its member cities. These requests are listed below and summarized on the **attached** information sheet:

- **\$500 million for the creation of the Housing and Economic Development Program.**
- **\$933.5 million for unfunded state mandates**
- **\$180 million for organic waste recycling.**

AB 2011 would require cities to ministerially approve, without condition or discretion, certain affordable housing and mixed-use housing developments in zones where office, retail, or parking are a principally permitted use regardless of any inconsistency with a local government's general plan, specific plan, zoning ordinance, or regulation.

**c. REAP 2.0 Update** – Riley reported that VCOG is currently participating in Regional Early Action Program (REAP) "1.0" that began in 2019. REAP2.0 is a \$600 million "implementation" follow-up program that seeks to accelerate infill housing development, reduce Vehicle Miles Traveled (VMT), increase housing supply at all affordability levels, affirmatively further fair housing, and facilitate the implementation of adopted regional and local plans to achieve these goals. REAP 2.0 is a strengthened partnership between the state government, councils of governments (COGs) such as VCOG, county transportation commissions (CTC), and city and county governments.



REAP 2.0 will be administered by the California Department of Housing and Community Development (HCD) in collaboration with the Governor's Office of Planning and Research (OPR), the Strategic Growth Council (SGC), the California Air Resources Board (CARB), and the Southern California Association of Governments (SCAG).

REAP 2.0 would likely begin in early 2023 and has a statutory completion by June, 2026. The program is funded through \$500 million from the Coronavirus Fiscal Recovery Fund of 2021 and \$100 million from the State General Fund. In advance of HCD's full REAP 2.0 program guidelines and to provide early thinking and direction on SCAG's REAP program, SCAG staff developed the REAP 2.0 draft Program Framework ("Framework"). The Program objectives include:

1. Accelerating Infill Development that Facilitates Housing Supply, Choice, and Affordability;
2. Affirmatively Furthering Fair Housing;
3. Coronavirus Economic Recovery; and
4. Reducing Vehicle Miles Traveled

Chris Williamson gave a brief update on REAP Projects 4 and 5.

**6. Plans for July 14, 2022 Council Meeting (Topics)** The Committee discussed Port Hueneme Council Member Gama's request to present a report on Port Hueneme's Beach situation having reviewed the materials provided by Council Member Gama. The committee agreed that this was an informative topic and suggested it might be combined with a status report on all on the county's beaches. Riley suggested it may take more time to organize a combined presentation than is available for the July Meeting.

Chair Kildee suggested a presentation for the VCTA in Westlake Village by Dr. Mark Schniepp, California Economic Forecast which he had attended recently. The presentation addressed the dynamics of the counties aging demographic and its link to the housing shortage preventing young families from remaining in or returning to Ventura County.

The Committee agreed to direct Riley to contact Dr. Schniepp about the July 14 VCOG Meeting and also to invite Council Member Gama to make a brief presentation. Member Crosswhite suggested the Schniepp presentation precede the Port Hueneme Presentation to ensure there is sufficient time for Q & A for Dr. Schniepp. The Committee concurred.

**7. Performance Evaluation- Executive Director- Committee Members Only-** The Committee met in closed session to complete the Performance Evaluation of the Executive Director. All staff left the call including Riley who was to be notified when to return the conference call to complete the meeting. Riley rejoined the meeting and thanked the committee members for the opportunity to serve in this capacity. Chair Killdee will meet with Riley in the near future to discuss the evaluation.

**Adjournment** – The conference call concluded, and the meeting adjourned at 4:05 p.m.

**Next Meeting** – June 23, 2022 at 2:00 PM VIA ZOOM.



## ITEM 4

### MEMORANDUM

TO: Administrative Committee

FROM: Hugh Riley, Executive Director 

SUBJECT: Preview-Fiscal Year 2022/2023 Budget Amendment No. 1

DATE: June 23, 2022

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#### Recommendation:

The Committee should review the proposed Amendment No. 1 to the VCOG Operating Budget for F.Y. 2022-2023 contained in DRAFT VCOG Resolution No. 2022-04.

#### Discussion:

The VCOG Joint Powers Authority Agreement Section 23 requires that a budget be adopted, and dues be approved, at the last regular meeting of the Governing Body prior to June 30 of each year or at the first meeting, regular or special, of the Governing Body after June 30. This report transmits the proposed VCOG Budget for Fiscal Year 2022/2023.

On May 12, 2022, the VCOG Council Adopted VCOG Resolution No. 2022-03 approving a proposed VCOG Operating Budget for 2022-2023. The approved budget included estimated grant revenues and expenditures for the remaining REAP Projects. On May 23, 2022, a second revision to the REAP MOU Scope of Work was finalized and approved by SCAG on April 25, 2022: this Amendment No. 1 i adjusts REAP Projects 1 and 4 project expenses for the 2022-2023 Fiscal Year beginning July 1,2022. As REAP ends by June 30, 2023, there is likely to be another budget amendment in early 2023 to close out the grant.

#### FY 2022-2023 REAP Grant Expense

REAP Project Expense Line Items have been modified to reflect the Second Amendment to the Program Scope of Work approved by SCAG on April 24, 2022:

#### PROJECT 1

- Task A remains completed.
- Close out Task C ADMIN as nominal REAP administrative costs are covered by VCOG . Reallocated unspent Task C \$10,000 to Task B and \$11,416 to Project 4, Task A.
- Increased TASK B by \$10,000 and set FY 22/23 budget as \$18,454.



**PROJECT 2- Previously Complete**

- Reallocated unspent \$2,828 to Project 4, Task A.

**PROJECT 3- Previously Complete**

- Reallocated unspent \$1,502 to Project 4, Task A.

**PROJECT 4**

- Funded Task A from Projects 1, 2 and 3 reallocations. Set FY 22/23 budget as \$11,915 for staff participation in joint ADU program with OCCOG and GCCOG.
- Add the 5% SCAG (\$21,600) Supplemental REAP Award to previous \$50,500 for total of \$72,100 to use with OCCOG and GCCOG funds for consultants.

**PROJECT 5**

- No changes in Amendment No. 1.

\$165,654 in REAP Grant Funds will be needed in FY 22/23 to complete the current projects. These numbers may change as we close out FY 201/22 on June 30, 2022 with actual expenditures.

**OTHER Changes to the Budget**

**Income:**

Delete budgeted income for Annual Dinner Ticket Sales. VCOG has obtained additional sponsor support (Totals \$8,500) for the event so that all tickets may be complementary. ( **-\$300**)

**Expense:**

Increase expense for Annual Dinner to \$9,000. ( **+\$500**)

Increase Conference and Meeting to allow staff attendance at SCAG CalCities Annual Conference (Long Beach) in September 2022 and SCAG Annual Conference (Palm Desert) in May 2023. (**+\$1,000**)

Increase Travel and Lodging to support conference attendance. (**+\$ 700**)

Delete Budget Surplus to provide Expense Increases above. (**-\$2,500**)

All remaining Income and Expense Line Items remain the same as the initially approved budget

**Amended Fiscal Year 2022/2023 Budget**

The amended Fiscal Year 2022/2023 budget (Attachment, Exhibit A) totals \$239,156 to continue operations and programming of VCOG including the probable completion of the REAP Program by June 30, 2023. Member agency Dues Assessments (Attachment, Exhibit B) have been maintained at the same level as 2021-2022 as they have for the past seven years.

**ATTACHMENT: DRAFT VCOG Resolution 2022-04 and Exhibits-Proposed Budget Amendment No. 1 for 2022-2023**

ATTACHMENT

VENTURA COUNCIL OF GOVERNMENTS RESOLUTION  
NO. 2022-04  
(DRAFT)  
A RESOLUTION OF THE GOVERNING BODY OF  
THE VENTURA COUNCIL OF GOVERNMENTS  
AMENDING THE 2022-2023 BUDGET

BE IT RESOLVED by the Governing Body of the Ventura Council of Governments as follows:

SECTION 1: The Governing Body finds that a budget for Fiscal Year 2022-2023 must be adopted to fund VCOG Operations for the coming year.

SECTION 2: The Governing Body Adopted VCOG Operating Budget for Fiscal Year 2022-2023 on May 12, 2022.

SECTION 3: Proposed 2<sup>nd</sup> Revision to the Scope of Work included in the VCOG-SCAG MOU No. M-018-21 for the Regional Early Action Program Grant (REAP) have been approved by SCAG requiring certain adjustments to the Income and Expenditure Line Items for REAP Projects, and

SECTION 4: The Governing Body agrees that, while certain budgeted expense line items may be exceeded due to unexpected cost increases or other circumstances, the approved Total Expenditure amount shall not be exceeded. Further, line item cost overruns shall not exceed 10% of the original line item without approval by the Administrative Committee. The legal level of budgetary control, the level at which expenditures cannot legally exceed the appropriated amount, is exercised at the fund level.

SECTION 5: All fund balances as of June 30, 2022 shall be carried forward to the 2022-2023 Fiscal Year Operating Budget.

SECTION 6: The Governing Body agrees that there no changes required by this amendment to Member Dues Assessments for Fiscal Year 2022-2023 contained in Exhibit B.

PASSED AND ADOPTED this 14<sup>th</sup> day of July, 2022.

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Kevin Kildee, Chair

Attest:

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Hugh Riley, Executive Director



## Exhibit A

### VENTURA COUNCIL OF GOVERNMENTS FISCAL YEAR 2022/2023 PROPOSED BUDGET (AMENDMENT NO. 1)

<u>Budget Item</u>	<u>Fiscal Year 2021/2022 Amended Budget</u>	<u>Fiscal Year 2022/2023 Approved Budget</u>	<u>Fiscal Year 2022/2023 Amendment No. 1</u>
<b>Income</b>			
Annual Dinner Sponsorships	6,000	8,500	8,500
Annual Dinner Tickets	300	300	-0-
Dues Assessments	<u>64,992</u>	<u>64,992</u>	<u>64,992</u>
<b>Sub Total Income</b>	71,292	73,792	73,492
<b>Other Types of Income</b>			
Bank Interest	10	10	10
Research Grant Appropriation	800	0	0
SCAG- REAP Contract	<u>416,900</u>	<u>163,271</u>	<u>165,654</u>
<b>Total-Other Types of Income</b>	<u>417,710</u>	<u>163,281</u>	<u>165,664</u>
<b>Total Income</b>	<b>489,002</b>	237,073	239,156
<b>Expenses</b>			
Contract Services			
Accounting Services	2,000	1,500	1,500
Audit	5,250	5,500	5,500
Executive Administration	45,000	45,000	45,000
Legal Fees	300	300	300
Research Grant-CLU	<u>800</u>	<u>0</u>	<u>0</u>
<b>TOTAL Contract Services</b>	53,350	52,300	52,300
Operations			
Printing and Copying	1,150	1,150	1,150
Supplies	500	250	250
Website & Programs	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
<b>Total Operations</b>	2,650	2,400	2,400
Other Types of Expenses			
Insurance-Liability, D and O	<u>2,200</u>	<u>2,500</u>	<u>2,500</u>
<b>Total-Other Types of Expenses</b>	<u>2,200</u>	<u>2,500</u>	<u>2,500</u>
<b>TOTAL Operations Expenses</b>	58,200	57,200	57,200
REAP Project Costs (based on MOU Revision No..2 SCAG-approved April 25, 2022))			
Project 1			
TASK A (completed)	2,731	-0-	-0-
TASK B	25,500	18,454	18,454
TASK C (unspent reallocated)	<u>21,279</u>	<u>-0-</u>	<u>-0-</u>
<b>SUB TOTAL- Project 1</b>	47,510	<u>18,454</u>	<u>18,454</u>
Project 2 (completed, unspent reallocated)			
TASK A	3,100	0	-0-
TASK B	<u>3,100</u>	<u>0</u>	<u>-0-</u>
<b>SUB TOTAL- Project 2</b>	6,200	0	-0-
Project 3 (completed, unspent reallocated)			
TASK A	2,500	0	-0-
TASK B	<u>25,900</u>	<u>0</u>	<u>-0-</u>
<b>SUB TOTAL- Project 3</b>	28,400	0	-0-

<u>Budget Item</u>	<u>Fiscal Year 2021/2022 Amended Budget</u>	<u>Fiscal Year 2021/2022 Approved Budget</u>	<u>Fiscal Year 2022/2023 Amended</u>
Project 4 (allocated from Projects 1, 2 and 3)			
JOINT ADU	70,000	72,100	<b>72,100</b>
TASK A- NEW		9,532	<b>11,915</b>
SUB TOTAL- Project 4	70,000	81,632	<b>84,015</b>
Project 5 (no changes)			
TASK A	6,000	29,379	<b>29,379</b>
TASK B	174,600	27,932	<b>27,932</b>
TASK C&D	82,590	5,874	<b>5,874</b>
TASK D – Administration	<u>1,000</u>	<u>-0-</u>	<u>-0-</u>
SUB TOTAL- Project 5	<u>264,190</u>	<u>63,185</u>	<u><b>63,185</b></u>
<b>Total REAP Costs</b>	416,300	<u>163,271</u>	<u><b>165,654</b></u>
 Total Operations & Contract Svcs.	 474,500	 220,471	 <b>222,854</b>
Travel and Meetings			
Annual Dinner	8,000	8,500	<b>9,000</b>
Conference and Meetings	4,842	3,900	<b>4,900</b>
Travel & Lodging	<u>1,660</u>	<u>1,702</u>	<u><b>2,402</b></u>
Total- Travel and Meetings	<u>14,502</u>	<u>14,102</u>	<u><b>16,302</b></u>
<b>Total Expenditures</b>	489,002	234,573	<b>239,156</b>
<b>Total Income</b>		(237,073)	<u><b>(239,156)</b></u>
<b>Budget Surplus/Deficit</b>		2,500	<b>-0-</b>



## EXHIBIT B

### VENTURA COUNCIL OF GOVERNMENTS FISCAL YEAR 2022/2023 DUES ASSESSMENT BY MEMBER

VCOG Member Agency	Population	Pop %**	3/4 Population Distribution**	1/4 Equal Distribution**	Total Assessment**
Camarillo	67,154	7.92%	\$3,861	\$1,477	\$5,338
Fillmore	15,441	1.82%	887	1,477	2,364
Moorpark	35,727	4.21%	2,052	1,477	3,529
Ojai	7,612	0.90%	439	1,477	1,916
Oxnard	206,148	24.31%	11,851	1,477	13,328
Port Hueneme	22,768	2.68%	1,307	1,477	2,784
San Buenaventura	109,338	12.89%	6,284	1,477	7,761
Santa Paula	30,556	3.60%	1,755	1,477	3,232
Simi Valley	126,483	14.91%	7,269	1,477	8,746
Thousand Oaks	129,349	15.25%	7,434	1,477	8,911
Ventura County - Unincorporated	97,497	11.50%	5,606	1,477	7,083
<b>Total</b>	<b>848,073</b>	<b>100.00%</b>	<b>\$48,745</b>	<b>\$16,247</b>	<b>\$64,992</b>

\* Based on the California Department of Finance population estimates (January 1, 2015).

