EXECUTIVE COMMITTEE AGENDA

MONDAY, JUNE 5, 2023
4:30 p.m.

CVAG Conference Room
73-710 Fred Waring Drive, Suite 119
Palm Desert, CA 92260

Members of the Committee and the public may attend and participate by video at the following remote location:

Blythe City Hall
235 N Broadway
Room A
Blythe, CA 92225

County Administrative Center
Conference Room C
4080 Lemon Street
Riverside, CA 92502

Members of the public may use the following link for listening access and ability to address the Executive Committee when called upon:

https://us02web.zoom.us/j/85234733930?pwd=eStQN3lobVZlRmxoYllaWXRob3ViUT09

Dial In: +1 669 900 9128 US
Webinar ID: 852 3473 3930
Password: 492488

IF YOU ARE UNABLE TO CONNECT VIA DIAL IN OPTION, PLEASE CALL 760-346-1127

Public Comment is encouraged to be emailed to the Executive Committee prior to the Meeting at cvag@cvag.org by 5:00 p.m. on the day prior to the committee meeting. Comments intended to be read aloud should be no more than 300 characters.

THIS MEETING IS HANDICAPPED ACCESSIBLE.
ACTION MAY RESULT ON ANY ITEMS ON THIS AGENDA.

1. **CALL TO ORDER** – Chair Steven Hernandez, Mayor, City of Coachella

2. **ROLL CALL**

A. **Member Roster** **P5**

3. **PLEDGE OF ALLEGIANCE**

4. **AGENDA MODIFICATIONS (IF ANY)**

5. **PUBLIC COMMENTS ON AGENDA ITEMS**

This is the time and place for members of the public to address the Executive Committee on agenda items. At the discretion of the Chair, comments may be taken at the time items are presented. Please limit comments to three (3) minutes.

6. **CHAIR / EXECUTIVE DIRECTOR ANNOUNCEMENTS**

7. **CONSENT CALENDAR**

A. **Approve the April 24, 2023 Executive Committee Meeting Minutes** **P6**

B. **Approve the updates to CVAG's Personnel Rules & Benefits Manual to take effect as of July 1, 2023, consistent with the approved implementation of the Classification and Total Compensation Study and including other clarifying updates** **P12**

C. **Rename CVAG's Energy & Environmental Resources Committee to be CVAG's Energy & Sustainability Committee, effective July 1** **P77**

D. **Authorize the Chair to execute the Agreement with the Coachella Valley Conservation Commission for Administration of the Coachella Valley Multiple Species Habitat Conservation Plan, allowing the total to be paid each fiscal year to be determined by CVAG's adopted budget specific to CVCC, which will be approved by CVCC and CVAG as part of the annual budget processes** **P78**

7.1 **ITEM(S) HELD OVER FROM CONSENT CALENDAR**

8. **DISCUSSION / ACTION**

A. **Recognition of the 2023 Used Oil Recycling Poster Contest Winner –** Third Grader Antonio Coloma II of La Quinta **P87**

Recommendation: Information

B. **Preview of CVAG's Budget for Fiscal Year 2023/2024 –** Claude Kilgore **P89**

Recommendation: Information

C. **Results from the Feasibility Study to Identify a Sustainable Revenue Stream for Affordable Housing and Related Infrastructure –** Peter Satin **P165**

Recommendation: Receive and authorize for distribution to member agencies the Regional Strategic Plan identifying a sustainable revenue stream for affordable housing and related infrastructure

D. **Landlord Incentive Program for Increasing Available Units –** Erica Felci **P332**

Recommendation: Authorize the Executive Director to implement a landlord incentive program, with one-time payments of $600 per unit for existing landlords and $1,000 for new landlords' first unit, as part of the CV Housing First program and effort to permanently house CV 200 clients

E. **Completion of CV Sync Phase I –** Eric Cowle **P334**

Recommendation: Authorize the Executive Director to take the necessary steps to execute and file the Notice of Completion for the CV Sync – Phase I construction project

F. **Next Steps for Addressing Climate Change, Emergencies and Sand Storms (ACCESS) on Indian Canyon Drive –** Emmanuel Martinez **P336**

Recommendation: Endorse the Addressing Climate Change, Emergencies and Sand Storms (ACCESS) effort along Indian Canyon Drive and other low-water crossings and authorize the Executive Director to commit regional transportation funding to maximize the competitiveness for the 2023 Local Transportation Climate Adaptation Program (LTCAP), with the condition that actual expenditure of funds would be dependent on securing grant funding and funding contributions by local jurisdictions

9. **INFORMATION**

a) Executive Committee Attendance **P339**

b) Status of I-10 Interchange Projects **P340**

c) CVAG Regional Arterial Program – Project Status Report **P342**

d) Bicycle/Pedestrian Safety Program – Project Status Report **P343**

e) CVAG Quarterly Investment Report **P344**

f) CVAG Schedule of Meetings for Fiscal Year 2023/24 **P345**

g) Distributed Energy Resources, Community Solar and Microgrids **P346**

h) Colorado River Negotiations and the Potential Impacts for California **P349**

i) Update on the Inland Regional Energy Network **P352**

j) Net Energy Metering 3.0 and the Implementation of the Solar Billing Plan **P354**

k) Update on Efforts to Regulate Mylar Balloons **P356**

l) Availability of Southern California Edison's Green Rate **P358**

m) School Resource Officers in the Coachella Valley **P360**

n) Coachella Valley Crime Trends **P385**

o) Annual Point-in-Time Count of Homeless Individuals **P393**

p) Member jurisdictions' contributions to CV Housing First **P400**

q) Attendance at CVAG's Standing Committee Meetings **P402**

10. LEGISLATIVE ITEMS –

a) Update from the League of California Cities – Erin Sasse **P407**

b) Update on CVAG's federal and state lobbying efforts – Emmanuel Martinez **P413**

11. PUBLIC COMMENTS ON NON-AGENDA ITEMS

This is the time and place for members of the public to address the Executive Committee on items of general interest within the purview of this committee. Please limit comments to two (2) minutes.

12. ANNOUNCEMENTS

The next meeting of the **Executive Committee** will be held on Monday, June 26 at 4:30 p.m. at The Penney & Parlour at Desert Island, 71777 Frank Sinatra Dr, Rancho Mirage, 92270.

The next meeting of the **General Assembly** will be held on Monday, June 26 at 6 p.m. at The Penney & Parlour at Desert Island, 71777 Frank Sinatra Dr, Rancho Mirage, 92270.

13. CLOSED SESSION

Pursuant to the provisions of Government Code Section 54956.8, the Executive Committee will adjourn to Closed Session.

CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Property: 73-710 Fred Waring Dr., various suites, and 41-550 Eclectic Street, Suite designated as D200D and various suites, City of Palm Desert

CVAG Negotiator: Tom Kirk, Executive Director

Negotiating Parties: City of Palm Desert and Regional Access Project Foundation

Under Negotiation: Price and Terms of Payment

14. ADJOURNMENT

ITEM 2A

EXECUTIVE COMMITTEE

2022-2023 ROSTER

Jurisdiction	Members
City of Palm Springs, **Past Chair**	**Grace Garner** Mayor
City of Indio	**Oscar Ortiz** Mayor
Twenty-Nine Palms Band of Mission Indians	**Darrell Mike** Tribal Chair
Torres Martinez Desert Cahuilla Indians	**Joseph Mirelez** Tribal Vice Chair
Cabazon Band of Cahuilla Indians	**Brenda Soulliere** Tribal Member
Agua Caliente Band of Cahuilla Indians	**Reid Milanovich** Chairman
City of Indian Wells	**Donna Griffith** Mayor
City of Cathedral City	**Rita Lamb** Mayor
City of Palm Desert	**Kathleen Kelly** Mayor
City of La Quinta	**Linda Evans** Mayor
City of Blythe	**Joseph DeConinck** Mayor
County of Riverside	**Kevin Jeffries,** 1st District Supervisor **Karen Spiegel,** 2nd District Supervisor **Chuck Washington,** 3rd District Supervisor **V. Manuel Perez,** 4th District Supervisor **Yxstian Gutierrez,** 5th District Supervisor
City of Rancho Mirage	**Ted Weill** Councilmember
City of Desert Hot Springs, **Vice Chair**	**Scott Matas** Mayor
City of Coachella, **Chair**	**Steven Hernandez** Mayor

ITEM 7A

EXECUTIVE COMMITTEE
MINUTES OF MEETING
APRIL 24, 2023

The audio file for this committee meeting can be found at: http://www.cvag.org/audio.htm
Any handouts distributed during the meeting will placed in the meeting file.

1. CALL TO ORDER

The Executive Committee meeting was called to order by Chair Steven Hernandez, Mayor, City of Coachella, at 4:31 p.m. in the CVAG Conference Room, Suite 119, in Palm Desert.

2. ROLL CALL

A roll call was taken, and it was determined that a quorum was present. Those in attendance were as follows:

MEMBERS PRESENT	AGENCY
Mayor Grace Garner, **Past Chair**	City of Palm Springs *(arrived at start of item 7)*
Mayor Oscar Ortiz	City of Indio
Tribal Chair Reid Milanovich	Agua Caliente Band of Cahuilla Indians
Mayor Donna Griffith	City of Indian Wells
Mayor Rita Lamb	City of Cathedral City
Mayor Kathleen Kelly	City of Palm Desert
Mayor Linda Evans	City of La Quinta
Mayor Joseph DeConinck	City of Blythe
Supervisor V. Manuel Perez	County of Riverside 4th District
Supervisor Yxstian Gutierrez	County of Riverside 5th District
Councilmember Ted Weill	City of Rancho Mirage
Mayor Steven Hernandez	City of Coachella

MEMBERS NOT PRESENT	AGENCY
Tribal Chair Darrell Mike	Twenty-Nine Palms Band of Mission Indians
Tribal Vice Chair Joseph Mirelez	Torres Martinez Desert Cahuilla Indians
Tribal Member Brenda Soulliere	Cabazon Band of Mission Indians
Supervisor Kevin Jeffries	County of Riverside 1st District
Supervisor Karen Spiegel	County of Riverside 2nd District
Supervisor Chuck Washington	County of Riverside 3rd District
Mayor Scott Matas	City of Desert Hot Springs

3. PLEDGE OF ALLEGIANCE

Mayor Rita Lamb led the Executive Committee in the Pledge of Allegiance.

