

## CALCOG REPORT to SBCCOG Board of Directors meeting – Thurs., Nov. 21, 2019

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This is a report on the CALCOG Board of Directors meeting that I attended in Sacramento on Friday, November 15, 2019. CALCOG provides a voice for local and regional issues at the state level, most recently having the opportunity to work with the Governor's staff in the development of his Regions Rise Together framework, with the objective of providing more local input into state-level decisions. CALCOG also participated in a successful regional effort to provide \$125 million in RHNA funding for regional governments.

An overview and highlights of these efforts are provided below:

### **CALCOG'S MAJOR ACCOMPLISHMENTS IN 2019**

- ***\$125 Million for Regional Governments in the State Housing Budget.*** In 2018, we raised the issue of the lack of funding for the Regional Housing Needs Assessment (RHNA). We successfully pressed Committee Chairs to raise the issue with bill authors in committee hearings. Then, at the board meeting last year, we set the goal of raising at least \$5 million through the budget process to fund the RHNA process. In early discussions with the Administration, it was soon clear that there was a bigger opportunity. Without going into the details of legislative process, we successfully set aside half the funds for regions (much of which will be sub-allocated to cities and counties) and worked with the League and CSAC to generate support for the proposal.
- ***Leading Voice on Transportation Impacts of SAFE Vehicle Rule.*** Soon the SAFE rule will be upon us. But in preparation, CALCOG staff has been at the forefront of discussions between our members, the Air Resources Board, Department of Transportation, California State Transportation Agency, California Transportation Commission, Department of Transportation, Federal Highways Administration, and US Environmental Protection Agency. Twice this year, Tanisha Taylor has been invited to provide an update at the CTC-ARB joint meeting. Our SAFE Rule information on the CALCOG policytracker has the best information. Unfortunately, the SAFE Rule will negatively affect our members, but making sure that everyone understands the complexities and potential unintended consequences may mitigate some of the harms in advance. Ms. Taylor's work in this area also positions CALCOG as a thought-leader and respected resource among state agencies.
- ***Rural Broadband Project.*** One of the biggest needs of our rural members is getting broadband into rural communities. We received a grant from the California Emerging Technology Fund to identify and map rural transportation projects that broadband in which broadband providers could "piggyback" on to extend their networks more quickly. Last week, the Governor announced a statewide broadband initiative. Our mapping is but one element of this larger framework.
- ***Regions Rise Together.*** Our work with the Regions Rise Together is also positioning the CALCOG brand positively with the new administration. We have yet to see how this will bear fruit.



## REGIONS RISE TOGETHER

### A. BACKGROUND

At the last board meeting staff made a brief presentation about a framework that the Governor was developing called Regions Rise Together. A definite policy framework has yet to emerge, but a couple of fundamental principles are important:

- First, California is a state of regions and state policies need to be flexible enough, and perhaps even delegated, to allow the flexibility needed to be effective.
- Second. Not all regions have shared equally in California's prosperity; additional investment should be made in those regions. Initially, the San Joaquin Valley and Inland Empire have been identified (with acknowledgement that those are not the only areas).

Last week, the statewide economic development organization, California Forward, focused on the Regions Rise Together theme. The Governor was present. But this is still a framework under development. Staff believes that the best collection of public documents that relate to this issue is on the CALCOG website at [www.calcog.org/policytracker](http://www.calcog.org/policytracker). (We may be biased).

### B. STAFF RECOMMENDATION

Staff recommends working with the Administration to develop a program or a pilot to allow local officials on regional agencies a more significant role in identifying and recommending projects for programs like the Affordable Housing and Sustainable Communities (AHSC) program. (See paragraph E below).

### C. REGIONS RISE TOGETHER: A QUICK TIMELINE

- **March, 2019:** Administration's housing trailer bill language includes regional housing funding for the first time. Although this is not part of RRT, it nevertheless underscores how this Administration is more willing to partner with regions than in the past.
- **May 10:** First formal policy mention of RRT appears in Op-Ed signed by Lenny Mendonca, Director of Governors Office of Business and Economic Development and Kate Gordon, Director of Governor's Office of Planning and Research
- **May 29.** CALCOG Board gives staff direction to partner with Administration officials to determine where it will go and develop ideas around devolving state decision-making.
- **June to October.** Staff has a number of conversations and meetings with Administration officials. Staff also starts discussions with California Forward, who is also pursuing the framework (more on that below).
- **July, 2019.** After checking with officers and learning that California Forward's Economic Summit will focus on Regions Rise Together, CALCOG's Regional Leadership Forum is moved to Riverside and adopts RRT theme.



- **July-August.** CALCOG works with designer at Mark Thomas (an in-kind contribution) to develop a Regions Rise Together logo. Administration staff likes it so much that they ask if they can use it; allow California Forward use it. As a good partner, we grant permission.
- **August.** CALCOG staff invited to be on a steering committee for the developing "Regions-Up" policy framework that will elevate regional economic development strategies.
- **September-October.** California Forward hosts a number of workshops in inland areas of the state: San Bernardino, Bakersfield, Merced, and Shasta.
- **September 30.** Administration officials brief CALCOG's Executive Directors Group on the developing regions rise framework.
- **November 7-8, California Economic Summit.** California Forward proposes a "Regions-Up" framework to account for regional diversity.
- **November 8.** Governor addresses Economic Summit. Embraces the idea in his speech. Afterward announces creation of staff positions in the San Joaquin Valley and Inland Empire that will build on economic development and policy ideas. Philanthropists at Summit agree to contribute at least \$23 million to inland areas