\*\* May not total exactly due to rounding.

# Ventura Council of Governments

Budget Overview: FY 2022-2023 Budget (7/1/22 to 6/30/23) - FY23 P&L

July 2022 - June 2023

	TOTAL
Income	
Annual Dinner Sponsorship	8,500.00
Dues Assessments	64,992.00
Other Types of Income	
Bank Interest	10.00
<b>Total Other Types of Income</b>	<b>10.00</b>
REAP Income	165,654.00
<b>Total Income</b>	<b>\$239,156.00</b>
GROSS PROFIT	<b>\$239,156.00</b>
Expenses	
Contract Services	
Accounting Fees	1,500.00
Audit	5,500.00
Executive Administration	45,000.00
Legal Fees	300.00
<b>Total Contract Services</b>	<b>52,300.00</b>
Operations	
Printing and Copying	1,150.00
Supplies	250.00
Website	1,000.00
<b>Total Operations</b>	<b>2,400.00</b>
Other Types of Expenses	
Insurance - Liability, D and O	2,500.00
<b>Total Other Types of Expenses</b>	<b>2,500.00</b>
REAP Project Costs	
Project 1 - TASK B	18,454.00
Project 4 - NEW TASK A	11,915.00
Project 4 - TASK A	72,100.00
Project 5 - TASK A	29,379.00
Project 5 - TASK B	27,932.00
Project 5 - TASK C	5,874.00
<b>Total REAP Project Costs</b>	<b>165,654.00</b>
Travel and Meetings	
Annual Dinner	9,000.00
Conference and Meetings	4,900.00
Travel	2,402.00
<b>Total Travel and Meetings</b>	<b>16,302.00</b>
<b>Total Expenses</b>	<b>\$239,156.00</b>
NET OPERATING INCOME	<b>\$0.00</b>
NET INCOME	<b>\$0.00</b>





ITEM 5a.

MEMORANDUM

TO: Administrative Committee

FROM: Hugh R. Riley, Executive Director 

SUBJECT: Financial Report

DATE: June 23, 2022

**Recommendation:**

Receive and file Financial Report for Period ending June 20, 2022.

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**Discussion:**

This report transmits the Ventura Council of Governments (VCOG) Financial reports for the Budget Period to June 20, 2022.

**Investments:**

The objectives of VCOG's adopted Investment Policy are safety, liquidity, and yield, with the foremost objective being safety. Prudence, ethics, and delegation of authority are the Policy's applied standards of care. Below is a summary of VCOG's investments that comply with the VCOG Investment Policy:

Institution	Investment Type	Maturity Date	Interest-FY to Date- 7/01/21	Rate	Balance
Bank of A	Maximizer 2635	N/A	\$ 11.51	0.04%*	\$62,670.17

- Current- Variable

Payment for REAP Reimbursement Invoice No. 13 for March 2022 totaling \$ 1,966.75 and for Invoice No. 14 for April 2022 expenses totaling \$27,872.51 has been received and deposited. Payment for Invoice No. 15 for May, 2022 for \$ 7,373.30 is pending. SCAG has approved the Second Revision to VCOG's REAP Scope of Work (MOU- M-018-21). Minor adjustments to the REAP Program Budget will be presented to the Council on July 14, 2022.

The 2020-2021 Audit has been completed and the Financial Statements Report is included with this meeting Agenda and will be presented to the full Council on July 14, 2022. There were no adverse opinions or recommendations in the report.

ATTACHMENTS: Balance Sheet – As of May 22, 2022  
Budget vs. Actual Report - July 1, 2021 to June 20, 2022

# Ventura Council of Governments

## Balance Sheet As of June 20, 2022

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
BofA - 5797	0.00
BofA - 9045	59,962.94
BofA MM - 2635	62,668.04
<b>Total Bank Accounts</b>	<b>\$122,630.98</b>
Accounts Receivable	
Accounts Receivable (A/R)	7,373.30
<b>Total Accounts Receivable</b>	<b>\$7,373.30</b>
Other Current Assets	
Undeposited Funds	0.00
<b>Total Other Current Assets</b>	<b>\$0.00</b>
<b>Total Current Assets</b>	<b>\$130,004.28</b>
Other Assets	
Fraud	0.00
<b>Total Other Assets</b>	<b>\$0.00</b>
<b>TOTAL ASSETS</b>	<b>\$130,004.28</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	0.00
<b>Total Accounts Payable</b>	<b>\$0.00</b>
Other Current Liabilities	
Payroll Liabilities	0.00
<b>Total Other Current Liabilities</b>	<b>\$0.00</b>
<b>Total Current Liabilities</b>	<b>\$0.00</b>
Long-Term Liabilities	
Unearned Income	0.00
<b>Total Long-Term Liabilities</b>	<b>\$0.00</b>
<b>Total Liabilities</b>	<b>\$0.00</b>
Equity	
Opening Balance Equity	111,291.04
Unrestricted Net Assets	-2,290.55
Net Income	21,003.79
<b>Total Equity</b>	<b>\$130,004.28</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$130,004.28</b>



# Ventura Council of Governments

Budget vs. Actuals: FY 2022 Budget(7/1/21 to 6/30/22) - FY22 P&L

July 2021 - June 2022

	TOTAL		
	ACTUAL	BUDGET	REMAINING
Income			
Annual Dinner Sponsorship	9,000.00	6,000.00	-3,000.00
Annual Dinner Tickets	350.00	300.00	-50.00
Dues Assessments	64,992.00	64,992.00	0.00
Investments			
Interest-Savings, Short-term CD	9.38		-9.38
<b>Total Investments</b>	<b>9.38</b>		<b>-9.38</b>
Other Types of Income			
Bank Interest		10.00	10.00
<b>Total Other Types of Income</b>		<b>10.00</b>	<b>10.00</b>
REAP Income	110,907.32	416,900.00	305,992.68
Research Grant Appropriation		800.00	800.00
<b>Total Income</b>	<b>\$185,258.70</b>	<b>\$489,002.00</b>	<b>\$303,743.30</b>
<b>GROSS PROFIT</b>	<b>\$185,258.70</b>	<b>\$489,002.00</b>	<b>\$303,743.30</b>
Expenses			
Contract Services			
Accounting Fees	1,271.07	2,000.00	728.93
Audit		5,250.00	5,250.00
Executive Administration	39,031.25	45,000.00	5,968.75
Legal Fees		300.00	300.00
Research Grant - CLU	800.00	800.00	0.00
<b>Total Contract Services</b>	<b>41,102.32</b>	<b>53,350.00</b>	<b>12,247.68</b>
Operations			
Printing and Copying	569.40	1,150.00	580.60
Supplies		500.00	500.00
Website	860.00	1,000.00	140.00
<b>Total Operations</b>	<b>1,429.40</b>	<b>2,650.00</b>	<b>1,220.60</b>
Other Types of Expenses			
Insurance - Liability, D and O	2,470.88	2,200.00	-270.88
<b>Total Other Types of Expenses</b>	<b>2,470.88</b>	<b>2,200.00</b>	<b>-270.88</b>
REAP Project Costs			
Project - 1 - TASK A	200.00	2,731.00	2,531.00
Project 1 - TASK B	13,472.25	23,500.00	10,027.75
Project 1 - TASK C	500.00	21,279.00	20,779.00
Project 2 - TASK A		3,100.00	3,100.00
Project 2 - TASK B	1,756.50	3,100.00	1,343.50
Project 3 - TASK A	9,467.50	2,500.00	-6,967.50
Project 3 - TASK B	10,080.00	25,900.00	15,820.00
Project 3 - TASK C	6,510.00		-6,510.00
Project 4 - NEW TASK A	1,233.25	70,000.00	68,766.75
Project 4 - TASK A	1,170.50		-1,170.50

# Ventura Council of Governments

Budget vs. Actuals: FY 2022 Budget(7/1/21 to 6/30/22) - FY22 P&L

July 2021 - June 2022

	TOTAL		
	ACTUAL	BUDGET	REMAINING
Project 4 - TASK B	1,087.50		-1,087.50
Project 5 - Administration	1,336.51		-1,336.51
Project 5 - TASK A	26,929.27	6,000.00	-20,929.27
Project 5 - TASK B	35,167.50	174,600.00	139,432.50
Project 5 - TASK C		82,590.00	82,590.00
Project 5 - TASK D - Admin		1,000.00	1,000.00
<b>Total REAP Project Costs</b>	<b>108,910.78</b>	<b>416,300.00</b>	<b>307,389.22</b>
Travel and Meetings	70.00		-70.00
Annual Dinner	7,765.16	8,000.00	234.84
Conference and Meetings	1,736.32	4,842.00	3,105.68
Meals	8.00		-8.00
Travel	762.05	1,660.00	897.95
<b>Total Travel and Meetings</b>	<b>10,341.53</b>	<b>14,502.00</b>	<b>4,160.47</b>
<b>Total Expenses</b>	<b>\$164,254.91</b>	<b>\$489,002.00</b>	<b>\$324,747.09</b>
NET OPERATING INCOME	<b>\$21,003.79</b>	<b>\$0.00</b>	<b>\$ -21,003.79</b>
NET INCOME	<b>\$21,003.79</b>	<b>\$0.00</b>	<b>\$ -21,003.79</b>




ITEM 5b.

MEMORANDUM

TO: Administrative Committee

FROM: Hugh R. Riley, Executive Director

SUBJECT: Legislative Report 

DATE: June 23, 2022

All Assembly Bills have gone over to the Senate and vice versa, and all policy committee work must be completed by July 1, 2022. The legislature will adjourn for summer recess on July 31.

**2022-2023 State Budget**

The State Legislature passed the FY 2022-23 State Budget bill on June 13. The budget bill includes significant investments in Cal Cities State Action Agenda priorities, including housing and homelessness, infrastructure, and climate resiliency. Especially notable is the nearly \$4 billion in funding for existing programs to support housing production and provide permanent supportive housing and behavioral health services for unsheltered Californians.

The budget bill allocates more than \$2.5 billion for various housing programs, including \$500 million to the **Infill Infrastructure Grant program** over the next two years, \$500 million in **Low-Income Housing Tax Credits**, \$400 million to the **Multifamily Housing Program**, \$250 million over the next two years for **Adaptive Reuse**, and \$150 million to **Homekey 2.0**.

The budget bill also creates a **new first-time homebuyer program**, the California Dream for All program, which would help make homeownership more achievable and affordable. However it includes a provision giving the state partial ownership of the home financed. Up to \$1 billion in revolving revenue bonds will be available per year for ten years to generate the needed funds. The bond principal would be repaid once homebuyers sell or refinance the house. The funds would then be recycled to help future homebuyers.

The budget bill also contains \$180 million to help cities implement new **state-mandated organic waste recycling programs**. If approved by Gov. Gavin Newsom, the funding would help local governments implement collection, education, outreach, edible food recovery, procurement activities, and capacity planning.

However, the budget bill does not include funding for Cal Cities' other budget asks: a new program to help finance more housing faster or reimbursements for unfunded state mandates.



While there is general consensus on priority areas in the budget, the final spending amounts, as well as the allocation and distribution methods, have yet to be agreed upon. Key disagreements remain over a potential tax rebate to Californians, the amount of money available to spend in future years, infrastructure allocations, and how quickly to spend money on key initiatives. The Governor has until June 30 to take action on the budget bill, which may include line-item vetoes.