4. AGENDA MODIFICATIONS (IF ANY)

None.

5. PUBLIC COMMENTS ON AGENDA ITEMS

Ken Seumalo, Public Works Director for the City of Indian Wells, noted how he had changed his perspective on the CV Sync project and was now a supporter of the regional signal synchronization project. He also thanked the project team for their assistance in using CV Sync to help with traffic during major events over the last few months.

6. CHAIR / EXECUTIVE DIRECTOR ANNOUNCEMENTS

Executive Director Tom Kirk welcomed the members back to in-person meetings at the CVAG conference room and explained meeting logistics regarding Zoom and the Brown Act. Mr. Kirk also announced that CVAG will not be accepting additional Regional Early Action Planning (REAP) money from the Southern California Association of Governments (SCAG), and have instead directed SCAG staff to allocate the money to the region's local cities who apply for the grant and are awarded funding.

7. CONSENT CALENDAR

IT WAS MOVED BY MAYOR KELLY AND SECONDED BY MAYOR EVANS TO APPROVE THE CONSENT CALENDAR.

A. Approve the February 27, 2023 Executive Committee Meeting Minutes

B. Approve the appointment of regional representatives to Southern California Association of Governments' policy committees and name Desert Hot Springs Councilmember Russell Betts to the Transportation Committee, Coachella Councilmember Stephanie Virgen to the Energy and Environment Committee and Indio Councilmember Waymond Fermon to the Community, Economic and Human Development Committee

C. Appoint Rancho Mirage Councilmember Ted Weill to fill an immediate vacancy on the Finance Committee and appoint Blythe Interim City Manager Mallory Crecelius to the Finance Committee effective July 1, 2023, with both terms extending through June 30, 2026

D. Receive and file the quarterly report for the CV Housing First program, representing clients served in the first quarter of 2023

E. Adopt a 7.4- percent increase in Transportation Uniform Mitigation Fee (TUMF) rates to take effect January 1, 2024, and update the TUMF Handbook to reflect the revised fee upon its effective date

F. Approve Resolution 2023-01 authorizing grant applications for tire and oil recycling programs through 2028

G. Authorize the Executive Director, in consultation with the CVAG Chair, to execute the contracts necessary to host an in-person dinner event for the 2023 CVAG General Assembly

THE MOTION TO CARRIED WITH 12 AYES AND 7 MEMBERS ABSENT.

MAYOR GARNER	**AYE**
MAYOR ORTIZ	**AYE**
TRIBAL CHAIR MIKE	**ABSENT**
TRIBAL VICE CHAIR MIRELEZ	**ABSENT**
TRIBAL COUNCILMEMBER SOULLIERE	**ABSENT**
TRIBAL CHAIR MILANOVICH	**AYE**
MAYOR GRIFFITH	**AYE**
MAYOR LAMB	**AYE**
MAYOR KELLY	**AYE**
MAYOR EVANS	**AYE**
MAYOR DECONINCK	**AYE**
SUPERVISOR JEFFRIES	**ABSENT**
SUPERVISOR SPIEGEL	**ABSENT**
SUPERVISOR WASHINGTON	**ABSENT**
SUPERVISOR PEREZ	**AYE**
SUPERVISOR GUTIERREZ	**AYE**
COUNCILMEMBER WEILL	**AYE**
MAYOR MATAS	**ABSENT**
MAYOR HERNANDEZ	**AYE**

7.1 ITEM(S) HELD OVER FROM CONSENT CALENDAR

None.

8. DISCUSSION / ACTION

A. Update on the Looming Closure of Chuckawalla Valley State Prison

Assistant Executive Director Erica Felci presented the staff report and introduced the “Save Chuck” video created by the City of Blythe to raise awareness regarding the closure of the state prison.

Mayor DeConinck provided an update on the City of Blythe’s efforts to prevent the closure of Chuckawalla.

Member discussion ensued. Supervisor Perez noted that the County was working with the City of Blythe on trying to stop the closure or mitigate the effects. Executive Director Tom Kirk noted that CVAG has already taken a position of support on the issue and will continue to monitor it and check in with the City on updates.

No action was taken as this was an information item.

B. Contract for Phase I of Enterprise Resource Planning (ERP) Selection Process

Finance Director Claude Kilgore gave an introduction of the ERP selection process and introduced Contracts Analyst Allen McMillen, who explained the process.

IT WAS MOVED BY SUPERVISOR PEREZ AND SECONDED BY MAYOR KELLY TO AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE A SERVICES CONTRACT WITH BERRYDUNN FOR A TOTAL NOT-TO-EXCEED AMOUNT OF $146,850, INCLUDING A 10% CONTINGENCY, PHASE I OF THE ENTERPRISE RESOURCE PLANNING SELECTION SERVICES, AND AUTHORIZE THE EXECUTIVE DIRECTOR AND/OR LEGAL COUNSEL TO MAKE CLARIFYING CHANGES TO THE CONTRACT BEFORE EXECUTION.

THE MOTION TO CARRIED WITH 12 AYES AND 7 MEMBERS ABSENT.

MAYOR GARNER	**AYE**
MAYOR ORTIZ	**AYE**
TRIBAL CHAIR MIKE	**ABSENT**
TRIBAL VICE CHAIR MIRELEZ	**ABSENT**
TRIBAL COUNCILMEMBER SOULLIERE	**ABSENT**
TRIBAL CHAIR MILANOVICH	**AYE**
MAYOR GRIFFITH	**AYE**
MAYOR LAMB	**AYE**
MAYOR KELLY	**AYE**
MAYOR EVANS	**AYE**
MAYOR DECONINCK	**AYE**
SUPERVISOR JEFFRIES	**ABSENT**
SUPERVISOR SPIEGEL	**ABSENT**
SUPERVISOR WASHINGTON	**ABSENT**
SUPERVISOR PEREZ	**AYE**
SUPERVISOR GUTIERREZ	**AYE**
COUNCILMEMBER WEILL	**AYE**
MAYOR MATAS	**ABSENT**
MAYOR HERNANDEZ	**AYE**

C. Local Agency Technical Assistance Grant for Broadband Master Plan

Program Manager Emmanuel Martinez provided an update on SB 156 and the broadband master plan grant.

IT WAS MOVED BY SUPERVISOR PEREZ AND SECONDED BY MAYOR ORTIZ TO AUTHORIZE THE EXECUTIVE DIRECTOR TO TAKE THE NECESSARY ACTIONS TO ACCEPT $978,460 TO CONDUCT A COACHELLA VALLEY BROADBAND STRATEGIC PLAN, INCLUDING EXECUTING THE NECESSARY GRANT AGREEMENT WITH THE CALIFORNIA PUBLIC UTILITIES COMMISSION'S LOCAL AGENCY TECHNICAL ASSISTANCE GRANT PROGRAM.

THE MOTION TO CARRIED WITH 12 AYES AND 7 MEMBERS ABSENT.

MAYOR GARNER	**AYE**
MAYOR ORTIZ	**AYE**
TRIBAL CHAIR MIKE	**ABSENT**
TRIBAL VICE CHAIR MIRELEZ	**ABSENT**
TRIBAL COUNCILMEMBER SOULLIERE	**ABSENT**
TRIBAL CHAIR MILANOVICH	**AYE**
MAYOR GRIFFITH	**AYE**
MAYOR LAMB	**AYE**
MAYOR KELLY	**AYE**

MAYOR EVANS	**AYE**
MAYOR DECONINCK	**AYE**
SUPERVISOR JEFFRIES	**ABSENT**
SUPERVISOR SPIEGEL	**ABSENT**
SUPERVISOR WASHINGTON	**ABSENT**
SUPERVISOR PEREZ	**AYE**
SUPERVISOR GUTIERREZ	**AYE**
COUNCILMEMBER WEILL	**AYE**
MAYOR MATAS	**ABSENT**
MAYOR HERNANDEZ	**AYE**

D. Improvement on Avenue 50 as part of CV Sync- Phase II

Program Manager Kristopher Gunterson provided an update on CV Sync's use during festival season in the Coachella Valley.

Transportation Engineer Eric Cowle presented the staff report and explained the bid alternatives.

IT WAS MOVED BY MAYOR GRIFFITH AND SECONDED BY MAYOR EVANS TO AUTHORIZE THE EXECUTIVE DIRECTOR TO:

1. **EXECUTE A CONTRACT ADJUSTMENT WITH CROSSTOWN ELECTRICAL & DATA, INC., FOR A NOT-TO-EXCEED AMOUNT $5,630,464.50 TO AUTHORIZE CONSTRUCTION BID ALTERNATE A3- AVENUE 50 FOR PHASE II OF CV SYNC, AND AUTHORIZE THE EXECUTIVE DIRECTOR AND/OR LEGAL COUNSEL TO MAKE CLARIFYING CHANGES TO THE CONTRACT BEFORE EXECUTION; AND**
2. **WORK WITH THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION TO ALLOCATE CONGESTION MANAGEMENT AND AIR QUALITY (CMAQ) FUNDS TO BID ALTERNATIVE A3 OF PHASE II OF CV SYNC**

THE MOTION TO CARRIED WITH 12 AYES AND 7 MEMBERS ABSENT.