#### D. COMMENTS AND OBSERVATIONS

- **A Better State-Regional-Local Partnership?** This framework could provide an opportunity to develop better state-regional-local partnerships. Significant efficiencies could be achieved if the state establishes higher level objectives and devolves the specific project decision making to a level of government closer to the project.
- **Connection between "Regions Up" Economic Development & Transportation Planning.** California Forward's idea is to develop regional economic strategies. In a way, this policy goes back to the pre-SB 375 "Blueprint" grants that were given to regional entities to develop a regional economic and environmental vision that would inform the investment of transportation funds. Having a stronger economic presence within the RTP (and SCS) has been identified as a need by a number of stakeholders. Connecting economic development assumptions in this context (including considerations of economy and equity) should help engage more people in a positive way. However, it will require a great deal of engagement and collaboration with regional agency staff at the regional level. (Read: more funding needed).
- **Not Only Regions Up, But Redevelopment 2.0.** In addition to the Regions Up Strategy, another workgroup at the California Economic Summit discussed a framework for a new kind of Tax Increment Financing tool that would be an improvement over the current process. CALCOG's policy supports implementation of "location efficient" redevelopment.
- **An Opportunity to Devolve Decision Making.** Implementing state goals at a regional scale brings decision making closer to the local level. The administration officials have been very open to discussing pilot programs where a regional entity could award funds or implement a program in some other way that (to use the administration's phrase) "leverages existing local programs." The allocation of housing planning money to councils



of governments is an example of how this might be implemented. CALCOG staff has recommended a pilot involving the AHSC program.

- **Generally, this is a Broader Framework.** While it's tempting to think of how this idea can be used to improve transportation planning, that is not the Administration's sole intent. Put another way, it might be part of the solution, but the Administration is taking a broader look. Kate Gordon stated that RRT is a "different mindset." It's re-thinking how resources are aligned within a region, including education, economic development, housing, philanthropy, environmental protection, infrastructure. This broader discussion of a region will take the conversation and policy making to areas in which CALCOG members have less experience and expertise. But this change, while it may be initially uncomfortable, is a positive direction for the state (who hasn't said that the state should be better at reconciling its programs?)
- **Example: What Is A Region?** That is a good question. For our members, our regions are pretty well established. But for purposes of economic development, regional boundaries are more fluid and may even change over time. These are the kind of questions that may be uncomfortable at first.

## E. CALCOG FORWARD

CALCOG is positioned to be meaningful player in this conversation. (By all rights we should be—you really can't have a good conversation about regionalism in California without the participation of our members). Here is how staff is proposing to engage in the discussion and shape the policies as they develop (feedback appreciated).

- **Continue to Collaborate.** Continue to have conversations with all parties and stakeholders and look for opportunities to build better partnerships.
- **But Know Our Boundaries.** Understand that the RRT framework is going to extend beyond our areas of expertise. For example, we do not need to be involved in workforce training policy initiatives. However, if the new workforce training is part of a newer industry that will have specific transportation and accessibility needs, then those are the types of discussions in which we can be most helpful. Additionally, the strategies must coordinate with climate, housing, and conformity, requirements.
- **Seek a Pilot Program.** Work with the state to devolve key programs in our area, like AHSC, that would allow better regional collaboration, competitiveness and certainty.
- **Seek to Fund (Again) Regional Blueprints.** Additionally, explore the possibility of a Blueprint planning 2.0 that would allow our members the capacity to incorporate regional economic development strategies into regional transportation plans.
- **What Else?** This process is new and undefined. The bullets above represent some initial ideas. Staff welcomes additional thoughts and ideas.



## 2019 KEY PROGRAM AREAS (& WORK COMPLETED)

**Task 1: New Administration Education.** Work with new administration to preserve and expand the state regional partnership.

- ✓ Scheduled numerous meetings throughout the year with new administration officials to develop relationships.
- ✓ Governor's New Special Advisor on Housing spoke at the June board meeting.
- ✓ Engaged fully—helping and helped shape--discussions around the Administration's *Regions Rise Together* policy framework—even creating the logo that the administration is using for the initiative.
- ✓ We continue to position the organization as a technical and policy thought-leader by engaging in other issues, such as SB 743 implementation, housing policy, and SAFE rule impacts.

**Task 2: Get Funding for RHNA in the State Budget.** Advocate for funding for the RHNA process; seek approximately \$5 million in the budget;

- ✓ Obtained \$125 million in the budget for housing planning related to the sixth cycle RHNA, including administration costs.
- ✓ Successfully added trailer bill language that allows eligible regions to request 25% of that funding immediately

**Task 3: Regional Transportation Plan: Education and Defense.** Defend against measures that impinge on regional transportation plan discretion; and educate Legislature and administration about reasonable approaches and improvements.

- ✓ SB 526 (Allen). This bill would have required another study and review of the SCS (after the SB 150 review). Some of our amendments were taken. The bill was placed on the "suspense file" in the Senate—so we will complete the job next year.
- ✓ SB 127 (Weiner). This bill had reasonable elements for Active Transportation projects, but very unreasonable elements related to other state funding. We were successful in getting the unreasonable elements amended out and removed our opposition. The Governor ultimately vetoed the bill.
- ✓ SCS Guidelines. Worked with ARB to make the SCS Guidelines more workable. Many of our amendments were taken verbatim. But at least two issues remained in the final Guidelines. CALCOG staff also worked with the San Joaquin Valley MPOs on issues that affected them more directly. The final result was improved by the effort, but by no means perfect.
- ✓ SAFE Rule. The Federal Administration action to repeal California's waiver to set its own fleet efficiency standards will create significant problems for our members and we spent a great deal of effort educating various state and federal agencies about the effects of the action.