*"While there is much for cities to applaud in this budget, it falls short in several key areas. The Legislature failed to include \$500 million in funding for a new program to help finance more housing faster. Also, glaringly absent is the nearly \$1 billion the state owes local governments for costs related to state-mandated programs spanning two decades."*

*Executive Director and CEO Carolyn Coleman*

### **Active Bills of Interest and/or Concern**

**SB 897- Weickowski** - Planning and Zoning Law authorizes a local agency, by ordinance or ministerial approval, to provide for the creation of accessory dwelling units in areas zoned for residential use, as specified. Current law authorizes a local agency to impose standards on accessory dwelling units that include, but are not limited to, parking, height, setback, landscape, architectural review, and maximum size of a unit. This bill would require that the standards imposed on accessory dwelling units be objective. For purposes of this requirement, the bill would define "objective standard" as a standard that involves no personal or subjective judgment by a public official and is uniformly verifiable, as specified. **VCOG Staff Recommendation: Oppose**

**SB 932 (Portantino)** - Current law states the Legislature's intention that a county or city general plan and the elements and parts of that general plan comprise an integrated, internally consistent and compatible statement of policies for the adopting agency. This bill would emphasize the intent of the Legislature to fight climate change with these provisions. **VCOG Staff Recommendation: Watch**

**SB 1067 (Portantino)** - This bill would significantly restrict parking requirements within one half-mile of public transit. Currently, the bill's author defines public transit as a high-quality transit corridor with a 15-minute interval or a major transit stop, such as a ferry terminal or rapid transit stop, with 15-minute intervals. **VCOG Staff Recommendation: Watch**

**SB 1186- Weiner** – This bill would enact the Medicinal Cannabis Patients' Right of Access Act, which, on and after January 1, 2024, would prohibit a local jurisdiction from adopting or enforcing any regulation that prohibits the retail sale by delivery within the local jurisdiction of medicinal cannabis to medicinal cannabis patients or their primary caregivers by medicinal cannabis businesses, as defined. **VCOG Staff Recommendation: Watch**

**SB 1336- Wiener** - This bill would require that a housing development project be a use by right upon the request of an independent institution of higher education or religious institution that partners with a qualified developer on any land owned in fee simple by the applicant on or before January 1, 2023, if the development satisfies specified criteria. The bill would define various terms for these purposes.



Among other things, the bill would require that 100% of the units, exclusive of manager units, in a housing development project eligible for approval as a use by right under these provisions be affordable to lower income households, except that 20% of the units may be for moderate-income households, provided that all of the units are provided at affordable rent or affordable housing cost, as specified. The bill would authorize the development to include ancillary uses on the ground floor of the development, as specified. **VCOG Staff Recommendation: Oppose**

**SB 1338- Umberg** – The bill would enact the Community Assistance, Recovery, and Empowerment (CARE) Act, which would authorize specified persons to petition a civil court to create a voluntary CARE agreement or a court-ordered CARE plan and implement services, to be provided by county behavioral health agencies, to provide behavioral health care, including stabilization medication, housing, and other enumerated services to adults who are suffering from schizophrenia spectrum and psychotic disorders and who meet other specified criteria. **VCOG Staff Recommendation: Watch**

**SB 1393 (Archuleta)** The bill would require a city, including a charter city, or county, when adopting an ordinance requiring the replacement of a fossil fuel-fired appliance with an electric appliance upon the alteration or retrofit of a residential and nonresidential building, to consider any guidance published by the commission. The bill would require the commission, upon request by a local government considering the adoption of that ordinance, to provide technical assistance to the local government. The bill would require the local government to consider the commission's written comments, make any modification of the ordinance deemed necessary by the local government, and resubmit the ordinance and other information to the commission. The bill would specify that the commission is to implement the requirements of the bill upon appropriation by the Legislature. (Based on text date 6/9/2022) **VCOG Staff Recommendation: Watch**

**AB 1789 (Bennett)** - Current law requires the director of the Natural Resources Agency the Department of Parks and Recreation to cause to be prepared, and continuously maintained, a comprehensive plan for the development and operation of a statewide system of recreation trails, which is known as the California Recreational Trails System Plan. This bill would require the plan to include recommended priorities for funding to improve and expand, among other things, non-motorized natural surface trails, as provided. **VCOG Staff Recommendation: Support**

**AB 1944 (Lee and Garcia, Cristina)** This bill would encourage greater public participation during remote meetings and better protect the privacy of city officials during remote meetings. Cal Cities has a support position for AB 1944. The Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. The act contains specified provisions regarding the timelines for posting an agenda and providing for the ability of the public to observe and provide comment. The act allows for meetings to occur via teleconferencing subject to certain requirements, particularly that the legislative body notice each teleconference location of each member that will be participating in the public meeting, that each teleconference location be accessible to the public, that members of the public be allowed to address the legislative body at each teleconference location, that the legislative body post an agenda at each teleconference location, and that at least a quorum of the legislative body participate from locations within the boundaries of the local agency's jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined.



This bill would require the agenda to identify any member of the legislative body that will participate in the meeting remotely. The bill would also require an updated agenda reflecting all of the members participating in the meeting remotely to be posted, if a member of the legislative body elects to participate in the meeting remotely after the agenda is posted. This bill contains other related provisions and other existing laws. (Based on text date 5/25/2022) **VCOG Staff Recommendation: Support in Concept**

**AB 1985 (R. Rivas).** Cosponsored by Cal Cities, this bill would create an online database of organic waste products on the market so local governments can connect with local farmers and community members seeking organic waste products. The bill would also continue to explore needed changes to SB 1383's procurement requirements. **VCOG Staff Recommendation: Watch**

**AB 2011 (Wicks)** The Planning and Zoning Law authorizes a development proponent to submit an application for a multifamily housing development that is subject to a streamlined, ministerial approval process and not subject to a conditional use permit if the development satisfies specified objective planning standards. This bill would create the Affordable Housing and High Road Jobs Act of 2022, which would make certain housing developments that meet specified affordability and site criteria and objective development standards a use by right within a zone where office, retail, or parking are a principally permitted use, and would subject these development projects to one of 2 streamlined, ministerial review processes. The bill would require a development proponent for a housing development project approved pursuant to the streamlined, ministerial review process to require, in contracts with construction contractors, that certain wage and labor standards will be met, including that all construction workers shall be paid at least the general prevailing rate of wages, as specified. The bill would require a development proponent to certify to the local government that those standards will be met in project construction. By expanding the crime of perjury, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws. (Based on text date 6/14/2022) **VCOG Staff Recommendation: Oppose** (VCOG Letter Sent)

**AB 2053 (Lee)** Would enact the Social Housing Act and would create the California Housing Authority, as an independent state body, the mission of which would be to produce and acquire social housing developments for the purpose of eliminating the gap between housing production and regional housing needs assessment targets, as specified. The bill would prescribe a definition of social housing that would describe, in addition to housing owned by the authority, housing owned by other entities, as specified, provided that all social housing developed by the authority would be owned by the authority. The bill would prescribe the composition of the California Housing Authority Board, which would govern the authority, and would be composed of appointed members and members who are elected by residents of social housing developments, as specified. The bill would prescribe the powers and duties of the authority and the board. The bill would provide that the authority seeks to achieve revenue neutrality, as defined, and would require the authority to seek to recover the cost of development and operations over the life of its properties through the mechanism of rent cross-subsidization, as defined. The bill would require the authority to prioritize the development of specified property, including vacant parcels and parcels near transit, and would prescribe a process for the annual determination of required social housing units. Under the bill, social housing would accommodate a mix of household income ranges and would provide specified protections for residents, who would participate in the operation and management of the units in which they reside. (Based on text date 6/14/2022) **VCOG Staff Recommendation: Watch**



**AB 2097 (Friedman)** - This bill would prohibit a public agency from imposing a minimum automobile parking requirement, or enforcing a minimum automobile parking requirement, on any of specified residential, commercial, or other development types if the project is located within 1/2 mile of public transit, as defined. When a project provides parking voluntarily, the bill would authorize a public agency to impose specified requirements on the voluntary parking. The bill would prohibit these provisions from reducing, eliminating, or precluding the enforcement of any requirement imposed on a new multifamily or nonresidential development to provide electric vehicle supply equipment installed parking spaces or parking spaces that are accessible to persons with disabilities. (Based on text date 6/9/2022) **VCOG Staff Recommendation: Oppose**

**AB 2295 (Bloom)** Would deem a housing development project an allowable use on any real property owned by a local educational agency, as defined, if the housing development satisfies certain conditions, including other local objective zoning standards, objective subdivision standards, and objective design review standards, as described. The bill would deem a housing development that meets these requirements consistent, compliant, and in conformity with local development standards, zoning codes or maps, and the general plan. The bill, among other things, would authorize the land used for the development of the housing development to be jointly used or jointly occupied by the local educational agency and any other party, subject to specified requirements. The bill would exempt a housing development project subject to these provisions from various requirements regarding the disposal of surplus land. The bill would repeal its provisions on January 1, 2033. **VCOG Staff Recommendation: Watch**

**AB 2449 (Rubio)** - This bill would revise and recast teleconferencing provisions included in the Ralph M. Brown Act until January 1, 2028, and would authorize a local agency to use teleconferencing without complying with the teleconferencing requirements that each teleconference location be identified in the notice and agenda and that each teleconference location be accessible to the public if at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the local agency's jurisdiction. **VCOG Staff Recommendation: Support in Concept**

**AB 2547 (Nazarian)** Current law requires each law enforcement agency to be responsible for completing investigations of allegations of serious misconduct of a peace officer. This bill would require the Commission on Peace Officer Standards and Training (POST) to establish a definition of "biased conduct," as specified, and would require law enforcement agencies to use that definition in any investigation into a bias-related complaint or an incident that involves possible indications of officer bias. The bill would also require POST to develop guidance for local law enforcement departments on performing effective Internet and social media screenings of officer applicants. **VCOG Staff Recommendation: Support**

**AB 2647 (Levine)** Local government: open meetings- Current law makes agendas of public meetings and other writings distributed to the members of the governing board disclosable public records, with certain exceptions. Current law requires a local agency to make those writings distributed to the members of the governing board less than 72 hours before a meeting available for public inspection, as specified, at a public office or location that the agency designates. This bill would instead require a local agency to make those writings distributed to the members of the governing board available for public inspection at a public office or location that the agency designates and list the address of the office or location on the agenda for all meetings of the legislative body of the agency unless the local agency meets certain requirements. **VCOG Staff Recommendation: Support** 23



# VENTURA COUNCIL OF GOVERNMENTS

## Legislative Session – Bill Status Summary

### June 2022

Bill No.	Sponsor	Title and/or Description <i>SEE Update Report for Bill Summary</i>	CalCities	CSAC (Ventura) If Different	VCOG Recommen ded	Bill Status (Committees)
SB 897	Wieckowsk	Accessory dwelling units: junior accessory dwelling units.	Oppose	Not Determined	Oppose	6/15/2022 - From committee: Do pass as amended and re-refer to Assembly Com. on L. GOV
SB 932	Portantino	General plans: circulation element: bicycle and pedestrian plans and traffic calming plans	Oppose	Not Determined	Watch	6/20/2022 Assembly Second Reading File -- Senate Bills
SB 1067	Portantino	Housing development projects: automobile parking requirements.	Watch	Not Determined	Watch	6/16/2022 - Read second time and amended. Re-referred to Com. on L. GOV
SB 1186	Wiener	Medicinal Cannabis Patients' Right of Access Act.	Oppose	Not Determined	Watch	6/21/2022 Assembly Business And Professions, Berman, Chair
SB 1336	Wiener	Housing development: higher education institutions and religious institutions	Oppose	Not Determined	Oppose	6/15/2022 - From committee: Do pass as amended and re-refer to Com. on NAT. RES
SB 1338	Umberg	Community Assistance, Recovery, and Empowerment (CARE) Court Program	Watch	Not Determined	Watch	6/21/2022 - State Capitol, Room 437 ASSEMBLY JUDICIARY SPECIAL ORDER OF BUSINESS, STONE, Chair
SB 1393	Archuleta	Energy: appliances: local requirements	Oppose unless amended	Not Determined	Watch	6/22/2022 - Assembly Utilities And Energy, Garcia, Eduardo, Chair
AB 1789	Bennett	California Recreational Trails System Plan: State Park and Recreation Commission	Support	Not Determined	Support	6/20/2022 - Senate Natural Resources And Water, Stern, Chair
AB 1944	Lee	Local government: open and public meetings	Support in Concept	Not Determined	Support in Concept	6/8/2022 - Referred to Coms. on GOV. & F. and JUD.
AB 1985	Rivas	Recovered organic waste product procurement targets: list of available products.	Support	Not Determined	Watch	6/29/22 - Senate Environmental Quality, Allen, Chair (Co-sponsored by CalCities)
AB 2011	Wicks	Affordable Housing and High Road Jobs Act of 2022.	Oppose	Not Determined	Oppose*	6/21/2022 Senate Housing Special Order, Wiener, Chair
AB 2053	Lee	The Social Housing Act	Watch	Not Determined	Watch	6/21/2022 Senate Housing, Wiener, Chair
AB 2097	Friedman	Residential, commercial, or other development types: parking requirements	Oppose	Not Determined	Oppose	6/21/2022 Senate Housing, Wiener, Chair
AB 2295	Bloom	Local educational agencies: housing development projects.	Watch	Not Determined	Watch	6/21/2022 Senate Housing, Wiener, Chair
AB 2449	Rubio	Open meetings: local agencies: teleconferences	Support in Concept	Not Determined	Support in Concept	6/22/2022 Senate Governance And Finance, Caballero, Chair
AB 2547	Nazarian	Peace officers: determination of bias	Support	Not Determined	Support	6/28/2022 Senate Public Safety, Bradford, Chair
AB 2647	Levine	Local government: open meetings	Support	Not Determined	Support	6/22/22 Senate Governance And Finance, Caballero, Chair


VCOG Letter Sent



**Item 5c.**

**MEMORANDUM**

**TO:** Administrative Committee

**FROM:** Hugh R. Riley, Executive Director 

**SUBJECT:** Audited Financial Statements- 2020-2021

**DATE:** June 23, 2021

**Recommendation:**

Receive and file Ventura Council of Governments, Audited Financial Statements for Period July 1, 2020 to June 30, 2021 and refer to the full VCOG Council on July 14, 2022.