MAYOR GARNER	**AYE**
MAYOR ORTIZ	**AYE**
TRIBAL CHAIR MIKE	**ABSENT**
TRIBAL VICE CHAIR MIRELEZ	**ABSENT**
TRIBAL COUNCILMEMBER SOULLIERE	**ABSENT**
TRIBAL CHAIR MILANOVICH	**AYE**
MAYOR GRIFFITH	**AYE**
MAYOR LAMB	**AYE**
MAYOR KELLY	**AYE**
MAYOR EVANS	**AYE**
MAYOR DECONINCK	**AYE**
SUPERVISOR JEFFRIES	**ABSENT**
SUPERVISOR SPIEGEL	**ABSENT**
SUPERVISOR WASHINGTON	**ABSENT**
SUPERVISOR PEREZ	**AYE**
SUPERVISOR GUTIERREZ	**AYE**
COUNCILMEMBER WEILL	**AYE**
MAYOR MATAS	**ABSENT**
MAYOR HERNANDEZ	**AYE**

9. INFORMATION

a) Executive Committee Attendance

b) Status of I-10 Interchange Projects

c) CVAG Regional Arterial Program – Project Status Report

d) Bicycle/Pedestrian Safety Program – Project Status Report

e) Regional Efforts to Expand Urban Tree Planting and Increase Shade

f) Imperial Irrigation District (IID) Governance and Electricity Services Study

g) Update on Inland Regional Energy Network Actions and Program Rollout

h) Update on Property Assessed Clean Energy (PACE) program

i) SB 821 Call for Projects

j) Expansion of Commuter & Motorist Assistance Program to the Coachella Valley

k) Member jurisdictions' contributions to CV Housing First

l) Update on Palm Springs Navigation Center

m) Landlord incentive program for increasing available units

10. LEGISLATIVE ITEMS –

a) Update on Federal and State Advocacy Efforts

b) Update from the League of California Cities

11. PUBLIC COMMENTS ON NON-AGENDA ITEMS

None.

12. ANNOUNCEMENTS

The next meeting of the **Executive Committee** will be held on Monday, June 5 at 4:30 p.m. at the CVAG conference room, 73-710 Fred Waring Drive, Suite 119, Palm Desert, 92260.

13. ADJOURNMENT – Chair Hernandez adjourned the meeting at 5:18 p.m.

Respectfully submitted,
Elysia Regalado, Management Analyst

ITEM 7B

Coachella Valley Association of Governments
Executive Committee
June 5, 2023

STAFF REPORT

Subject: **Updated Personnel Rules & Benefits Manual**

Contact: Erica Felci, Assistant Executive Director (efelci@cvag.org)

Recommendation: Approve the updates to CVAG's Personnel Rules & Benefits Manual to take effect as of July 1, 2023, consistent with the approved implementation of the Classification and Total Compensation Study and including other clarifying updates

Administrative/ Personnel Committee: Concurred (Meeting of April 24) and staff has since added one change to Section 4.21

Background: In December 2021, based on the recommendation from the Administrative/Personnel Committee, the Executive Committee authorized the Executive Director to negotiate and execute an agreement with Koff & Associates to conduct a Classification and Total Compensation Study (the Study) as part of a joint effort with Western Riverside Council of Governments (WRCOG), and authorize the Administrative/Personnel Committee to direct the related next steps. The study did not include CVAG's Executive Director, as he is hired by contract. In June 2022, the CVAG General Assembly, at the recommendation of the Executive Committee, adopted Resolution 2022-005, which adopted the current fiscal year budget provided a cost-of-living adjustment to salaries and empowered the Administrative/ Personnel Committee to modify the personnel classification system and salary schedule based on the study's outcome, so long as the total personnel expenses remain within the agency's overall budget for salaries.

In November 2022, the Administrative/ Personnel Committee was provided with a final report and provided direction on the implementation of the study's recommendations. This authorization included new classifications and changing the salary structure from a longevity-based step system to a merit-based open range salary structure with an established minimum, control point, and maximum. Additional changes included the implementation of employment agreements for management and director-level staff, the removal of administrative leave and additional vacation and holiday time for staff. The goal of these changes is to ensure CVAG can retain and recruit top talent by remaining competitive, yet take a conservative approach by not being at the top of the market.

In order to achieve consistency, the Administrative/ Personnel Committee authorized the Executive Director to make modifications to the CVAG Personnel Rules & Benefits Manual. The existing manual, which was last updated in December 2020, includes a number of references to salary steps, receiving increases based on years of service and the previous classification structure. These references have been replaced with references to the new classifications and ranges and performance evaluation system. It also includes the updated benefit offerings that the Administrative/ Personnel Committee endorsed for inclusion in the Fiscal Year 2023/24 Budget,

including the end of administrative leave, the addition of two vacation days, a deferred compensation plan with match, and a rotating holiday.

Staff provided a redlined version of the changes to the Administrative/ Personnel Committee when it met on April 24, 2023 and the Committee endorsed the changes. Since then, staff has identified one additional change in Section 4.21 as it relates to reimbursements for meals when staff travels. This item has not been addressed in some time, and staff is recommending a slight adjustment to the daily allowance for meals, from a total of $50 daily to $60 daily. Staff is also recommending the allocation be adjusted annually to be consistent with any cost-of-living adjustment that is included in the annual budget for staff salaries.

Once approved, the document will be circulated to staff after the budget is adopted.

Fiscal Analysis: The authorization for these changes were provided in June 2022 when the CVAG General Assembly, at the recommendation of the Executive Committee, adopted Resolution 2022-005, which adopted the current fiscal year budget provided a cost-of-living adjustment to salaries and empowered the Administrative/ Personnel Committee to modify the personnel classification system and salary schedule based on the study's outcome, so long as the total personnel expenses remain within the agency's overall budget for salaries.

The estimated costs for the new benefits provided to CVAG Staff beginning July 1, 2023 will be finalized with CVAG's FY2023/2024 budget, which will be presented to CVAG's Finance Committee in May 2023. These costs to CVAG are currently estimated at $80,000 for 401(a) deferred compensation matching contributions and approximately $32,000 for two additional vacation days. The increased costs are generally offset via productivity gains with the concurrent removal of paid administrative leave which was previously offered to FLSA Exempt employees at a rate of 80 hours per year.

Attachments: Redlined updates to CVAG's Personnel Rules & Benefits Manual

Coachella Valley Association of Governments

Personnel Rules and Benefits

~~November 12, 2020~~July 1, 2023

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Core Policies

1.0 Welcome

1.1 A Welcome Policy

Welcome! You have just joined a dedicated organization. We hope that your employment with Coachella Valley Association of Governments, “CVAG” or “Agency”, will be rewarding and challenging. We take pride in our employees as well as in the products and services we provide.

The Agency complies with all federal and state employment laws, and this handbook generally reflects those laws. The Agency also complies with any applicable local laws, although there may not be an express written policy regarding those laws contained in the handbook.

The employment policies and/or benefits summaries in this handbook are written for all employees.

Please take the time now to read this handbook carefully. Sign the acknowledgment at the end to show that you have read, understood, and agree to the contents of this handbook, which sets out the basic rules and guidelines concerning your employment. This handbook supersedes any previously issued handbooks or policy statements dealing with the subjects discussed herein. The Agency reserves the right to interpret, modify, or supplement the provisions of this handbook at any time. Neither this handbook nor any other communication by a management representative or other, whether oral or written, is intended in any way to create a contract of employment. Please understand that no employee handbook can address every situation in the workplace.

If you have questions about your employment or any provisions in this handbook, contact me or the human resources staff.

We wish you success in your employment here at CVAG!

All the best,

Tom Kirk
Executive Director
Coachella Valley Association of Governments

1.2 Employment Relationship

For Cause Employment

Generally, employees are employed at CVAG under a “for cause” employment relationship. This means that employees who may be subject to disciplinary action or termination by CVAG, will be given the opportunity to be heard through grievance or appeals process outlined in this handbook.

At-Will Employment

CVAG also employs specific categorized employees on an “at-will” basis. Employees who fall into the at-will employment relationship are (1) those employed in the ~~Homeless Services~~CV Housing First program ~~unit~~ and (2) program managers and director-level management employees. ~~hired as of the effective date of this manual and thereafter, unless otherwise determined by CVAG.~~ For these employees, your employment may be terminated at any time, with or without notice and with or without cause. Likewise, we respect your right to leave CVAG at any time, with or without notice and with or without cause.

Nothing in this handbook or any other Agency document should be understood as creating a contract, guaranteed or continued employment, a right to termination only "“for cause,"” or any other guarantee of continued benefits or employment for employees employed on an at-will basis. Only the Executive Director has the authority to make promises or negotiate with regard to guaranteed or continued employment, and any such promises are only effective if documented in writing and signed by the Executive Director.

If a written agreement between an at-will and CVAG is inconsistent with this handbook, the written agreement is controlling.

Nothing in this handbook will be interpreted, applied, or enforced to interfere with, restrain, or coerce employees in the exercise of their rights under Section 7 of the National Labor Relations Act.

1.3 Revisions to Handbook

This handbook is our attempt to keep you informed of the terms and conditions of your employment, including CVAG policies and procedures. The handbook is not a contract. The Agency reserves the right to revise, add, or delete from this handbook as we determine to be in our best interest, except the policy concerning at-will employment. When changes are made to the policies and guidelines contained herein, we will endeavor to communicate them in a timely fashion, typically in a written supplement to the handbook or in a posting on Agency bulletin boards.

2.0 Introductory Language and Policies

2.1 About the Agency

The purpose of this manual is to provide employees of CVAG with an overview of CVAG’s policies, benefits and rules.

It shall be the duty of all CVAG employees to comply and assist in carrying into effect the provisions of this manual and such internal management memoranda as the Executive Director shall issue.

The Executive Director is responsible for the administration of the personnel system. They may delegate any such powers and duties to any other officer or employee. The Executive Director or designee shall have the authority to appoint, promote, transfer, discipline, and terminate all employees of CVAG in accordance with the personnel practices described in this document, and adopted by CVAG.

The Executive Director, with the authority and direction of the Executive Committee, has authority not specifically delegated in this document, including, but not limited to: the exclusive right to determine the administrative goals and objectives of CVAG, set standards for performance, determine the procedures and standards of selection for employment and promotion, direct employees, take disciplinary action, lay off employees because of lack of work or for other business reasons, maintain the efficiency of CVAG's activities, determine the methods, means and personnel by which CVAG's activities are to be conducted, determine the content of position classifications, exercise control and discretion over the organization of CVAG and the technology required to perform its goals and objectives.