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**Discussion:**

This report transmits the Ventura Council of Governments (VCOG) Audited Financial Statement for the period ending June 30, 2021

The VCOG Fiscal Year 2020/2021 Audited Financial Statements are presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with generally accepted auditing standards by independent certified public accountants.

Management assumes full responsibility for the completeness and reliability of all of the information presented in this report, based upon a framework of internal controls established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

There were no irregularities noted and no corrective actions recommended by the audit. The Ventura Council of Governments ended Fiscal Year 2020/2021 with an unrestricted ending fund balance of \$ 109,001, an increase of \$1,340 from 2019-2020.

The auditor recommended that the Council review VCOG's opening, closing and financial reporting process to ensure that the financial statements are reviewed for accuracy and completeness, and financial activities are presented in accordance with GAAP. This is done with the Administrative Committee on a periodic basis.

The VCOG 2020-2021 Audited Financial Statements and supporting documents will be submitted to the Ventura County Auditor-Controller and will be posted on VCOG's Website - [www.venturacog.org](http://www.venturacog.org).



**Attachments:**

1. Basic Financial Statements with Independent Auditors' Report
2. SAS 114 Letter
3. Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance



Financial Statements  
June 30, 2021

Ventura Council of Governments

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## Independent Auditor's Report

The Board of Directors  
Ventura Council of Governments  
Ventura, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of the Ventura Council of Governments (Council), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general fund of the Council as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Prior-Year Comparative Information*

We have previously audited the Council's 2020 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities and general fund in our report dated May 5, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2022, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



Rancho Cucamonga, California  
June 17, 2022

As management of the Ventura Council of Governments (VCOG), we offer readers of VCOG's financial statements this narrative overview and analysis of VCOG's financial activities for the fiscal year ended June 30, 2021.

### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to VCOG's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information.

**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of VCOG's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of VCOG's assets and liabilities, with the difference between assets and liabilities reported as net position. Over time, increases or decreases in net position may serve as a useful indication on whether the financial position of VCOG is improving or deteriorating.

The statement of activities presents information showing how VCOG's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this same statement for some items that will only result in cash flows in future fiscal periods. The government-wide financial statements may be found on pages 7-8.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. VCOG, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** Governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. VCOG consists of a single governmental fund. The fund financial statements may be found on page 9-10.

**Notes to the basic financial statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.



### Government-wide Financial Analysis

The total net position of VCOG was \$109,001 at June 30, 2021 (as noted in Table 1 below). In comparison, the total net position of VCOG at June 30, 2020 was \$107,661. VCOG's net position at June 30, 2020 was unrestricted, meaning there are no external restrictions placed on the future use of the organization's net position.

Table 1  
Ventura Council of Governments  
Net Position at June 30:

	Governmental Activities		Percent
	2021	2020	Change
Assets			
Current assets	\$ 116,998	\$ 120,047	-2.5%
Liabilities			
Current liabilities	\$ 7,997	\$ 12,386	-35.4%
Net Position			
Unrestricted	109,001	107,661	1.2%
Total net position	\$ 109,001	\$ 107,661	

The total net position for VCOG increased by \$1,340, or 1.2%, during fiscal year 2020-2021. This means the revenues exceeded expenses, on a full accrual basis by \$1,340 for the year. Revenues increased by 43.9% and expenses increased by 68.4% in fiscal year 2020-21. The main factor that contributed to these changes was the Regional Early Action Program (REAP) Project. The REAP Project is a sub-regional partnership with the Southern California Association of Governments designed to stimulate the production of new, affordable housing units in Ventura County.

Table 2  
Changes in Net Position  
For the Year Ended:

	Governmental Activities		Percent
	2021	2020	Change
Revenues			
Program revenues			
Charges for services	\$ -	\$ 255	-100.0%
Operating grants and contributions	94,233	64,992	45.0%
General revenues			
Investment earnings	76	310	-75.5%
			43.9%
Total revenues	94,309	65,557	
Expenses			
General government	92,969	55,208	68.4%
Change in Net Position	1,340	10,349	-87.1%
Net Position - Beginning of Year	107,661	97,312	10.6%
Net Position - End of Year	\$ 109,001	\$ 107,661	1.2%

#### Financial Analysis of the General Operating Fund

VCOG maintains a single government fund called the General Fund. As of June 30, 2021, total revenues, assets, liabilities, and expenditures of the General Fund are the same as total assets, liabilities, revenues, and expenses as shown on the government-wide financial statements.

VCOG's revenues for fiscal year 2020-2021 came from membership dues, grant income (REAP Project), and investment income. Investment income decreased due to prevailing rates and the elimination of the Certificate of Deposit from the investment portfolio. There were no changes in the dues structure from fiscal year 2019-20 to fiscal year 2020-21.

#### General Operating Fund Budgetary Highlights

The VCOG Council adopted a formal budget for the fiscal year ended June 30, 2021 on June 11, 2020. Grant Revenue of \$29,241 was received for the REAP Project. The REAP Grant awarded in September 2020 totaled \$432,000 for a two-year program. The Council anticipated receiving \$199,360 in REAP Grant Revenue in FY21. The revenue is received on a reimbursement basis for services performed. The variance between final budgeted revenues of \$199,360 and actual revenues received for \$29,241 was due to performing less services than originally anticipated.

**Contacting VCOG Management**

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the VCOG Executive Director, 33 East High Street, Suite 200, Moorpark, California 93021, P.O. Box 157, Moorpark, California 93020.



Ventura Council of Governments  
Statement of Net Position  
June 30, 2021  
(With Comparative Totals for June 30, 2020)

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		Governmental Activities	
		2021	2020
Assets			
Cash and cash equivalents (Note 2)		\$ 106,160	\$ 120,047
Accounts receivable		10,838	-
Total assets		<u>\$ 116,998</u>	<u>\$ 120,047</u>
Liabilities			
Accounts payable		\$ 1,997	\$ 6,386
Unearned income		6,000	6,000
Total liabilities		<u>7,997</u>	<u>12,386</u>
Net Position			
Unrestricted		<u>109,001</u>	<u>107,661</u>
Total net position		<u>\$ 109,001</u>	<u>\$ 107,661</u>

# Ventura Council of Governments

## Statement of Activities

For the year ended June 30, 2021

(With Comparative Totals for the year ended June 30, 2020)

		Program Revenues	Governmental Activities	
			2021	2020
	Expenses	Operating Grants and Contributions	Net (Expense) Revenue	Net (Expense) Revenue
Governmental Activities				
General government	<u>\$ 92,969</u>	<u>\$ 94,233</u>	<u>\$ 1,264</u>	<u>\$ 10,039</u>
	General Revenues			
	Unrestricted investment earnings		<u>76</u>	<u>310</u>
	Total general revenues		<u>76</u>	<u>310</u>
	Change in Net Position		1,340	10,349
	Net Position at Beginning of Year		<u>107,661</u>	<u>97,312</u>
	Net Position at End of Year		<u>\$ 109,001</u>	<u>\$ 107,661</u>

Ventura Council of Governments  
Governmental Funds Balance Sheet – General Fund  
June 30, 2021  
(With Comparative Totals for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and cash equivalents (Note 2)	\$ 106,160	\$ 120,047
Accounts receivable	<u>10,838</u>	<u>-</u>
Total assets	<u><u>\$ 116,998</u></u>	<u><u>\$ 120,047</u></u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 1,997	\$ 6,386
Unearned revenue	<u>6,000</u>	<u>6,000</u>
Total liabilities	<u>7,997</u>	<u>12,386</u>
<b>Fund Balances</b>		
Committed	67,000	67,000
Unassigned	<u>42,001</u>	<u>40,661</u>
Total fund balances	<u>109,001</u>	<u>107,661</u>
Total liabilities and fund balances	<u><u>\$ 116,998</u></u>	<u><u>\$ 120,047</u></u>



Ventura Council of Governments  
Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances – General Fund  
Year Ended June 30, 2021  
(With Comparative Totals for June 30, 2020)

	2021	2020
Revenues		
Charges for services	\$ -	\$ 255
Operating grants and contributions	94,233	64,992
Investment income	76	310
Total revenues	<u>94,309</u>	<u>65,557</u>
Expenditures		
Current		
General government		
Professional services	58,520	50,178
Operations	1,117	1,267
Travel and meetings	56	1,994
REAP project costs	31,407	-
Other	<u>1,869</u>	<u>1,769</u>
Total expenditures	<u>92,969</u>	<u>55,208</u>
Net Change in Fund Balances	1,340	10,349
Fund Balance, Beginning of Year	<u>107,661</u>	<u>97,312</u>
Fund Balance, End of Year	<u><u>\$ 109,001</u></u>	<u><u>\$ 107,661</u></u>

## **Note 1 - Summary of Significant Accounting Policies**

**Reporting Entity:** The Ventura Council of Governments (Council) was established by a voluntary joint powers agreement on December 1, 1992 representing the 10 cities within Ventura County as well as the County. This Joint Powers Agency was established under Organization of Title 1, Division 7, Chapter 5 of the California Government Code Section 6503.5. The purpose of the Council is to facilitate cooperative sub-regional and regional planning, coordination, and technical assistance on issues of mutual concern.

There are many other governmental agencies, including the County of Ventura and the Ventura County Transportation Commission, providing services within the area served by the Council. These other governmental agencies have independently elected governing boards and consequently are not under the direction of the Council. Financial information for these agencies is not included in the accompanying financial statements.

**Financial Statement Presentation:** The Council's basic financial statements consist of government-wide financial statements, including a statement of net position and statement of activities, and fund financial statements.

The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (GASB).

**Government-Wide Financial Statements:** The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the Council. These statements report governmental activities, which normally are supported by general and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. For the Council, contributions represent member agency dues. Investment earnings and other items not properly included among program revenues are reported instead as general revenues.

In the fiscal year ended June 30, 2021, the government-wide financial statements under full accrual were the same as the fund financial statements under modified accrual.

**Fund Financial Statements:** The underlying accounting system of the Council is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the Council's governmental funds are presented after the government-wide financial statements. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. The Council has only one fund, the General Fund. The General Fund is the general operating fund of the Council.

**Measurement Focus and Basis of Accounting:** The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be available if they are collected within 180 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred.

Revenues susceptible to accrual include member agency dues and interest revenue.

**Cash and Cash Equivalents:** The Council maintains cash and cash equivalents in accordance with its investment policy. The investment policy complies with, or is more restrictive than, applicable state statutes.

The cash of the Council is deposited in an interest-bearing bank account.

**Fund Balance:** The Council maintains its equity in accordance with the fund balance policy.

In the fund financial statements, governmental funds report non-spendable, restricted, committed, assigned and unassigned fund balances to identify the extent to which the Council is bound to honor constraints on the specific purposes for which amounts can be spent.

**Non-spendable fund balance:** Includes assets that are not in spendable form (i.e., prepaid items) or are legally or contractually required to be maintained intact (i.e., permanent endowments).

**Restricted fund balance:** Includes amounts that are constrained by the specific purpose stipulated by external resource providers and/or imposed constitutionally or by enabling legislation.

**Committed fund balance:** Includes amounts that can be used for specific purposes determined by formal action of the government's highest level of decision-making authority by resolution or formal board action. The Board of Directors, as the Council's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken. Committed amounts cannot be used for any other purpose unless the Council removes or changes the specific use through the same type of formal action taken to establish the commitment. As of June 30, 2021, total committed fund balance was \$67,000.

**Assigned fund balance:** Includes amounts that are intended by the government to be used for specific purposes but are neither committed nor restricted. The Council has designated the authority to assign amounts used for specific purposes to the Executive Director.

**Unassigned fund balance:** Includes the residual funds for the General Fund and all amounts not contained in the other classifications.



When both restricted and unrestricted resources are available for use, it is the Council's policy to use restricted resources first and then unrestricted resources in the following manner: committed, assigned and unassigned.

**Net Position:** In the government-wide financial statements, net position represents the difference between assets and liabilities and is classified as unrestricted net position.

**Unrestricted net position:** represents those assets that are available for general use.

When both restricted and unrestricted resources are available for use, it is the Council's policy to use restricted resources first and then unrestricted resources, as they are needed.

**Use of Estimates:** The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

**Unearned Revenue:** Unearned revenue is money received by an individual or company for a service or product that has yet to be provided or delivered. The Council's unearned revenue consists of the Annual Dinner Sponsorship collected in FY 2019-20 which was not earned due to the cancellation of FY 2019-20 and FY 2020-21 Annual Dinner due to the COVID-19 Pandemic.

**Prior Year Data:** Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Council's prior year financial statements for the year ended June 30, 2020, from which this selected financial data was derived.

**Implementation of New GASB Pronouncements:**

**Adopted in the Current Year:**

**GASB Statement No. 84** - In January 2017, GASB issued Statement No. 84 - *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement is effective for reporting periods beginning after December 15, 2019. The Council has determined that the requirements of these statements do not have a material impact to the financial statements.

**GASB Statement No. 90** - In September 2018, GASB issued Statement No. 90 - *Majority Equity Interests, An Amendment of GASB Statements No. 14 and No. 61*. The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Statement is effective for reporting periods beginning after December 15, 2019. The Council has determined that the requirements of these statements do not have a material impact to the financial statements.

**GASB Statement No. 98** - In October 2021, GASB issued Statement No. 98 - *The Annual Comprehensive Financial Report*. The objective of this Statement is to address references in authoritative literature to the term comprehensive annual financial report. The Statement is effective for reporting periods beginning after

December 15, 2021. The Council has determined that the requirements of these statements do not have a material impact on the financial statements.

**Effective in Future Fiscal Years:** The GASB has issued the following pronouncements prior to June 30, 2021, that have effective dates which may impact future financial statement presentation. The effect of these statements is currently under review by the Council:

GASB Statement No. 87, *Leases*

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*

GASB Statement No. 91, *Conduit Debt Obligations*

GASB Statement No. 92, *Omnibus 2020*

GASB Statement No. 93, *Replacement of Interbank Offered Rates*

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

GASB Statement No. 99, *Omnibus 2022*

## Note 2 - Cash and Cash Equivalents

The unexpended cash of the Council is deposited in an interest-bearing bank account. The carrying value of cash as of June 30, 2021 was \$106,160.

**Investments Authorized by the Council's Investment Policy:** The table below identifies the investment types that are authorized for the Council by the California Government Code and the Council's investment policy. The table also identifies certain provisions of the California Government Code (or the Council's investment policy, if more restrictive) that addresses interest rate risk, credit risk, and concentration of credit risk.

Investment Types Authorized by State Law	Maximum Maturity	Maximum Investment of Portfolio	Maximum in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Negotiable Certificates of Deposit	5 years	30%	None
County Pooled Investment Fund	N/A	None	None
Local Agency Investment Fund	N/A	65,000,000	None

**Custodial Credit Risk:** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Council's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Council deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The first \$250,000 of the deposit balance is federally insured and the remaining balance is collateralized in accordance with the California Government Code.

### **Note 3 - Risk Management**

The Council has general liability insurance coverage. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. There have been no claims or insurance settlements for the past three years and the Council has no liability at June 30, 2021 for unpaid claims.

### **Note 4 - Support Services**

The Council has no employees. The Council contracts with its current Executive Director. During the fiscal year ended June 30, 2021, the Council paid \$52,743 for Executive Director support services to perform management and administrative services (\$7,743 related to REAP Project Oversight). The expenditures for the Council are included in professional services in the fund financial statements.

### **Note 5 - Commitments and Contingencies**

The Council's management is not aware of any outstanding claims or litigation. The Council has limited revenue sources from member dues. It is dependent on continued available funding.





Required Supplementary Information  
June 30, 2021

## Ventura Council of Governments

Ventura Council of Governments  
General Fund Budgetary Comparison Schedule  
Year Ended June 30, 2021

	2021			Variances with
	Budgeted Amounts		2021	Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Charges for services	\$ 500	\$ 500	\$ -	\$ (500)
Operating grants and contributions	64,992	264,352	94,233	(170,119)
Investment income	450	20	76	56
Research grant	-	8,000	-	(8,000)
Other	12,000	-	-	-
Total revenues	77,942	272,872	94,309	(178,563)
Expenditures				
Current				
General government				
Professional services	52,900	61,170	58,520	2,650
Operations	2,400	3,600	1,117	2,483
Travel and meetings	20,842	12,942	56	12,886
REAP project costs	-	199,360	31,407	167,953
Other	1,800	1,800	1,869	(69)
Total expenditures	77,942	278,872	92,969	185,903
Net Change in Fund Balances	-	(6,000)	1,340	7,340
Fund Balance, Beginning of Year	107,661	107,661	107,661	-
Fund Balance, End of Year	\$ 107,661	\$ 101,661	\$ 109,001	\$ 7,340

**Note 1 - Budgetary Data**

The annual budget serves the fiscal period from July 1 through June 30 and is a vehicle that accurately and openly communicates the Council's priorities to the community, businesses, vendors and other public agencies. Also, the budget provides the foundation of financial planning by providing resources planning and controls that permit the evaluation and adjustment of the Council's performance.

Budgets are prepared in accordance with generally accepted accounting principles using the modified accrual basis of accounting. Budgeted amounts are as originally adopted, or as amended in accordance with prescribed procedures throughout the fiscal year.

The adopted budget can be amended by the Council Board to change both appropriations and estimated revenues as unforeseen circumstances come to management's attention. Increases and decreases in revenue and appropriations require approval by the Council Board. Expenditures may not exceed total appropriations at the individual object level. Any transfer of appropriations between object levels is delegated by the Council Board to the Executive Director. It is the practice of the Council's management to review the budget quarterly and, if necessary, recommend changes to the Board.

The legal level for budgetary control (the level at which expenditures may not legally exceed appropriations) is at the object level. Any transfer of appropriations between object levels within the same budget unit must be authorized by the Council Board.

**Note 2 - Expenditures in Excess of Appropriations**

Expenditures for the year ended June 30, 2021, exceeded appropriations in the following categories:

- Other General Government expenditures exceeded the legal level for budgetary control by \$69 due to increased Special Liability Insurance (SLIP) fee paid to Alliant Insurance Services, Inc.





June 17, 2022

To the Board of Directors  
Ventura County Council of Governments  
Ventura, California

We have audited the financial statements of the governmental activities and general fund of Ventura County Council of Governments (Council) as of and for the year ended June 30, 2021, and have issued our report thereon dated June 17, 2022. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards***

As communicated in our letter dated October 7, 2021 our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Council solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our report regarding internal controls during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated June 17, 2022.

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Council is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the fiscal year 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. No such significant accounting estimates were identified.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

## **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. The following misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by management:

- Accrual for services performed during the year ended June 30, 2021, were not included in the ending accounts payable liability balance. As a result, accounts payable liabilities and general government expenditures were understated by \$1,997.

- Beginning fund balance was adjusted by \$7,200 to properly reconcile to net position.

#### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Council's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

#### **Representations Requested from Management**

We have requested certain written representations from management which are included in the management representation letter dated June 17, 2022.

#### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

#### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the Council, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Council's auditors.

This report is intended solely for the information and use of the Board of Directors, and management of the Council and is not intended to be, and should not be, used by anyone other than these specified parties.



Rancho Cucamonga, California





**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

To the Board of Directors  
Ventura Council of Governments  
Ventura, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Ventura Council of Governments (Council), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated June 17, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of finding and response as item 2021-001 that we considered to be a material weakness.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Response to Findings**

The Council's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Council's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California  
June 17, 2022

**Finding 2021-001**

**FINANCIAL REPORTING**

**CRITERIA:**

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein and for the fair presentation of the financial statements in conformity with U.S. Generally Accepted Accounting Principles (GAAP). This requires management to work through the financial reporting process to accumulate, reconcile, and summarize information for inclusion in the annual financial statements.

**CONDITION:**

*Material Weakness* – The Council maintains its books and records on the cash basis of accounting and did not prepare entries to reflect the accrual/modified accrual basis of accounting. In addition, opening equity did not agree with the prior year audited financial statements. During the audit, we identified the following adjustments which was corrected by management:

- \$1,997 accrual for services performed during the year ended June 30, 2021 but paid for subsequent to year end and not included in FY21 ending accounts payable balance.
- \$7,200 understatement of the beginning net position balance.

**CONTEXT:**

The condition noted above was identified during the testing of the Council's year-end liabilities and during our testing of beginning net position.

**EFFECT:**

Audit adjustments were necessary to fairly present the Council's beginning net position and year-end balances.

**CAUSE:**

The Council's year-end closing procedures and financial reporting process did not accurately capture the beginning and year-end balances.

**RECOMMENDATION:**

We recommend that the Council review their opening, closing and financial reporting process to ensure that the financial statements are reviewed for accuracy and completeness, and financial activities are presented in accordance with GAAP.



**View of Responsible Official and Planned Corrective Actions:**

VCOG Staff will review VCOG's opening, closing and financial reporting process with the VCOG Admin Committee periodically to ensure that the financial statements are reviewed for accuracy and completeness, and financial activities are presented in accordance with GAAP.



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#### REGIONAL COUNCIL OFFICERS

President  
**Jan C. Harnik, Riverside County  
Transportation Commission**

First Vice President  
**Carmen Ramirez, County of Ventura**

Second Vice President  
**Art Brown, Buena Park**

Immediate Past President  
**Clint Lorimore, Eastvale**

#### COMMITTEE CHAIRS

Executive/Administration  
**Jan C. Harnik, Riverside County  
Transportation Commission**

Community, Economic &  
Human Development  
**Frank Yokoyama, Cerritos**

Energy & Environment  
**Deborah Robertson, Rialto**

Transportation  
**Ray Marquez, Chino Hills**

To: Hugh Riley, VCOG Executive Director

Subject: SCAG Update June 2022

From: Rachel Wagner, SCAG Regional Affairs Officer;  
[wagner@scag.ca.gov](mailto:wagner@scag.ca.gov)

## Item 5d.

### HIGHLIGHTS FROM THE June 2<sup>nd</sup> REGIONAL COUNCIL MEETING

#### ACTION

#### REGIONAL COUNCIL ADOPTS POLICY DEVELOPMENT FRAMEWORK FOR CONNECT SOCAL 2024

SCAG's next Regional Transportation Plan/Sustainable Communities Strategy, Connect SoCal 2024, will be prepared over the next two years in anticipation of an April 2024 adoption date. Today, the Regional Council adopted the [Policy Development Framework for Connect SoCal 2024](#) which includes the plan's preliminary vision and goals, key policy priorities, including those identified by the board since 2020, and an outline of the focus and responsibility of each Policy Committee and the following three new subcommittees.

- Next Generation Infrastructure
- Resilience & Conservation
- Racial Equity & Regional Planning

These new subcommittees will help dive deeper into key areas for Connect SoCal to make recommendations on how to address these emerging issues within Connect SoCal 2024. The subcommittees will include members from each county with participation from invited business or civic leaders and practitioners with unique and valuable perspectives.

SCAG will now establish the subcommittees and prepare a more detailed agenda outlook for each of the Policy Committees to illustrate the progression of policy discussions leading up to plan analysis and production in summer 2023.

For more information on Connect SoCal, visit [scag.ca.gov/connect-socal](http://scag.ca.gov/connect-socal).

#### INFORMATION

#### UPDATES ON REGIONAL HOUSING NEEDS ASSESSMENT: STATE AUDIT & SCAG REFORM RECOMMENDATIONS

In a presentation to the Regional Council today, SCAG staff provided an update on the findings of the California State Auditor on the California Department of Housing and Community Development's (HCD) Regional Housing Needs

Assessment (RHNA) and the process for developing SCAG's RHNA reform recommendations.

## **STATE AUDIT**

In October 2021, the California State Joint Legislative Audit Committee approved an emergency audit to examine HCD's regional determination process for the RHNA. The request for an audit was based on an assertion that "the public has almost no information on the formula that HCD uses to calculate these initial numbers," citing confusion and mistrust among regional planning bodies and local jurisdictions, and the need for an independent and objective review of the process.

The findings conclude that HCD made several errors regarding data calculations and does not have a sufficient management review process. The audit found that lack of sufficient review and associated errors in the determination process risks eroding public confidence in HCD's ability to address the state's housing needs. Several of the audit's findings suggest that HCD understated regional determination for regions included in the audit, and possibly others. The Auditor provided several recommendations to the State Legislature, HCD and California Department of Finance to address these errors and inaccuracies in the process, including:

- Institute a process to ensure staff performs multiple reviews of data in its assessments.
- Establish a formal process to document its consideration of all factors required by state law.
- Perform a formal analysis of healthy vacancy rates and historical trends.
- Develop a formal process to review the appropriateness of councils of governments' proposed comparable regions.

## **SCAG RHNA REFORM RECOMMENDATIONS**

During and after the 6th cycle RHNA process, a number of elected officials and stakeholders requested that SCAG pursue reforms at the State to the RHNA and Housing Element process. HCD, in collaboration with the Office of Planning and Research, is required by law to conduct a RHNA reform outreach process and make recommendations to the legislature by Dec. 31. In response, SCAG plans to develop recommendations for consideration as part of HCD's RHNA reform stakeholder input process.

In the coming months, SCAG will hold a series of meetings with stakeholders to collect input on topics for RHNA reform, including the Housing Working Group on July 19 and the Technical Working Group on July 21. SCAG will also hold two special meetings of the Community, Economic and Human Development Committee to conduct a public input session on RHNA reform as well as get input from committee members. Based on these input sessions, staff will develop recommendations on RHNA reform and present them to both the Community, Economic and Human Development Committee and Regional Council.

For more information on SCAG's RHNA program, visit [scag.ca.gov/rhna](https://scag.ca.gov/rhna).