The CVAG Executive Committee or, when delegated to the Administrative/ Personnel Committee, shall have the authority to modify and update the personnel rules and policies as necessary and appropriate.

Members of the Executive Committee and the General Assembly of CVAG shall deal with the administrative services of CVAG only through the Executive Director, except for the purpose of inquiry, and neither the Executive Committee nor the General Assembly or any member thereof shall give orders to any subordinates of the Executive Director; nor shall any subordinates of the Executive Director contact any member of the Executive Committee or General Assembly, without the express permission of the Executive Director, for the purpose of attempting to influence any decision of the Executive Director, the Executive Committee or the General Assembly. For purposes of this section, "inquiry" means any and all communications short of giving orders, directions, or instructions to any member of the administrative staff. Such members shall give all information reasonably requested by any Executive Committee or General Assembly member. The Executive Director shall take their orders and instructions from the Executive Committee or General Assembly only when sitting in a duly convened meeting of the Executive Committee or General Assembly and no individual member of either of these bodies shall give any orders or instructions to the Executive Director. The Executive Committee or General Assembly shall instruct the Executive Director in matters of policy. Any action, determination or omission of the Executive Director shall be subject to review by the Executive Committee. The Executive Committee may not overrule, change, or modify any such action, determination, or omission except by the affirmative vote of at least a majority of all the members of the Executive Committee with voting privileges.

2.2 Ethics Code

CVAG will conduct business honestly and ethically wherever operations are maintained. We strive to improve the quality of our services, products, and operations and will maintain a reputation for honesty, fairness, respect, responsibility, integrity, trust, and sound business judgment. Our managers and employees are expected to adhere to high standards of business and personal integrity as a representation of our business practices, at all times consistent with their duty of loyalty to the Agency.

We expect that officers, directors, and employees will not knowingly misrepresent the Agency and will not speak on behalf of the Agency unless specifically authorized.

Violation of the Code of Ethics can result in discipline, up to and including termination of employment. The degree of discipline imposed may be influenced by the existence of voluntary disclosure of any ethical violation and whether or not the violator cooperated in any subsequent investigation.

3.0 Hiring and Orientation Policies

3.1 New Hires and Introductory Periods

The first 12 months of your employment is considered an introductory period. During this period, you will become familiar with CVAG and your job responsibilities, and we will have the opportunity to monitor the quality and value of your performance and make any necessary adjustments in your job description or responsibilities. Your introductory period with the Agency can be shortened or lengthened as deemed appropriate by the Executive Director. During the introductory period (whether in the initial 12 months or during any extended period), all employees are considered to be at-will, and may be terminated at any time without cause or without recourse to any appeal procedure or any other appeal right. Completion of this introductory period does not imply guaranteed or continued employment. Nothing that occurs during or after this period should be construed to change the nature of the applicable employment relationship.

Severance Policy

A severance benefit may be available for employees employed in ~~director~~ positions with ~~on an~~ at-will employment agreements ~~basis~~ who have successfully completed their introductory period in the event that they are involuntary terminated due to a layoff, change in Agency direction, or job elimination or reorganization, conditioned upon the signing of a severance release and waiver agreement. Under such circumstances, in the discretion of the Executive Director, severance may be offered to the departing director in an amount (a) up to and not to exceed three (3) months of employee's base salary at the time of separation if the employee was employed by CVAG for a period of three (3) years, or (b) up to and not to exceed six (6) months of employee's base salary at the time of separation if the employee was employed by CVAG for a period of more than three (3) years.

No severance will be provided to an at-will, program manager or director level employee who has not successfully completed their introductory period, is terminated for cause (which shall include, but not be limited to a material breach of the employee's Employment Agreement; any immoral, unethical, or bad faith conduct; any conduct that reflects moral turpitude, including but not limited to fraud, embezzlement, bribery or perjury; any conduct that amounts to discrimination or harassment; and any conduct in violation of applicable laws, rules or regulations, including but not limited to conduct amounting to violation of the Political Reform Act or Government Code Section 1090), who loses their position solely through poor performance, who voluntarily resigns, who leaves CVAG employment due to a service or disability retirement, or due to the employee's inability to perform all or substantially all of employee's duties due to illness or other disability, or who violates CVAG policies.

Severance payments may be made in a single lump sum or via regular pay cycles for the specified duration of the severance period after employee's separation. If employee is paid via regular pay cycles, employee will not be considered to be employed by CVAG during that time period and no additional benefits of any kind will continue or accrue.

3.2 Employment Authorization Verification

New hires will be required to complete Section 1 of federal Form I-9 on the first day of paid employment and must present acceptable documents authorized by the U.S. Citizenship and Immigration Services to prove your identity and authorization to be legally employed in the United States. Acceptable documents must be presented within three business days following the start of employment with CVAG. In addition, you will be required to sign a verification attesting to your employment authorization. If you are currently employed and have not complied with this requirement or if your status has changed, you must inform your Director immediately.

If you are authorized to work in this country for a limited period of time, you will be required to submit proof of renewed employment eligibility prior to expiration of that period to remain employed by the Agency.

3.3 EEO Statement and Anti-harassment Policy

Equal Opportunity Statement

CVAG is committed to the principles of equal employment. We are committed to complying with all federal, state, and local laws providing equal employment opportunities, and all other employment laws and regulations. It is our intent to maintain a work environment that is free of harassment, discrimination, or retaliation based on an individual's race (including, but not limited to, hair texture and protective hairstyles such as braids, locks, and twists), color, religion, religious creed (including religious dress and grooming practices), national origin, ancestry, citizenship, physical or mental disability, medical condition (including cancer, genetic characteristics, and HIV/AIDS related conditions), genetic information, marital status, sex (including pregnancy, childbirth, breastfeeding, or related medical conditions), gender (including gender identity and gender expression), age (40 years and over), sexual orientation, veteran and/or military status, protected medical leaves (requesting or approved for leave under the Family and Medical Leave Act or the California Family Rights Act), domestic violence victim status, political affiliation, family and parental status, or any other status protected by federal, state, or local laws. The Agency is dedicated to the fulfillment of this policy in regard to all aspects of employment, including but not limited to recruiting, hiring, placement, transfer, training, promotion, rates of pay, and other compensation, termination, and all other terms, conditions, and privileges of employment.

The Agency will conduct a confidential, prompt, and thorough investigation of all allegations of discrimination, harassment, or retaliation, or any violation of the Equal Employment Opportunity Policy. The Agency will take appropriate corrective and remedial action, when warranted. The Agency prohibits retaliation against any employees who provide information about, complain about, or assist in the investigation of any complaint of discrimination or violation of the Equal Employment Opportunity Policy.

We are all responsible for upholding this policy. You may discuss questions regarding equal employment opportunity with your Director or any other designated member of management.

Policy Against Workplace Harassment

CVAG has a strict policy against all types of workplace harassment, including sexual harassment and other forms of workplace harassment based upon an individual's race (including, but not limited to, hair texture and protective hairstyles such as braids, locks, and twists), color, religion, religious creed (including religious dress and grooming practices), national origin, ancestry, citizenship, physical or mental disability, medical condition (including cancer, genetic characteristics, and HIV/AIDS related conditions), genetic information, marital

status, sex (including pregnancy, childbirth, breastfeeding, or related medical conditions), gender (including gender identity and gender expression), age (40 years and over), sexual orientation, veteran and/or military status, protected medical leaves (requesting or approved for leave under the Family and Medical Leave Act or the California Family Rights Act), domestic violence victim status, political affiliation, family and parental status or any other status protected by federal, state, or local laws.

This policy protects all applicants and employees (including managers and supervisors) from unlawful harassment and discrimination. This includes harassment by employees, managers, supervisors, contractors, interns, volunteers, vendors, suppliers, and customers. In addition, this policy extends to conduct connected with an individual's work, even when the conduct takes place away from the workplace, such as a business trip or business-related social function.

Harassment

Harassment means disrespectful or unprofessional conduct, including disrespectful or unprofessional conduct based on an individual's race (including, but not limited to, hair texture and protective hairstyles such as braids, locks, and twists), color, religion, religious creed (including religious dress and grooming practices), national origin, ancestry, citizenship, physical or mental disability, medical condition (including cancer, genetic characteristics, and HIV/AIDS related conditions), genetic information, marital status, sex (including pregnancy, childbirth, breastfeeding, or related medical conditions), gender (including gender identity and gender expression), age (40 years and over), sexual orientation, veteran and/or military status, protected medical leaves (requesting or approved for leave under the Family and Medical Leave Act or the California Family Rights Act), domestic violence victim status, political affiliation, family and parental status or any other status protected by federal, state, or local laws.

While it is not possible to list all the circumstances that may constitute other forms of workplace harassment, some examples of conduct that may constitute workplace harassment include:

- The use of disparaging or abusive words or phrases, slurs, negative stereotyping, or threatening, intimidating, or hostile acts that relate to the above protected categories;
- Written or graphic material that insults, stereotypes, or shows aversion or hostility toward an individual or group because of one of the above protected categories and that is placed on walls, bulletin boards, email, voicemail, or elsewhere on Agency premises, or circulated in the workplace; or
- A display of symbols, slogans, or items that are associated with hate or intolerance toward any select group.

Sexual Harassment

Sexual harassment conduct includes all of the prohibited actions set forth above, as well as other unwelcome conduct such as unwanted sexual advances, requests for sexual favors or visual, verbal or physical conduct of a sexual nature when: (1) submission to such conduct is made a term or condition of employment; or (2) submission to or rejection of such conduct is used as a basis for employment decisions affecting the individual; or (3) such conduct has the purpose or effect of unreasonably interfering with an employee’s work performance or creating an intimidating, hostile, or offensive working environment. Sexual harassment can occur between members of the same or opposite sex. Employees are hereby informed that no supervisor, manager, or other person or sexually harassing conduct need not be motivated by sexual desire and may include situations that began as reciprocal relationships, but that later cease to be reciprocal.