## **NEWS FROM THE PRESIDENT**

### **MESSAGE FROM PRESIDENT HARNIK**

Today marked the first meeting of the Regional Council with newly elected SCAG President Jan Harnik. President Harnik has outlined her priorities to include accelerating housing development and addressing



broadband connectivity to meet the goals of Connect SoCal 2024 as a part of SCAG's long-range vision that aligns future housing and mobility needs with economic and environmental goals. With new housing funding sources from the state, including Regional Early Action Planning (REAP) 2.0, President Harnik is confident that SCAG will play a leading role in supporting housing development and mobility options in the region and align funding with other adjacent and immediate needs, such as utilities and broadband infrastructure.

## **NEW MEMBERS AND COMMITTEE APPOINTMENTS**

President Harnik welcome new Regional Council Members and announced appointments to SCAG's Legislative/Communications and Membership Committee:

### ***REGIONAL COUNCIL***

- Claudia Bill-de la Peña, Thousand Oaks, District 46
- Margaret Clark, Rosemead, District 32
- Denise Diaz, South Gate, District 25
- Keith Eich, La Cañada Flintridge, District 36
- Jess Talamantes, Burbank, District 42

### ***LEGISLATIVE/COMMUNICATIONS AND MEMBERSHIP COMMITTEE***

- Peggy Huang, Transportation Corridor Agencies, Chair
- Jose Luis Solache, Lynwood, District 26, Vice-Chair
- Cindy Allen, Long Beach, District 30
- Claudia Bill-de la Peña, Thousand Oaks, District 46
- Lorrie Brown, Ventura, District 47
- Margaret Finlay, Duarte, District 35
- Alex Fisch, Culver City, District 41
- Curt Hagman, San Bernardino County
- Jan Harnik, Riverside County Transportation Commission
- Patricia Lock Dawson, Riverside, District 68
- Clint Lorimore, Eastvale, District 4
- Ray Marquez, Chino Hills, District 10
- Michael Posey, Huntington Beach, District 64
- Deborah Robertson, Rialto, District 8
- David J. Shapiro, Calabasas, District 44
- Cheryl Viegas-Walker, El Centro, District 1
- Donald Wagner, Orange County
- Alan Wapner, San Bernardino County Transportation Authority

## **SCAG LEADERSHIP SHARES REGION'S HOUSING & TRANSPORTATION PRIORITIES**

President Harnik and members of the Regional Council had the pleasure of hosting a recent meeting with Senate Transportation Committee Chair Lena Gonzalez (D-Long Beach) to discuss our region's housing and transportation budget priorities, such as the Regional Council's support for an augmentation to the Infill Infrastructure Grant program and using budget surplus dollars to fully fund the Active Transportation Program. Chair Gonzalez shared information on a number of her priorities as well, such as Senate Bill 1104, which would establish the Office of Freight within the Governor's Office of Business and Economic

Development to serve as the coordinating entity to steer the growth, competitiveness and sustainability for freight and ports across the state.

## NEWS FROM THE EXECUTIVE DIRECTOR

### REAP 2.0 DRAFT PROGRAM DEVELOPMENT FRAMEWORK OUTREACH

Through April and May, SCAG's Regional Early Action Planning Grants of 2021 (REAP 2.0) Draft Program Development Framework was widely shared with the public through email blasts, newsletters and two virtual information sessions, as well as on the SCAG website. The public comment period was open from April 19 to May 19. Six public comment letters were received during the comment period from the City of Los Angeles, Coachella Valley Association of Governments, and the Gateway Cities, South Bay Cities, San Gabriel Valley and Ventura councils of governments. Based on the comments received, SCAG generated a summary of themes and hosted an information session to share feedback. SCAG presented the final Program Development Framework to the Executive/Administration Committee in June and will seek adoption by the Regional Council in July.

For more information about the REAP 2.0 program, visit [scag.ca.gov/reap2021](https://scag.ca.gov/reap2021).

### CONNECT SOCAL LOCAL DATA EXCHANGE UPDATE/ REGIONAL DATA PLATFORM

SCAG introduced the [Local Data Exchange](#) (LDX) process to serve as an extensive data exchange process with local jurisdictions to support Connect SoCal 2024 development. SCAG will engage in the LDX process to gather the most updated information available from local jurisdictions covering land use and growth to help understand how the region is developing and the extent to which we are meeting our climate goals. Over the course of 2022, SCAG's Local Information Services Team (LIST) plans to meet one-on-one (for 90 minutes) with all 197 local jurisdictions to discuss maps in their local context, provide background on the development of Connect SoCal 2024 and provide training on available tools in Regional Data Platform (RDP) to local jurisdictions. Detailed information about the LDX process can be found in [a letter](#) that was sent via email to all Planning Directors in the region on May 23. For Orange, Riverside and San Bernardino County jurisdictions, these meetings will be initiated by the subregional councils of government. For Imperial, Los Angeles and Ventura County jurisdictions, please [select a meeting time](#) at your earliest convenience.

The [RDP](#) is a revolutionary system for collaborative data sharing and planning designed to facilitate better planning at all levels – from cities and counties of all sizes up to the region as a whole. The platform includes publicly available resources and tools, which can be accessible to both the public and local jurisdictions. Cities and counties in the SCAG region can also take advantage of complementary GIS licenses. To date, more than 130 jurisdictions have received these licenses to support their local planning activities.

If you would like to explore the RDP or take part in the LDX process, contact the Local Information Services Team at [list@scag.ca.gov](mailto:list@scag.ca.gov) or visit the Regional Hub at [hub.scag.ca.gov](https://hub.scag.ca.gov).

The full [Executive Director's Report](#) and past reports will be available on the SCAG website.

## UPCOMING MEETINGS

### June

- 16<sup>th</sup> Equity Working Group
- 21<sup>st</sup> Legislative/Communications and Membership Committee
- 23<sup>rd</sup> Safe & Active Streets Working Group
- 28<sup>th</sup> Transportation Conformity Working Group
- 29<sup>th</sup> Regional Transit Technical Advisory Committee
- 30<sup>th</sup> Executive/Administration Committee Retreat

### July

- 1<sup>st</sup> Executive/Administration Committee Retreat
- 6<sup>th</sup> Executive/Administration Committee
- 7<sup>th</sup> Regional Council & Policy Committees
- 19<sup>th</sup> Housing Working Group
- 19<sup>th</sup> Legislative/Communications and Membership Committee
- 21<sup>st</sup> Technical Working Group
- 26<sup>th</sup> Transportation Conformity Working Group
- 27<sup>th</sup> Modeling Task Force



**Item 5e.**

**MEMORANDUM**

**TO:** Administrative Committee

**FROM:** Hugh R. Riley, Executive Director 

**SUBJECT:** REAP 2.0 Sub Regional Partnership (SRP) Draft Guidelines

**DATE:** June 23, 2022

**Recommendation:**

Receive Report and discuss VCOG's Possible Involvement in the SCAG REAP 2.0 Sub-Regional Partnership Program.

**Discussion:**

This report is intended to provide you with an update on the development of program guidelines for the second Regional Early Action Program (REAP) – 2021, commonly called REAP 2.0 that would begin in 2023 and end in 2026 VCOG is currently participating in the first Regional Early Action Program (REAP 1.0) that began in 2019 and ends by June 30, 2022. VCOG's REAP 1.0 Projects 2 & 3 have been completed and work products provided to member agencies. Projects 4 and 5 are progressing and are scheduled to be completed before June 30, 2023.

REAP 2.0 is a \$600 million "implementation" follow-up program that seeks to accelerate infill housing development, reduce Vehicle Miles Traveled (VMT), increase housing supply at all affordability levels, affirmatively further fair housing (AFFH), and facilitate the implementation of adopted regional and local plans to achieve these goals. Approximately \$500 million of these funds are from the "COVID" Federal American Recovery Act and the balance is from the State General Fund. REAP 2.0 offers a strengthened partnership between the state government, councils of governments (COGs) such as VCOG, county transportation commissions (CTC), such as VCTC, and city and county governments.

REAP 2.0 will be administered by the California Department of Housing and Community Development (HCD) in collaboration with the Governor's Office of Planning and Research (OPR), the Strategic Growth Council (SGC), the California Air Resources Board (CARB), and the Southern California Association of Governments (SCAG). As in REAP 1.0, VCOG would prepare a program application that meets the REAP 2.0 HCD Program Guidelines and execute a MOU with SCAG for monthly billing. REAP 2.0 would likely begin in early 2023 and has a statutory completion by June, 2026. SCAG anticipates a program allocation of **\$246 million**.

Unlike REAP 1.0 which is limited to planning activities, much of REAP 2.0 funds will be steered towards funding actual housing and transportation projects and implement HCD-certified 2021-2029 Housing Element programs and CTC/VCTC projects.

SCAG must prepare a detailed REAP 2.0 application to HCD by the end of 2022 and has informed VCOG that some funding is likely to be available in mid- to-late 2022 to assist VCOG in local outreach and development of VCOG's detailed REAP 2.0 program application by the end of 2022. .

In advance of HCD's final REAP 2.0 Program Guidelines expected by the end of the summer and to provide early thinking and direction on SCAG's REAP program, SCAG staff developed a REAP 2.0 draft Program Framework ("Framework") which is attached. This initial Framework is based on several guiding and adopted policies, including:

- State plans and directives
- SCAG adopted plans including:
  - Connect SoCal Implementation Strategy (2020)
  - Executive Administration Committee Strategic Action Plan (2021)
  - Racial Equity Early Action Plan (2021)
  - Inclusive Economic Recovery Strategy (2021)
- SCAG 2021 Housing Production Study

SCAG has further articulated the application of the REAP 2.0 Program in a set of core objectives as follows:

- Support transformative planning and implementation activities that realize Connect SoCal objectives
- Leverage and augment the Connect SoCal Implementation Strategy to support activities that are can be implemented quickly and in line with community-driven, pandemic recovery priorities
- Build regional capacity to deliver housing that realizes 6th cycle RHNA goals
- Represent best practices in vehicle miles traveled reduction to Establish that projects are shovel ready and shovel worthy
- Demonstrate consistency with Equity Early Action Plan
- Promote infill development in Connect SoCal identified Priority Growth Areas

Initially, SCAG was not proposing a direct sub-allocation to COGs as was the case in REAP 1.0. Several COGs suggested the sub-regional opportunity be structured as an expansion of the REAP 1.0 Sub-regional Partnership Program focused on housing element compliance/implementation and to fund local current (or new) staffing, consultant staff support or other technical assistance for preparing grant applications, Housing Element program implementation, and related activities consistent with the REAP 2.0 Program Guidelines.

In late May, VCOG was advised that the Program Development Framework will be expanded to include a sub-allocation program for COGs similar to the sub-allocation program in REAP 1.0 but based on the goals and objectives of REAP 2.0. VCOG Staff met with SCAG's REAP 2.0 Program Development Team on June 13, 2022 to discuss the Draft Program Approach for Sub-regional Partnership Program (SRP) for REAP 2.0 (Attached).

We provided advice and comments on the Draft Program Approach document as well as VCOG's involvement and possible projects with the goal of developing final draft Program Guidelines for the SCAG Regional Council's consideration. As a result of the June 13 discussion with Jacob Newman, the newly appointed Manager for Housing Programs for REAP 2.0, and other SCAG Staff, VCOG Staff was advised that VCOG could receive approximately the same funding level as REAP 1.0 (**\$432,000**) under REAP 2.0.

VCOG Staff will be working with SCAG as the REAP 2.0 Program Framework develops and will keep you and your respective planning staffs up to date as the REAP 2.0 Program is further refined by HCD and SCAG.

**ATTACHMENTS:**

1. VCOG Staff Report to Administrative Committee- May 26, 2022
2. Draft REAP 2.0 Program Development Framework Paper and VCOG Comments (May 18, 2022)
3. Draft Program Approach- SRP Program for REAP 2.0.





ATTACHMENT 1

MEMORANDUM

TO: Administrative Committee

FROM: Hugh R. Riley, Executive Director

SUBJECT: REAP 2.0 Update

DATE: May 26, 2022

**Recommendation:**

Receive and file REAP 2.0 Update

---

**Background:**

VCOG is currently participating in Regional Early Action Program (REAP) "1.0" that began in 2019. REAP2.0 is a \$600 million "implementation" follow-up program that seeks to accelerate infill housing development, reduce Vehicle Miles Traveled (VMT), increase housing supply at all affordability levels, affirmatively further fair housing, and facilitate the implementation of adopted regional and local plans to achieve these goals. REAP 2.0 is a strengthened partnership between the state government, councils of governments (COGs) such as VCOG, county transportation commissions (CTC), and city and county governments.

REAP 2.0 will be administered by the California Department of Housing and Community Development (HCD) in collaboration with the Governor's Office of Planning and Research (OPR), the Strategic Growth Council (SGC), the California Air Resources Board (CARB), and the Southern California Association of Governments (SCAG).

REAP 2.0 would likely begin in early 2023 and has a statutory completion by June, 2026. The program is funded through \$500 million from the Coronavirus Fiscal Recovery Fund of 2021 and \$100 million from the State General Fund.

In advance of HCD's full REAP 2.0 program guidelines and to provide early thinking and direction on SCAG's REAP program, SCAG staff developed the REAP 2.0 draft Program Framework ("Framework"). The Framework is based on several guiding and adopted policies, including:

- State plans and directives
- SCAG adopted plans
  - Connect SoCal Implementation Strategy (2020)
  - Executive Administration Committee Strategic Action Plan (2021)
  - Racial Equity Early Action Plan (2021)
  - Inclusive Economic Recovery Strategy (2021)
- SCAG 2021 Housing Production Study

Early versions of SCAG's REAP 2.0 Framework were presented to the SCAG Policy Committees, Executive Administration Committee (EAC) and the Regional Council. SCAG also got feedback on the Framework from the subregional COG directors and presented the draft to the Regional Housing Working Group and County Transportation Commission (CTC) Planning Director. This Framework reflects early feedback from these stakeholders and is a draft to guide a more extensive stakeholder engagement process that will lead to development of the full REAP 2.0 Program application to HCD in late 2022..

### **Discussion:**

HCD) has been requesting public input on the initial draft REAP 2.0 Framework Paper. This input will provide:

- Early feedback on broad concepts and approaches
- Identify key areas of the program to inform several subsequent processes
- Develop draft guidelines for the program
- Lead to specific programs and eligible activities

Attachment 2 is our comments on the Framework sent to SCAG staff on May 18<sup>th</sup>. There will be additional opportunities to comment on upcoming iterations of the Framework.

### **What is REAP?**

REAP 2.0 is a key part of strategic investments toward a more sustainable, resilient, and inclusive future for people in all areas of the state. REAP 2.0 builds on the success of 2019's REAP program but expands the focus by integrating housing and climate change mitigation goals and allowing for broader planning and implementation investments including infrastructure. REAP 2.0 is explicitly intended to meet multiple objectives –1) infill development, 2) housing for all incomes, 3) Vehicle Miles Traveled (VMT) reduction, and 4) affirmatively furthering fair housing in ways that accelerate the implementation of adopted regional and local plans to achieve these goals.

SCAG anticipates an programmatic allocation of **\$246 million** and has developed a draft framework paper. SCAG has to prepare a detailed REAP 2.0 application to HCD by the end of 2022 and has informed COGs that some funding will be available in mid- and late-2022 to assist in developing detailed REAP 2.0 programs overall and within subregions such as Ventura County. At this time, SCAG is not proposing a direct sub-allocation to COGs as was the case in REAP 1. REAP 2021 is a different program with different goals and guidance from the State. Instead SCAG is looking at a CTC partnership program for the transportation focused areas of the funding. For the housing goals, they are considering some larger programs focused on infrastructure investments which could very well include/involve the COGs, but they have not yet developed that program. Considerable interest has been expressed in housing trust funds, which so far seems like an eligible activity. SCAG will conduct extensive outreach and discussion in mid-to-late 2022. A survey was distributed to the COGs to gauge interest and thoughts about how to develop a new programs and what role COGs might play.

Listening sessions with City/County planning staffs were conducted to obtain input on the proposed Housing Supportive Infrastructure Program Area of REAP 2.0. Based on SCAG one-on-one meetings with the COGs the sessions were organized by COG sub-region. During these meetings SCAG obtained feedback on the outreach plan and to discuss supplemental outreach activities that the COGs would be interested in pursuing.



Several COGs suggested the sub-regional opportunity be structured as an expansion of the REAP 1 Sub-regional Partnership Program focused on housing element compliance/implementation and to fund local current (or new) staffing, consultant staff support or other mechanisms for program implementation.

## **REAP 2.0 Sub-regional Partnership Program Guidelines**

The amount of funding allocated to the Sub-regional Partnership Program will be addressed in the final HCD program guidelines. We understand not all COGs are interested in pursuing additional planning at the sub-regional level, and in those cases, anticipate that the HCD guidelines will also outline opportunities for cities to access technical assistance more directly from SCAG or its consultants. The goal is to ensure geographic equity but also the flexibility to address different needs and capacities.

There will be further discussion on how REAP 2.0 funding might be best used to supplement local staff time. Depending on how the program is structured, SCAG may explore having the program fund current (or new) staffing, consultant staff support, or other mechanisms for program implementation. Similar to other grant programs, the staff funding may expire by mid-June 2026 unless supported by other funds.

## **Public/Stakeholder Outreach**

The public comment period closed on May 19, 2022. SCAG anticipates revising the Program Framework based on public comments and returning to the SCAG Executive/Administration Committee and Regional Council for review and approval in June and July. Then, SCAG will use the Framework in conjunction with the HCD REAP 2.0 Guidelines to prepare and submit a full REAP application to HCD. Formal comments were requested in addition to the feedback gained during Sub-regional conversations. Development of more specific programs and program guidelines will continue through further stakeholder engagement, including with the COGs. VCOG's comments are attached to this report.

## **Housing Supportive Infrastructure: City/County Outreach**

SCAG met with Ventura County Planning Staffs on May 19, 2022 to present the proposed Housing Supportive Infrastructure program. In addition, SCAG will host two general sessions open to all city, county and COG staff to collect feedback on the program and discuss housing and land use development existing projects and technical assistance needs. Following these meetings, SCAG will host focus groups, community-based organization listening sessions and a focused Tribal consultation.

## **Summary:**

SCAG will develop and implement the REAP 2.0 program through a comprehensive outreach program that will support both program development and continue through implementation. By late 2022, feedback from stakeholders will be incorporated in the final SCAG REAP program application; will help identify partnership opportunities; and will establish priorities for transformative planning and implementation activities that reflect a balance of regional needs and geographical equity.

## **ATTACHMENTS:**

1. Draft REAP 2.0 Program Development Framework Paper
2. VCOG Comments (May 18, 2022)






**MEMORANDUM**

May 17, 2022

TO: Alisha James, Community Engagement Specialist, SCAG

FROM: Hugh Riley, Executive Director 

RE: Comments On REAP 2.0 Draft Framework Document

VCOG has reviewed the REAP 2.0 draft framework document per SCAG's invitation. We have the following comments:

**IN GENERAL:**

1. With most all jurisdictions having at least drafted their 2021-2029 Housing Elements and with HCD giving many specific 'corrections' and direction, we question the need for 'more planning.' The REAP 2 emphasis should now move towards implementation of Housing Element programs and State mandates, such as:
  - a. Funding for rezoning and code-amendments CEQA review usually triggered by these actions.
  - b. Funding to develop a "CBDG-like" menu of AFFH actions that satisfy HCD and State legislation.
  - c. Guidance as to how to integrate Housing Element and SCS/RTP programs with other State mandates, local markets, and environmental constraining priorities:
    - i. More housing in wildfire-designated areas?
    - ii. More housing given persistent drought and reduced water supplies?
    - iii. More housing in areas with substandard aquifers?
    - iv. More housing where population is not increasing, nor likely to?
2. Funding to develop HCD-approved "objective standards" related to "transformative planning" such as SB9, SB10, and allowing residential uses in commercial zoning. Again, a menu of HCD-approved objective standards is desirable.
3. REAP infrastructure programs cannot be only focused on housing. A community needs local retail and services, and schools. This program should not exclude local housing-supporting land uses.

**VENTURA COUNTY SPECIFIC:**

As SCAG is aware, Ventura County has a significant agricultural economy and a continuing need for affordable housing for Ag-related employees. Group Quarters housing (i.e. modern version of farm labor camps) is often the best approach for seasonal farmworkers. REAP 2 should explicitly include this type of housing as eligible and affordable, in a manner like housing at colleges and universities for students.

## SPECIFIC SECTIONS OF THE GUIDELINES

*"SCAG will work to balance funding allocation according to a number of equity considerations; ensuring that under-resourced jurisdictions are not left out due to lack of capacity and that geographic balance is a consideration in the sub-allocation of funding."*

Be aware that the RHNA allocations that directed additional housing to High Quality Transit Areas/Corridors did not directly consider local resources and disadvantaged communities as defined by CalEnviroScreen. "Local Need" was based on generalized socio-economic data from the American Community Survey (which often had large sample error). We suggest that a process be provided wherein jurisdictions can provide additional "need" data. Or, alternatively, SCAG could incorporate CDBG entitlements and funding as a better 'targeting' of REAP funds to "balance ...equity considerations."

*"Go Human: SCAG is seeking to expand local resources and toolkits to help cities, counties and communities-based organizations promote safe walking and biking"*

Biking and walking are not as feasible in rainy, windy, or excessively hot weather, and not all residents can bike or walk. You cannot bring home groceries on a bicycle. This emphasis on biking and walking is fine, but needs to be realistic, and not remove or greatly diminish other mobility options.

"Utilities to support housing development: Identify transformative programs to invest in the utilities (sewer, gas, electric, broadband) needed to environmentally clear, entitle and ultimately build the housing needed to meet the region's 6th cycle RHNA goals, and in the Priority Growth areas identified in Connect SoCal. "

As stated above, do not exclude commercial, civic, and school uses from utility programs.

- Housing Trust Funds: Invest in sub regional housing trust funds to leverage efforts to deliver affordable housing
- Preservation of expiring covenants and naturally occurring affordable housing: Target existing affordable housing with expiring covenants and/or housing that is naturally affordable without covenants and develop programs to extend covenants and preserve these units as affordable.
- Technical Assistance

We fully support these three programs. Again, a housing project with neighborhood level commercial uses that help reduce VMT should not be excluded from a trust fund project.

Thank you for accepting these comments from VCOG. We are available for follow-up discussions if desired by SCAG staff.



## Draft - REAP 2021 Program Development Framework

### Overview & Purpose

The REAP 2021 Program Development Framework, or “Framework,” outlines the core objectives, guiding principles, programmatic areas, major milestones and schedule for allocating funds available to SCAG through the Regional Early Action planning Grant Program for 2021 (REAP 2021) or REAP 2.0. Approximately \$600 million is available statewide to support transformative and innovative projects that implement a region’s Sustainable Communities Strategy (SCS) and help achieve goals of more housing and transportation options that reduce reliance on cars. The SCAG region’s formula share is estimated to be \$246 million, of which an initial allocation of 10 percent (10%) of funds are available for outreach to support program development and the full program funding application. REAP 2.0 draft program guidelines are anticipated from HCD in March 2022, with full program guidelines and the application released in Spring 2022. With the full program guidelines and after an extensive engagement effort, SCAG will develop a comprehensive REAP 2.0 Program Application in the latter part of 2022.

The Framework provides the policy direction to support the stakeholder engagement process and resultant development of the full REAP 2.0 Program application, to ensure SCAG’s REAP 2 program aligns with agency goals and policies. It is based on several guiding and adopted policies, including:

- State plans and directives
  - AB140 Trailer Bill Language (July 2021)
  - REAP 2.0 Draft Framework Paper (Nov 2021)
- SCAG adopted plans
  - Connect SoCal Implementation Strategy (2020)
  - Executive Administration Committee Strategic Action Plan (2021)
  - Racial Equity Early Action Plan (2021)
  - Inclusive Economic Recovery Strategy (2021)
- SCAG 2021 Housing Production Study

Early versions of SCAG’s Framework were presented to the SCAG Policy Committees, Executive Administration Committee (EAC) and the Regional Council. SCAG also got feedback on the Framework from the subregional COG directors and presented the draft to the Regional Housing Working Group and County Transportation Commission (CTC) Planning Directors. This Framework reflects early feedback from these stakeholders and is a draft to guide a more extensive stakeholder engagement process. The Framework may be amended based on feedback and will be presented to the SCAG Regional Council for approval in Summer 2022.

SCAG will apply its advanced funding to implement a comprehensive outreach and engagement strategy in support of development its REAP 2.0 program and the full program application. If allowed by the State ahead of the full program application, SCAG will apply for some its advanced funding to support the Early Action Initiatives further described below and that are part of SCAG’s adopted SCS Implementation Strategy.



## Draft - REAP 2021 Program Development Framework

### Core Program Objectives

- Support transformative planning and implementation activities that realize Connect SoCal objectives
- Leverage and augment the Connect SoCal Implementation Strategy to support activities that can be implemented quickly and in line with community-driven, pandemic recovery priorities
- Build regional capacity to deliver housing that realizes 6<sup>th</sup> cycle RHNA goals
- Represent best practices in vehicle miles traveled reduction
- Demonstrate consistency with Equity Early Action Plan
- Promote infill development in Connect SoCal Identified Priority Growth Areas

### Guiding Principles

In developing a program to address these core objectives, SCAG work shall be directed by the following guiding principles:

- Funding shall be allocated to three programmatic areas focused on Early Action to implement Connect SoCal 2020, Housing Supportive Infrastructure and a County Transportation Commission Partnership Program.
- Funding opportunities within each program area will balance formula allocations with competitive programs to ensure funding supports critical planning and implementation activities across the region while also prioritizing the most regional impactful projects.
- Early Action Initiatives shall seek to provide immediate benefit to the region through support for transformative *planning* activities that can be implemented quickly to advance strategies in Connect SoCal 2020 and inform the 2024 plan update. Early Action Initiatives shall comprise no more than 10% of the full program budget.
- The Housing Supportive Infrastructure Program and the County Transportation Commission Partnership Program shall serve as the primary vehicle for awarding REAP 2.0 funds and be focused on Connect SoCal 2020 implementation either through the deployment of pilot projects or support for the creation and/or expansion of new funding programs that directly support housing and mobility solutions. The Programs shall include regional initiatives and technical assistance led by SCAG to advance regionally coordinated and significant solutions as well as county-specific or geographically targeted programs that advance best practices reflecting the unique opportunities in the region.
- The Housing Supportive Infrastructure Program and the County Transportation Commission Partnership Program shall include SCAG-led projects as well as the sub-allocation of resources to implementing agencies.
- Funding guidelines will be developed specific to the Housing Supportive Infrastructure Program and County Transportation Commission Partnership Program or for any sub-programs for which SCAG would competitively award resources to a partner agency and will seek approval by the SCAG Regional Council. Funds available to each program shall be specified in the program guidelines for approval by the Regional Council.
- At least 80% of the REAP 2.0 funding in the full application will be directed to suballocated or partner-led projects, both formula-based and competitive, across all three programmatic areas to ensure efficient and effective delivery of REAP 2.0 and limit administrative costs to SCAG.