Sexual harassment is generally categorized into the following two types:

- Quid pro quo sexual harassment ("this for that"), which includes:
  - Submission to sexual conduct when made explicitly or implicitly a term or condition of an individual's employment.
  - Submission to or rejection of the conduct by an employee when used as the basis for employment decisions affecting the employee.

- Hostile work environment sexual harassment is conduct of a sexual nature or on the basis of sex by any person in the workplace that unreasonably interferes with an employee's work performance and/or creates an intimidating, hostile, or otherwise offensive working environment. Examples include:
  - Unwelcome sexual advances, flirtation, teasing, sexually suggestive or obscene letters, invitations, notes, emails, voicemails, or gifts.
  - Sex, gender, or sexual orientation-related comments, slurs, jokes, remarks, or epithets.
  - Leering, obscene, or vulgar gestures, or sexual gestures.
  - Displaying or distributing sexually suggestive or derogatory objects, pictures, cartoons, or posters or any such items.
  - Impeding or blocking movement, unwelcome touching, or assaulting others.
  - Any sexual advances that are unwelcome as well as reprisals or threats after a negative response to sexual advances.
  - Conduct or comments consistently targeted at one gender, even if the content is not sexual.

Retaliation

Retaliation means any adverse employment action taken against an employee because the employee engaged in activity protected under this policy. Protected activities may include, but are not limited to, reporting or assisting in reporting suspected violations of this policy and/or cooperating in investigations or proceedings arising out of a violation of this policy.

Adverse employment action is conduct or an action that materially affects the terms and conditions of the employee's employment status or is reasonably likely to deter the employee from engaging in protected activity. Even actions that do not result in a direct loss of compensation may be regarded as an adverse employment action when considered in the totality of the circumstances.

Examples of retaliation under this policy include but are not limited to: demotion, suspension, reduction in pay, denial of a merit salary increase, failure to hire or consider for hire, refusing to promote or consider for promotion because of reporting a violation of this policy, harassing another employee for filing a complaint, denying employment opportunities because of making a complaint or for cooperating in an investigation, changing someone's work assignments for identifying harassment or other forms of discrimination in the workplace, treating people differently such as denying an accommodation, not talking to an employee when otherwise required by job duties, or otherwise excluding the employee from job-related activities because of engagement in activities protected under this policy.

CVAG prohibits retaliation against employees who, based on a reasonable belief, provide information about, complain, or assist in the investigation of any complaint of harassment or discrimination.

Reporting Discrimination, Harassment, and/or Retaliation

If you feel that you have witnessed or have been subjected to any form of discrimination, harassment, or retaliation, immediately notify the Executive Director.

We will promptly and thoroughly investigate any claim and take appropriate corrective and/or remedial action where we find a claim has merit. If the Agency begins an investigation, we will endeavor to conduct the investigation in a timely manner and will keep the investigation confidential to the extent possible. The Agency will only share information about a complaint of harassment with those who need to know about it. In the same way, anyone involved in an investigation of harassment has an obligation to keep all information about the investigation confidential. Failure to keep information about an investigation confidential may result in disciplinary action up to and including termination. Investigations will be documented and tracked for timely resolution.

When the investigation has been completed, the Agency will normally communicate the results of the investigation to the complaining individual, to the alleged harasser and, if appropriate, to others who are directly involved. If our policy against harassment is found to have been violated, appropriate corrective action, up to and including termination, will be taken against the harasser so that further discrimination, harassment or retaliation will be prevented. Discipline for violation of this policy may include but is not limited to, written reprimand, suspension, demotion, transfer, or discharge. As necessary, CVAG may monitor any incident of harassment or discrimination to assure the inappropriate behavior has stopped. In all cases, CVAG will follow up as necessary to ensure that no individual is retaliated against for making a complaint or cooperating with an investigation. Both the rights of the alleged harasser and the complainant will be considered in any investigation and subsequent action.

In addition to our internal complaint procedure, employees may also contact either the Equal Employment Opportunity Commission (EEOC) or the California Department of Fair Employment and Housing (DFEH) to report unlawful discrimination, harassment, or retaliation. If you wish to file a complaint with the DFEH, you must do so within three years of the alleged unlawful action. The EEOC and the DFEH serve as neutral fact-finders and will investigate the complaint and attempt to assist the parties to voluntarily resolve their disputes. For more information, visit or contact human resources staffer the nearest EEOC or DFEH office, or visit their website at https://www.dfeh.ca.gov.

3.4 Conflicts of Interest

CVAG is concerned with conflicts of interest that create actual or potential job-related concerns, especially in the areas of confidentiality, customer relations, safety, security and morale. If there is any actual or potential conflict of interest between you and a supplier, distributor, or contractor to CVAG, you must disclose it to your Director. If an actual or potential conflict of interest is determined to exist, the Agency will take such steps as it deems necessary to reduce or eliminate this conflict.

In addition, CVAG, as a public agency, must ensure that certain pollical activities and conduct by officers and employees are restricted so as to eliminate any actual or potential conflict of interest. In accordance with California Government Code Sections 3201-3209, CVAG elects to prohibit the following political activities to the extent permitted under federal and state law:

- The use, promise, or threaten or attempt to use any political authority or influence in personnel matters, including aiding or preventing a person from securing a position, nomination, confirmation, promotion or change in compensation within CVAG, by anyone who holds, or is seeking election or appointment to any office or employment with CVAG
- Solicitation of political contributions, directly or indirectly, from fellow employees, unless such request is made to the general public which may include employees of CVAG;

- Participation in any political activities while in uniform/attire adorned with “CVAG”, “CVCC”, “DCE”, and their variations; and
- Engaging in political activity during working hours or while on the premises of CVAG offices, or while conducting CVAG business away from the premises.

3.5 Employment of Relatives and Friends

CVAG will not employ friends or close relatives in circumstances where actual or potential conflicts may arise that could compromise supervision, safety, confidentiality, security, and morale at CVAG. To avoid this problem, CVAG reserves the right to exercise business judgement in deciding to refuse to hire or place a friend or close relative in a position where the potential for favoritism or conflict may or does exist.

CVAG wishes to avoid an environment with misunderstandings, complaints of favoritism, or claims of sexual harassment that may arise out of romantic relationships between two employees. Therefore, should you marry or enter into an intimate relationship with another employee you are obligated to immediately inform CVAG of the relationship and potential conflict. The employees may not remain in a reporting relationship or in positions where one individual may affect the compensation or other terms or conditions of employment of the other individual. CVAG will determine how best to address the situation.

3.6 Job Descriptions

CVAG attempts to maintain a job description for each position. If you do not have a current copy of your job description, you should request one from human resources. ~~the Director of Administrative Services.~~

Job descriptions prepared by the Agency serve as an outline only. Due to business needs, you may be required to perform job duties that are not detailed in your written job description but are reasonably within the scope of your position and employment with CVAG. Furthermore, CVAG reserves the right to revise, add to, or delete from your job duties to suit business needs. CVAG will provide reasonable notice of any modification of the job description. Additionally, nothing contained within the job description is intended to alter, modify, or delete your assigned employment relationship with CVAG.

If you have any questions regarding your job description or the scope of your duties, please speak with your Director.

3.7 Posting of Openings

CVAG desires to promote qualified employees from within where it believes that is possible, consistent with the need to assure that all positions are staffed by highly competent individuals. New job openings generally will be posted on the website and publications.

It is within the discretion of CVAG to determine whether recruitment for job openings will be limited to regular CVAG employees or will be open to the public at large.

Open Recruitment means any recruitment and selection process which invites qualified applicants from the public at large as well as CVAG employees.

3.8 Training Program

In most cases, and for most departments, training employees is done on an individual basis by the department manager. Even if you have had previous experience in the specified functions of your job duties outside of your employment with CVAG, it is necessary to learn CVAG specific procedures, as well as the responsibilities of the specific position. If you feel you require additional training, consult your Director.

4.0 Wage and Hour Policies

4.1 Introduction to Wage and Hour Policies

At CVAG, pay depends on a wide range of factors, including pay scale surveys, individual effort (~~step~~ merit increases), and recommendations made by the Administrative/Personnel Committee. If you have any questions about your compensation, including matters such as paid time off, commissions, overtime, benefits, or paycheck deductions, speak with human resources staff. ~~the Director of Administrative Services.~~

Except as provided in any written employment contract or agreement, newly hired employees shall be appointed at or near the lower end ~~the first step~~ of the salary range to which their job class is assigned. However, when it appears that the person's education, previous training, and/or experience employee are substantially superior to those required of the class, the Executive Director may authorize an appointment to a position at a higher ~~step~~section of the salary range. Additionally, initial employment at a salary ~~step~~ other than entry level, may be authorized by the Executive Director when a particularly difficult recruiting problem for a ~~class~~classification exists.

CVAG's classifications include the following: Program Assistant, Program Specialist, Intern, Management Analyst, Accountant, Office Manager, Clerk, Program Manager, and director-level positions such as department directors, Chief Operating Officer, Deputy Executive Director and Executive Director.

~~Classification pay: CVAG group its positions into one of three classes as follows:~~

> ~~Class I – clerical and secretarial positions;~~
> ~~Class II – management, supervisory and professional positions; and~~
> ~~Class III – Executive Director and any other position as designated by the Executive Committee on the recommendation of the Executive Director.~~

Employment agreements shall be required of individuals who are in at least program manager and director-level positions. Each ~~class~~classification specification shall include, but is not limited to, a list of typical duties and a statement of the minimum qualification required for the appointment. However, class specifications are not an all-inclusive list, and therefore, employees may be required to perform other assigned duties. It shall be understood that all positions require the ability to read, write, and communicate clearly in English; to follow written and oral instructions and to maintain satisfactory professional relationships with co-workers and the public. For those classifications with levels, distinctions between levels are be defined based on scope of responsibility, complexity of work, supervision received and exercised, authority for making decisions and taking action, type and level of required knowledge, skills, abilities, education, training, and experience.