## Draft - REAP 2021 Program Development Framework

- SCAG will work to balance funding allocation according to a number of equity considerations; ensuring that under-resourced jurisdictions are not left out due to lack of capacity and that geographic balance is a consideration in the suballocation of funding.
- No resources beyond those approved to support outreach and program development shall be expended until the Program Development Framework has been approved (after stakeholder engagement) and funding eligibility has been confirmed through the release of REAP 2 Program Guidelines by HCD.

### Program Areas:

The Framework proposes that SCAG's REAP 2.0 funds will be administered across three (3) programmatic areas. Further development of programs and guidelines within each program area would occur once the State has provided complete program guidelines (anticipated Spring 2022) and through the stakeholder engagement process:

1. **Early Action Initiatives:** SCAG will expand some existing programs in the Connect SoCal Implementation Strategy to support cities in implementing Connect SoCal.
  - **Sustainable Communities Program (SCP):** The Call for Projects provides resources to local jurisdictions to conduct GHG/VMT reducing planning activities and demonstration projects throughout the SCAG region. SCAG is seeking to implement Call #4, the Call for Equity, Civic Engagement and Environmental Justice focused on under-resourced communities.
  - **Go Human:** SCAG is seeking to expand local resources and toolkits to help cities, counties and communities-based organizations promote safe walking and biking
  - **Regional Data Platform:** Local general plans provide the legal underpinning for land use decisions and set the vision about how a community will grow, reflecting community priorities and values while shaping the future. SCAG's RDP provides data and planning templates and tools to help local jurisdictions update and align various elements of their general plans to advance sustainable planning at the local and regional level. SCAG seeks to partner with subregional agencies and other partners to expand support and training for local jurisdictions to use the RDP as well as provide additional features and functions to help further align local efforts with regional goals through performance dashboarding features.
  - **Sub-regional plans or studies:** Support a number of partnerships and studies centered on core SCS implementation strategies.
2. **Housing Supportive Infrastructure Program** - The Housing Supportive Infrastructure program builds on the concepts put forward in the *Key Connections* in Connect SoCal 2020, as well as current work funded through the REAP 1 program, as well as LEAP and SB2. This program would have 4 main priority areas:
  - **Utilities to support housing development:** Identify transformative programs to invest in the utilities (sewer, gas, electric, broadband) needed to environmentally clear, entitle and ultimately build the housing needed to meet the region's 6<sup>th</sup> cycle RHNA goals, and in the Priority Growth areas identified in Connect SoCal.



## Draft - REAP 2021 Program Development Framework

- **Housing Trust Funds:** Invest in subregional housing trust funds to leverage efforts to deliver affordable housing
  - **Preservation of expiring covenants and naturally occurring affordable housing:** Target existing affordable housing with expiring covenants and/or housing that is naturally affordable without covenants and develop programs to extend covenants and preserve these units as affordable.
  - **Technical Assistance:** Through the outreach process, SCAG will identify additional technical assistance needs for cities, counties and other partners. These may include programs to:
    - i. Help public agencies use their surplus land for affordable housing development
    - ii. Continue land use planning efforts that will support implementation of 6<sup>th</sup> cycle Housing Elements
    - iii. Ensure that the region can secure grant funding in support of affordable housing development.
3. **County Transportation Commission (CTC) Partnership Program:** SCAG will develop a new partnership program with the region's six County Transportation Commissions, to fund the development of plans, programs, pilot projects, and even some signature GHG/VMT reducing capital projects. Regional guidelines will be developed upon the release of the State's guidelines in February of 2022 with the intent to align with Key Connection strategies included in Connect SoCal and advance new concepts for reducing VMT. Key Connections focus on advancing expanded mobility ecosystems and management strategies using innovative policy and/or technology to realize regional planning goals, and account for 30% of the GHG reduction needed to meet SCAG's SB 375 requirements. Examples include shared mobility, congestion pricing studies and pilots, universal basic mobility pilots, transit recovery and integration pilot projects, dedicated lanes and other tactical transit solutions to improve transit travel time and reliability, micro-transit and other mobility-on-demand services providing first/last mile connections, or VMT Mitigation Bank. Staff has initiated some early outreach with CTC staff to gauge opportunities for partnerships and anticipates continued dialogue in developing a regional program. Some early concepts identified to date by CTC staff include extending or expanding student transit pass programs, deployment of mobility hubs, electric carshare programs, seed funding to support VMT mitigation banking and credit programs, etc.

### **Major Milestones and Schedule:**

Based on the latest information from the State, the table below shows the REAP 2021 program development process and associated schedule:



Draft - REAP 2021 Program Development Framework

	2021				2022													
	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec			
Grant Program Deadlines and Milestones		Framework Document from State Released		Advance Application Released		Draft Guidelines to be Released by State	State Review of SCAG's Advance Application	State Approval of Advance Application/Full Guidelines to be Released by State							Full Application Deadline: 12/31/22			
Outreach & Engagement	COG Listening Sessions, Subregional Surveys, Development of Advance Application				Outreach & Engagement work: Consultant and staff												Full Application Developed Using Outreach Results	
Program Development	Staff Present Draft Framework to Policy Committees					Advance Application to be Submitted to State	Revised Draft Framework Provided to EAC/RC	Framework Developed Further and Refined Based on Stakeholder Feedback Engagement Process	Final Framework to be Presented to EAC/RC for Approval and Adoption Updates to be Provided to Policy Committees				Staff reports on Outcome of Outreach and Engagement and presents recommendations to Policy Committees and RC		Full Application to be Submitted to State			
CTC Partnership Program						CTC Partnership Working Group Formed: Draft Guidelines, Establish Formal Process for Execution of CTC Program			Final Guideline Approval, Issue Call for Projects and Select CTC Partnership Projects, TC/RC Approvals									
Housing Supportive Infrastructure Program							Housing Policy Forum	One-on-One Sessions with Housing Trust Funds  Open City/County Listening Sessions  Focus Groups	Report on preliminary findings, potential calls for projects (CEHD/RC)	Utilities Industry Forum + Issue RFI Call for Projects Based on Listening Sessions			Staff to Report Findings from Industry Forum (CEHD/RC)		Initial Program Guidelines (CEHD/RC)			

**Subregional Partnership Program v. 2.0**  
**DRAFT Program Approach – for discussion purposes only**

### **Overview**

With its REAP 1.0 funding, SCAG set aside approximately \$23 million of its funding for the Subregional Partnership Program (SRP) to fund subregional planning activities that will accelerate housing production and facilitate compliance in implementing a jurisdiction's 6th cycle RHNA. The program was developed to augment resources available through locally received SB 2 and LEAP grants and foster subregional collaborations to take advantage of economies of scale in meeting housing goals. The funding amount available for each subregional partner was based on the final RHNA allocation.

The planning activities are required to accommodate the development of housing and supportive infrastructure that will accelerate housing production in a way that aligns with state planning priorities, housing, transportation, equity, climate goals, and regional priorities. Projects were aligned with the regional priorities of the adopted Connect SoCal plan and the Housing Policy Framework included.

In July 2021, the State of California established the REAP 2.0 program through AB140. Approximately \$600 million is available statewide to support **transformative and innovative projects** that implement a region's **Sustainable Communities Strategy (SCS)** and help achieve goals of more **housing** and transportation options that **reduce reliance on cars**. The SCAG region's formula share is estimated to be \$246 million, of which an initial allocation of 10 percent (10%) of funds is available for outreach to support program development and the full program funding application. REAP 2.0 draft program guidelines were released by HCD on March 24, 2022, with full program guidelines and the application released in late Spring 2022. With the full program guidelines and after an extensive engagement effort, SCAG will develop a comprehensive REAP 2.0 Program Application in the latter part of 2022.

Based on feedback from the Subregional Councils of Government (COGs), SCAG will work to develop the SRP 2.0 program as part of its SCS Implementation Groundwork Activities, as described in SCAG's REAP 2.0 Draft Program Framework.

### **REAP 2.0 Program Objectives**

Any programs developed for REAP 2.0 funding must align with the four program objectives defined by the State's Program Guidelines. Based on the March 24, 2022 Draft Program Guidelines, these are:

1. Accelerating Infill Development that Facilitates Housing Supply, Choice, and Affordability;
2. Affirmatively Furthering Fair Housing;
3. Coronavirus Economic Recovery; and
4. Reducing Vehicle Miles Traveled

### **Approach to SRP 2.0 Program Guidelines**

While the SRP 2.0 Program Guidelines will be developed through consultation with the COGs and the State Department of Housing and Community Development (HCD), in collaboration with the Office of Planning and Research (OPR), the Strategic Growth Council (SGC), and the State Air Resources Board (CARB), SCAG proposes the following general parameters:

- SRP 2.0 funds will be provided up to the same amount as SRP 1.0, or up to a maximum \$23 million, depending on final budget allocation and level of interest



**Subregional Partnership Program v. 2.0**  
**DRAFT Program Approach – for discussion purposes only**

- SCAG will define the eligible COGs in the same way as the SRP 1.0 program; North Los Angeles County, the City of Los Angeles, the City of Riverside, and the Unincorporated County of Los Angeles will each be considered as eligible entities to apply
- While SCAG will seek applications from COGs, **the funding will not be competitive**. Applications will be developed so as to further ensure all project level activities are grant eligible and also to ensure that metrics and other required information is provided for grant reporting purposes. The allocations will be developed through the guideline development consultation process (with the subregional COGs) and also concurrent with the consideration of the development of additional REAP 2.0 programs, to ensure that SCAG balances the REAP 2.0 Program objectives and directives to focus funding on implementation activities.
- SRP 2.0 funds will fund **COG staffing and/or consultant support** for implementation of the planning activities completed through the SRP 2.0 program, in support of Housing Element compliance, as long as said staffing and support is **consistent with REAP 2.0 Program Guidelines**.
- Because REAP 2.0 is funded with both federal and state funds, SCAG will ensure compliance with all requirements of **both** types of funding in its administration of the REAP 2.0 program. Full program funding requirements will be determined based on the final REAP 2.0 Program Guidelines expected in late Spring 2022.
- REAP 2.0 funds have different and very specific program objectives compared to REAP 1.0, and are focused on **implementation of policies, programs and projects**, rather than the planning processes which were the focus of REAP 1.0. Based on the draft REAP 2.0 Program Guidelines (dated March 24, 2022), SCAG anticipates prioritizing the following uses of SRP 2.0 funds:
  - i. **Land use planning, related studies and/or programs** that result in **implementable/adoptable**<sup>1</sup> programs and policies **required** to meet the programs, projects and commitments in draft, adopted and/or compliant 6<sup>th</sup> cycle **Housing Elements**;
  - ii. **Outreach** efforts in support of programs, projects or plans that are required in draft, adopted and/or compliant 6<sup>th</sup> cycle Housing Elements;
  - iii. Programs or suballocations for **rental assistance** approaches to support **Impacted Households** (as defined by the REAP 2.0 Program Guidelines) in securing stable, long-term housing, including housing vouchers, residential counseling, or housing navigation assistance to facilitate household moves to neighborhoods with high levels of economic opportunity only for “Disproportionately Impacted Households,” defined in Attachment 2 of REAP 2.0 Draft Program Guidelines and SLFRF Final Rule 128;
  - iv. **Grant writing assistance** for cities, counties and other partners to implement items (i) – (iii) above.
- Some COGs may not wish to participate in the SRP 2.0 Program; if that is the case, SCAG will ensure that Program Guidelines and/or other REAP 2.0 funded programs allow cities within non-participating COGs the ability to access SRP 2.0 funding for the program’s approved uses, with more limited funding focused on consultant support.
- Administrative guidance regarding procurements, contracting and the general implementation of the SRP 2.0 Program are under development and will be included in the proposed guidelines, including MOU templates and performance metrics, etc. The guidance will be drafted for **compliance with the final REAP 2.0 Program Guidelines**.

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<sup>1</sup> Subject to adoption/approval of the legislative body



**Subregional Partnership Program v. 2.0**  
**DRAFT Program Approach – for discussion purposes only**

- Participation in the SRP 2.0 program does not preclude COGs and/or their cities, counties and partners from participating in other REAP 2.0 funded programs through the Calls for Projects or other processes identified through the Program Development phase.

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Subregional Partnership Program v. 2.0  
DRAFT Program Approach – for discussion purposes only

**SRP 2.0 Program Development Timeline**

SCAG proposes the following timeline for development of Program Guidelines and issuance of a Call for Applications; this timeline is aggressive and **subject to shift**:

- **Mid May – Mid June 2022:** consult with COGs and HCD on SRP 2.0 Program Guidelines
- **June – July 2022:** COGs to consult with their cities, with SCAG support as desired/appropriate, to solicit projects for SRP 2.0 Program
- **July 7, 2022:** Seek Regional Council approval of SRP 2.0 Program Guidelines
- **August 2022:** Release SRP 2.0 call for applications, proposed 45-day application development period with technical assistance from SCAG staff
- **November 2022:** Seek RC approval of project awards
- **December 2022:** Include SRP 2.0 Program in final REAP 2.0 application