The Executive Director shall be responsible for the establishment, administration, and maintenance of the Classification Plan. As appropriate, the Executive Director shall direct a review of the existing Classification Plan to ensure that it is effectively maintained and that it

reflects any significant changes in duties and responsibilities of positions. Such a review may involve only selected classes or the entire Classification Plan.

Salary Schedule: The Executive Director shall, as appropriate, prepare an official salary schedule covering all classes of positions in CVAG. In preparing the salary schedule, consideration shall be given to rates of pay and working conditions for comparable work in other public agencies and in private employment within the State of California. In addition, consideration shall be given to CVAG's financial position and to attracting and retaining highly qualified personnel.

The Executive Director shall recommend a proposed salary schedule for adoption to CVAG's Executive Committee. The Executive Committee shall adopt, amend and adopt, or choose not to adopt the proposed plan as part of a proposed budget.

Pay Plan Structure: The basic pay range for all classifications shall consist of salary ranges that were evaluated and determined through the 2022 Classification and Total Compensation Study. It is an open-range based structure with an established minimum, control point, and maximum. ~~steps, each approximately 5% greater than the preceding step up through step five. Upon the sixth step created to encourage longevity, up to a 2.5% merit increase may be given.~~

~~Class I~~ Non-exempt employees will be considered hourly employees.

4.2 Recording Time

CVAG is required by applicable federal, state, and local laws to keep accurate records of hours worked by certain employees. To ensure that the Agency has complete and accurate time records and that employees are paid for all hours worked, nonexempt employees are required to record all working time using Agency time sheets. Exempt employees may also be required to track days worked and paid days off (e.g. holidays, vacation, etc.) to properly designate time off under the appropriate pay code. Speak with the ~~Director of Administrative Services~~human resources staff for specific instructions.

You must accurately record all of your time to ensure you are paid for all hours worked and must follow established Agency procedures for recording your hours worked. Time must be recorded as follows:

- At the start of your shift.
- At the start of your meal period.
- At the end of your meal period, to resume work.
- At the end of your shift; and
- Before and after any other time away from work.

Time sheets/time cards or their electronic equivalent are to be turned in to your Director or appropriate department on the Thursday beginning the new pay period.

Notify ~~the Director of Administrative Services~~human resources staff and your Director of any pay discrepancies, unrecorded or erroneously recorded work hours, or any involuntarily missed meal or break periods.

Falsifying time entries is strictly prohibited. Falsifying time entries includes purposely recording false time, recording time on behalf of another employee and working "“off the clock.”" Falsifying time records will subject you to disciplinary action up to and including termination. Immediately report to Upper Level Management any employee, supervisor, or manager who

falsifies your time entries or encourages or requires you to falsify your time entries or work off the clock.

4.3 Workday/Workweek

CVAG's workweek begins on Thursday and ends the following Wednesday. The workday begins at 12:00 a.m. and ends at 11:59 p.m. Employees may be required to come in early, work late, or work overtime from time to time, depending on various factors, such as workloads, staffing needs, and special projects.

4.4 Pay Period

All employees are paid bi-weekly, every other week, on Fridays for the pay period that ends on the previous Wednesday. If a payday falls on a holiday, generally, you will be paid on the last business day before the holiday.

Review your paycheck for accuracy and report any concerns to the ~~Director of Administrative Services~~ human resources staff immediately. If you have been overpaid or underpaid, the error will be corrected as soon as possible.

4.5 Direct Deposit

CVAG encourages all employees to enroll in direct deposit. If you would like to take advantage of direct deposit, ask human resources for an application form. Typically, the bank will begin the direct deposit of your payroll with the first paycheck following submittal of your completed application.

If you have selected the direct deposit payroll service, explanation of your deductions will be available to you on paydays via the Paychex online service.

4.6 Paycheck Deductions

CVAG is required by law to make certain deductions from your pay each pay period. This includes federal, state, local income taxes, and unemployment taxes, Federal Insurance Contributions Act (FICA) contributions (i.e, Medicare), and any other deductions required under law or by court order for wage garnishments. The amount of your tax deductions will depend on your earnings and the information you list on your federal Form W-4 and applicable state withholding form. You may also authorize voluntary deductions from your paycheck, including contributions for insurance premiums, retirement plans, spending accounts, or other services. Your deductions will be reflected in your wage statement.

The Agency will not make deductions to your pay that are prohibited by federal, state, or local law. If you have any questions about deductions from your pay, contact the Executive Director and/or the designee ~~of. Administrative Services.~~ You will be reimbursed in full for any isolated, inadvertent, or improper deductions, as defined by law. If an error is found, you will receive an immediate adjustment, which will be paid no later than your next regular payday.

4.7 Travel Time Pay

Some nonexempt positions within CVAG require travel. If you are a nonexempt employee and are required to travel in the course of conducting your work, you will be paid as follows:

- If you report to the workplace and then are required to travel to another site to work for the day, travel time to the assigned workplace will be paid.
- When you are required to report to a site other than your regular work site, and you go directly to that site without first going to the regular work place, the Agency will pay travel time for any time in excess of your normal commute time to your regular work site.
- If you are required to travel to a distant workplace, you will be paid travel time in addition to time worked.
- Your travel hours are “hours worked” for the purposes of calculating overtime.

4.8 Reporting Time Pay

CVAG provides reporting time pay to nonexempt employees in all circumstances required by applicable law, including when you report to work for your scheduled shift but are asked to work, or are given, less than half of the hours you were scheduled to work. Reporting time pay may also be available for employees who are asked to call in or verify whether they will be required to work through online resources. Reporting time pay will be paid at your regular rate of pay. Reporting time pay for hours not actually worked is not counted for purposes of determining overtime.

Reporting time pay is not provided under certain circumstances, including, but not limited to:

- When Agency operations cannot begin or continue due to threats to employees or property, or when civil authorities recommend that work not begin or continue;
- When public utilities fail to supply electricity, water, or gas, or there is a failure in the public utilities or sewer system; or
- When the interruption of work is caused by an “act of God” or other cause outside of the employer’s control, such as an earthquake.

Speak with ~~the Director of Administrative Services~~human resources staff for more information regarding reporting time pay.

4.9 One Day Rest in Seven

In accordance with California law, nonexempt employees are generally permitted, on average, one day of rest for every seven days of work depending upon scheduling and business needs as well as availability and interest in additional hours of work.

4.10 Overtime

If you are a nonexempt employee, you may qualify for overtime pay. All overtime must be approved in advance, in writing, by the Executive Director and/or the designee.

At certain times CVAG may require you to work overtime. We will attempt to give as much notice as possible in this instance. However, advance notice may not always be possible. Failure to work overtime when required or working unauthorized overtime may result in disciplinary action, up to and including termination.

Nonexempt employees who work more than eight hours in any workday or more than six days in any workweek, will be paid overtime at a rate of:

- One and one-half times your regular rate of pay for all hours worked in excess of eight hours up to and including 12 hours in any workday, and for the first eight hours worked on the seventh consecutive day of work in a workweek.
- Two times your regular rate for all hours worked in excess of 12 hours in a workday or in excess of eight hours on the seventh consecutive day of work in a workweek.

Nonexempt employees who work more than 40 hours in a workweek are entitled to overtime pay after any daily overtime hours are subtracted. In this instance, overtime will be paid at a rate of one and one-half times your regular rate of pay for hours worked in excess of the 40 hours in a workweek (minus any daily overtime hours). The same hours are never counted against different overtime limits.

Holidays, vacation days, and sick leave days do not count as time worked for the purpose of computing overtime.

4.11 Wage Disclosure Protection

In accordance with California law, CVAG will not:

- Prohibit you from:
  - Disclosing your own wages;
  - Discussing the wages of others; or
  - Inquiring about another's wages.
- Require you to sign a waiver or other document that proposes to deny you the right to disclose the amount of your wages.
- Discharge, formally discipline, or otherwise discriminate or retaliate against you for disclosing the amount of your wages.

However, if you have access to or knowledge of the private compensation information of other employees as a part of your role and essential job functions, you may not disclose that information to individuals who do not have a legitimate business need to access it, unless the disclosure is:

- In response to a formal complaint or charge;
- Part of an investigation, proceeding, hearing, or action, including an investigation conducted by the Agency; or
- Consistent with the legal duty of the Agency to furnish information.

If you believe that you have been discriminated or retaliated against in violation of this policy, immediately report your concerns to the Executive Director.

Nothing in this policy will be enforced to interfere with, restrain or coerce, or retaliate against employees regarding their rights under the National Labor Relations Act.

4.12 Attendance Policy

If you know ahead of time that you will be absent or late, provide reasonable advance notice to your Director. You may be required to provide documentation of any medical or other excuse for being absent or late where permitted by applicable law.

CVAG reserves the right to apply unused vacation, sick time, or other paid time off to unauthorized absences where permitted by applicable law. Absences resulting from approved leave, vacation, or legal requirements are exceptions to the policy.

Failure on the part of an employee, absent without leave, to return to work within 24 hours after a notice to return shall be cause for immediate discharge. First class US Postal Service letter addressed to the employee's last known address shall be reasonable notice.

4.13 Job Abandonment

If you fail to show up for work or fail to call in with an acceptable reason for the absence, for a period of three consecutive days, excepting periods determined by the Executive Director, you will be considered to have abandoned your job and voluntarily resigned from CVAG.

4.14 Meal and Rest Periods Policy

CVAG strives to provide a safe and healthy work environment and comply with all federal and state regulations regarding meal and rest periods. Check with your Director regarding procedures and schedules for meal and rest periods.

The Agency requests that employees observe and accurately record meal periods in time and attendance records. If you know in advance that you may not be able to take an uninterrupted scheduled meal or rest period, let your Director know; in addition, notify your Director as soon as possible if you were unable to take or were prohibited from taking an uninterrupted scheduled meal or rest period.

Meal and rest periods are intended to provide employees with an opportunity to be away from work, and employees are not permitted to perform any work during meal and rest periods.

Meal Periods

If you are a nonexempt employee and work more than five hours in a workday, you will be provided an unpaid, uninterrupted 30-minute to one-hour meal period no later than the end of your fifth hour of work and will be required to "clock out" from the timekeeping system to begin your meal period. If you work fewer than six hours in a workday, you may mutually agree with ~~the Director of Administrative Services~~human resources staff to waive the meal period.

If you are nonexempt and work more than 10 hours in a workday, you will be provided a second unpaid, uninterrupted 30-minute to one-hour meal period no later than the end of your tenth hour of work. If you work no more than 12 hours in a workday and have taken the first meal period, you may mutually agree with ~~the Director of Administrative Services~~ human resources staff to waive the second meal period.

See ~~the Director of Administrative Services~~ human resources for procedures related to requesting to waive a meal period in the above circumstances.

Rest Periods

If you are a nonexempt employee, you will be provided paid, 10-minute rest periods based on total hours worked daily. As these rest breaks are paid, you are not required to ""clock out"" from the timekeeping system to start your rest break. You will receive 10 minutes of uninterrupted rest time for every four hours of work, or major portion of each four hours worked. Accordingly, if you work:

- Less than three and a half hours, you are not entitled to a rest period;
- Three and a half to six hours, you are entitled to a 10-minute rest period;
- Six to 10 hours, you are entitled to two 10-minute rest periods; or
- Ten to 14 hours, you are entitled to three 10-minute rest periods.

Rest periods are to be taken in the middle of the four-hour work period when possible. Rest periods may not be combined or added to meal periods or used to start work later or end work early.

4.15 Nonexempt Personnel

If you are classified as nonexempt at the time of your hiring, you will be eligible for minimum wage and overtime pay in accordance with federal, state, and local laws. If you have a question regarding whether you are exempt or nonexempt, contact your Director for clarification.

4.16 Exempt Personnel

If you are classified as exempt at the time of your hiring, you are not eligible for overtime pay as otherwise required by federal, state, or local laws. If you have a question regarding whether you are exempt or nonexempt, contact your Director for clarification.

4.17 Regular Full-Time Personnel

Regular full-time employees are those who have completed their introductory period and are regularly scheduled to work at least 40 hours per week. Unless stated otherwise or specifically required by law, all the benefits provided to employees at CVAG are for regular full-time employees only. This includes vacation, holiday pay, health insurance, and other benefits coverage.

4.18 Regular Part-Time Personnel

All employees who regularly work fewer than 40 hours per week are considered part time. Part-time employees are not eligible for CVAG benefits unless specified otherwise in this handbook, in the benefit plan summaries, or specifically required by law.

4.19 Temporary Personnel

Temporary employees are hired for a specific period or specific work project, not to exceed three months in duration. CVAG reserves the right to extend the duration of temporary employment where necessary. Temporary employees are not eligible for benefits unless specified otherwise in this handbook or in the benefit plan summaries, or specifically permitted by law.

4.20 Business Expenses Policy

The purpose of this policy is to define approved nontravel business expenses and the authority for incurring and approving such expenses at CVAG.

Approved business expenses are the reasonable and necessary expenses incurred by employees to achieve legitimate business purposes that are not covered by normal Agency procurement processes.

Business Meetings (Employer-Sponsored Events and Meetings)

The Agency pays for expenses necessary to achieve a valid business purpose when meetings are held with customers, vendors, or other Agency employees. The most senior Agency individual present is to pay for and report all expenses.

The Agency will make every effort to have a master account set up for Agency-wide and large group events. However, if you are at a small meeting or staying by yourself at a hotel, pay individually and submit for reimbursement accordingly.

Technical and Training Seminars

The Agency pays for expenses associated with attendance at classes and seminars that enhance job-related skills. Prior approval must be obtained by your Director.

Other Expenses

The Agency will pay for postage and telephone expenses that are for business purposes.

Reporting

Report approved expenses on the standard expense report form and include a description of the expense, its business purpose, date, place, and the participants.

4.21 Travel Expenses

The purpose of this policy is to define approved business travel expenses and the authority for incurring and approving such expenses at CVAG.

Travel expenses are the reasonable and necessary expenses incurred by employees when traveling on approved CVAG business trips. Travel is limited to business activities for which other means of communication is inadequate and for which prior approval from your Director has been received.

Reimbursement for Per Diem, Hotels and Public Transportation

All requests for such reimbursement must be approved in advance of incurring the expense by the Executive Director except in cases of emergency when advance approval is not possible. The following rates are minimums that will be paid without receipts when on CVAG business requiring work at least two hours before or after CVAG's usual work hours or when out of town overnight on CVAG business. Higher reimbursements can be approved by the Executive Director upon submission or proper documentation including justification of the higher rates. Such approval (or non-approval) shall be at the sole discretion of the Executive Director.

- Meal allowance:
    - Daily allowance for meals (per diem): $6050.00
    - For fractions of days:
        - Breakfast: $153.00
        - Lunch: $174.00
        - Dinner: $283.00
    - The allowance shall increase annually to coincide with the cost-of-living adjustment approved for salaries.
- Hotel allowance: The lowest room rate for a single occupant at the hotel where the conference is being held or the normal rate in the community for comparable accommodations.

Air Travel

Use economy or tourist class airfares when traveling on Agency business. In addition, private, noncommercial aircraft or chartered aircraft is not to be used, and no more than two Agency officers should travel together on the same flight.

Airfares are to be charged to personal credit cards and subsequently submitted for reimbursement on a monthly expense report.

Hotels

Neither in-room movies nor refreshment bars are approved Agency expenses.

Insurance

The Agency does not pay for personal travel insurance for employees.

Rental Cars

You are to use rental firms having existing relationships with the Agency and, where feasible, have negotiated discount rates. Available reasonable transportation is to be used.

Personal Vehicles

When using your own vehicle for business purposes, you must maintain insurance coverage as required by law. Travel between your home and primary office is not considered to be business travel. You may not use your personal vehicle for business travel without authorization. Every attempt should be made to utilize the use of courier and delivery services in order to avoid hazard of liability and the time away from work. You will be reimbursed for vehicle use at the standard IRS mileage rate. The Executive Director must authorize any deviation from this policy.

Reporting

Report approved expenses and include a description of the expense, its business purpose, date, place, and the participants.

Travel Reservations

Airline travel, rental cars, and hotels must be booked through the corporate designated travel agency in order to be reimbursed.

5.0 Performance, Discipline, Layoff, and Termination

5.1 Open Door/Conflict Resolution Policy

CVAG strives to provide a comfortable, productive, legal, and ethical work environment. To this end, we want you to bring any problems, concerns, or grievances you have about the workplace to the attention of your Director and, if necessary, to h~~H~~uman ~~R~~resources or upper level management.

If you believe there is inappropriate conduct or activity on the part of the Agency, management, its employees, vendors, customers, or any other persons or entities related to the Agency, bring your concerns to the attention of your Director at a time and place that will allow the person to properly listen to your concern. Most problems can be resolved informally through dialogue between you and your immediate Director. If you have already brought this matter to the attention of your Director before and do not believe you have received a sufficient response, or if you believe that person is the source of the problem, present your concerns to human resources or upper level management. Describe the problem, those persons involved in the problem, efforts you have made to resolve the problem, and any suggested solution you may have.

Grievance Procedure

Every effort shall be made to resolve a grievance between an employee whose employment is terminable for cause through discussion between the employee and his/her immediate supervisor as described above. This grievance procedure does not apply to employees who are employed on an at-will basis.

Matters Subject to Grievance Procedure: A grievance shall be a claim filed by an employee on their own behalf, contending that CVAG has violated or misapplied a specific provision expressed and written in this Personnel Policy.

Employees shall submit only such claims that they, reasonably and in good faith, believe have merit and are subject to this grievance procedure.

Grievance Procedure: An employee shall have the right to present a formal grievance in writing to the Executive Director. Such grievance shall be filed within ten calendar days of the alleged grievance. An employee or designated representative may present their grievances during working hours, provided such use of CVAG time shall be kept to a reasonable minimum.

When discussing the formal grievance with the Executive Director, the employee shall have the right to appear with their representative who may also participate in the discussion. The Executive Director shall review, render a decision with comments in writing and provide the written decision to the employee within ten workdays after receiving the formal grievance. If the employee does not agree with the decision reached, the employee may present an appeal in writing to the Executive Director within ten workdays. Failure of the employee to take further action within ten workdays after receipt of the decision of the Executive Director will constitute a withdrawal of the grievance. If an appeal is requested, the Executive Director will convene a hearing of the Administrative/Personnel Committee and will notify the employee of the date and time of the hearing.

Appeal for Reconsideration to the Administrative/Personnel Committee: Upon receipt of an appeal for reconsideration, the Administrative/Personnel Committee shall discuss the grievance with the employee and any other appropriate persons. The Administrative/Personnel Committee may designate a fact-finding committee, an individual not in the normal line of the employee''s supervision, or CVAG's legal counsel to render advice concerning the appeal. Within ten working days, the Administrative/Personnel Committee shall render a formal decision, in writing, to the employee. Such decision shall be considered as final.

All communications pertaining to an employee's grievance shall be confidential and shall not be discussed except with authorized personnel who have a legitimate business reason to be privy to such communication.

This grievance procedure may be used by an employee without fear of retaliation. Reprisals shall not be taken against any employee for submitting a grievance. Supervisors shall not delay or suppress submission and orderly consideration of a grievance.

5.2 Promotions

To match you with the job for which you are best suited and to meet the business needs of CVAG, you may be transferred from your current job. It is our policy to promote from within only when the most qualified candidate is available. Promotions are made on an equal opportunity basis according to employees possessing the needed skills, education, experience, and other qualifications that are required for the job.

Reclassification Upward means that if a position is reclassified to include a higher salary range, the incumbent employee may be appointed to the position so reclassified.

Reclassification Downward means that if a position is reclassified to a classification having a lower salary range, the incumbent employee may be appointed to the position so reclassified. A reclassification downward could occur at the discretion of CVAG or at the request of an employee.

5.3 Performance Improvement

CVAG will make efforts to periodically review your work performance. The performance improvement process will take place annually, or as CVAG needs dictate. You may specifically request that your Director assist you in developing a Performance Improvement Plan at any time.

The performance improvement process is a means for increasing the quality and value of your work performance. During this process, your initiative, effort, attitude, job knowledge, and other factors will be addressed.

5.4 Pay Raises

Depending on financial health and other Agency factors, efforts will be made to give pay raises consistent with CVAG policy, job performance, and the consumer price index. The Agency may also make individual pay raises based on merit or due to a change of job position. For those employees who are at-will, the terms of their employment agreement govern pay raises.

~~Each new employee enters on the first step and becomes eligible for a step increase after successful completion of their introductory period of one year to the second step. Thereafter, further step increases up through the fifth step will be given, based upon merit with at least a competent or higher performance evaluation in all areas rated. After three years on the fifth step, employees become eligible for an increase to step six.~~ If on any performance evaluation, an employee receives less than a competent rating in any category, the employee will be notified in writing of why the rating was given, what the employee must do to improve it, and how long the employee will have to bring up the performance to a competent rating. ~~These~~ Merit increases will be based on how an employee is reviewed under the performance evaluation system, ~~and~~ will depend on funds available, ~~and~~ will be considered at least annually. These increases will be applied the same across the agency, ensuring all employees who receive the same total scores are compensated the same percentage increase for their quality of work. ~~after the second step. Upon the sixth step created to encourage longevity, up to a 2.5% merit increase may be given.~~

5.5 Outside Employment

Outside employment that creates a conflict of interest or that affects the quality or value of your work performance or availability at CVAG is prohibited. The Agency recognizes that you may seek additional employment during off hours, but in all cases expects that any outside employment will not affect your attendance, job performance, productivity, work hours, or scheduling, or would otherwise adversely affect your ability to effectively perform your duties or in any way create a conflict of interest. Any outside employment that will conflict with your duties and obligations to the Agency should be reported to your Director. Failure to adhere to this policy may result in discipline up to and including termination.

5.6 Standards of Conduct

CVAG wishes to create a work environment that promotes job satisfaction, respect, responsibility, integrity, and value for all our employees, clients, customers, and other stakeholders. We all share in the responsibility of improving the quality of our work environment. By deciding to work here, you agree to follow our rules.

While it is impossible to list everything that could be considered misconduct in the workplace, what is outlined here is a list of common-sense infractions that could result in discipline, up to and including immediate termination of employment. This policy is not intended to limit our right to discipline or discharge employees for any reason permitted by law.

Examples of inappropriate conduct include, but are not limited to:

- Violation of the policies and procedures set forth in this handbook.
- Possessing, using, distributing, selling, or negotiating the sale of illegal drugs or other controlled substances while on CVAG premises or conducting CVAG business;
- Being under the influence of alcohol or marijuana while on CVAG premises (including in CVAG vehicles), or while conducting CVAG business;
- Inaccurate reporting of the hours worked by you or any other employees;
- Providing knowingly inaccurate, incomplete, or misleading information when speaking on behalf of the Agency or in the preparation of any employment-related documents including, but not limited to, job applications, personnel files, employment review documents, intra-Agency communications, or expense records;
- Taking or destroying CVAG property;
- Possession of potentially hazardous or dangerous property (where not permitted) such as firearms, weapons, chemicals, etc., without prior authorization;
- Fighting with, threatening, attempts to use violence or harassment of (as defined in our EEO policy), any fellow employee, vendor, or customer;
- Discriminatory or harassing conduct or behavior as defined in the EEO policy with any fellow employee, vendor, or customer;
- Refusal or failure to follow directions or to perform a requested or required job task;
- Refusal or failure to follow safety rules and procedures;
- Excessive tardiness or absences;
- Smoking outside of designated areas;
- Working unauthorized overtime;
- Solicitation of fellow employees on Agency premises during working hours.
- Failure to dress according to Agency policy;
- Use of obscene or harassing (as defined by our EEO policy) language in the workplace;
- Engaging in outside employment that interferes with your ability to perform your job at this Agency;
- Gambling on CVAG premises or while conducting CVAG business; or
- Lending CVAG keys or keycards to CVAG property to unauthorized persons.

Nothing in this policy is intended to limit your rights under the National Labor Relations Act, or to modify your applicable employment status with CVAG.

5.7 Transfers

Transfer means the reassignment of an employee from one position to another position which has the same maximum salary and requires substantially the same qualifications. It is within the discretion of CVAG to transfer an employee upon determination that doing so would be in the best interests of CVAG.

5.8 Criminal Activity/Arrests

CVAG will report all criminal activity in accordance with applicable law. Involvement in criminal activity while employed by the Agency, whether on or off Agency property, may result in disciplinary action including suspension or termination of employment.

You are expected to be on the job, ready to work, when scheduled. Inability to report to work as scheduled may lead to disciplinary action, up to and including termination of employment, for violation of an attendance policy or job abandonment.

5.9 Disciplinary Process

Violation of CVAG policies or procedures may result in disciplinary action including demotion, transfer, leave without pay, or termination of employment. CVAG encourages a system of progressive discipline depending on the type of prohibited conduct or pursuant to contracted terms and conditions:

Disciplinary Process for Employees Who Are Not At-Will

The Executive Director may take disciplinary actions against an employee using any of the following methods, which are illustrative, and not exclusive and not intended to be progressive.

- Oral Reprimand: The employee shall be counseled concerning the unsatisfactory areas of work and shall be informed about methods of improvement.
- Written Reprimands: In cases where the infraction of the rules and regulations has been of a serious nature, the written reprimand shall be employed. The purpose of the written is to call the attention of the employee to serious defects in his/her work. The written reprimand should include a detailed statement of the problem and a notation to the effect that the problem was discussed with the employee in question. A copy of the written reprimand shall be included in the employee's personnel file. Only the Executive Director or his/her designated representative may issue the reprimands.
- Suspensions: An employee may be suspended without pay form their position at any time for a disciplinary purpose. Suspension without pay shall not exceed thirty (30) calendar days, nor shall any employee be penalized by suspension for more than thirty (30) calendar days in any fiscal year.
- Termination: When other types of disciplinary action do not result in satisfactory performance, or if the offense is flagrant, or if serious violations of rules and regulations are involved, at the sole discretion of the Executive Director, the employee shall be subject to termination. A notice of intention to terminate the employee, which shall include details of specific incidents and/or action leading to the termination, will be issued to the employee.
- Probationary Employees: These policies regarding disciplinary action do not apply to probationary employees who can be discharged or demoted at any time at the discretion of the Executive Director.
- Employee Review: The employee shall be given an opportunity to review the documents or materials upon which proposed disciplinary action is based, and he/she shall be supplied with a copy of the documents.
- Employee Response: Within ten (10) working days after the employee has had the review opportunity provided above, the employee or his/her representative shall have the right to respond orally, in writing, or both. At the employee's option, an Appeal can be made to the Personnel Committee as started in Section 7.2 under Grievance Procedure.

Disciplinary Process for At-Will Employees

For at-will employees, CVAG is not required to engage in progressive discipline and may discipline or terminate employees who violate the rules of conduct, or where the quality or value of their work fails to meet expectations at any time. While CVAG may attempt at its discretion to engage in progressive discipline such action does not in any manner alter the at-will nature of employment.

In appropriate circumstances, management will first provide you with a verbal warning, then with one or more written warnings, and if the conduct is not sufficiently altered, eventual demotion, transfer, forced leave, or termination of employment. Your Director will make every effort possible to allow you to respond to any disciplinary action taken. Understand that while the Agency is concerned with consistent enforcement of our policies, we are not obligated to follow any disciplinary or grievance procedure and that depending on the circumstances, you may be disciplined or terminated without any prior warning or procedure.

5.10 Workforce Reductions (Layoffs)

If necessary, based upon business needs, CVAG management may decide to implement a reduction in force (RIF). We acknowledge that RIFs can be a trying experience for all involved, and the Agency will make its best effort to make sound business decisions while acknowledging the needs of its workforce. CVAG will provide notice to any RIF when reasonable and/or required by federal or state law.

5.11 Resignation Policy

CVAG hopes that your employment with the Agency will be a mutually rewarding experience. However, CVAG acknowledges that varying circumstances may cause you to resign from your employment with CVAG. The Agency intends to handle any resignation in a professional manner with minimal disruption to the workplace.

Notice

The Agency requests that you provide a minimum of two weeks~~"~~ notice of your resignation. Employees who are subject to employment agreements must follow the noticing requirements in the agreements. ~~If you are a Director, you are requested to provide a minimum of four weeks' notice.~~ CVAG requests that you provide a written resignation letter to your Director. ~~However, this request for notice does not alter the nature of an at-will employment, and thus, at-will employees may resign with or without notice.~~ If you provide less notice than requested, the Agency may deem you to be ineligible for rehire, depending on the circumstances of the notice given.

The Agency reserves the right to provide you with pay in lieu of notice in situations where job or business needs warrant such action.

Final Pay

CVAG will pay separated employees in accordance with applicable laws and other sections of this handbook.

Notify CVAG if your address changes during the calendar year in which resignation occurs to ensure tax information is sent to the correct address.

Return of Property

At the time of separation, or prior to separation, you are required to return all CVAG property including cellphones, keys, tools, laptops, credit cards, and identification cards. The Agency may pursue criminal charges for failure to return Agency property.

5.12 Post-Employment References

CVAG policy is to confirm dates of employment and job title only. With written authorization, the Agency will confirm compensation. Any requests for employment verification should be forwarded to human resources staff. ~~the Director of Administrative Services.~~

6.0 General Policies

6.1 Non-solicitation/Non-distribution Policy

To avoid disruption of business operations or disturbance of employees, visitors, and others, CVAG has implemented a Nonsolicitation/Nondistribution Policy. For purposes of this policy, ~~"~~"solicitation~~"~~" includes, but is not limited to, selling items or services, requesting contributions, and soliciting or seeking to obtain membership in or support for any organization. Solicitation performed through verbal, written, or electronic means is governed by this Non-solicitation/Non-distribution Policy.

You are prohibited from soliciting other employees during your assigned working time. For this purpose, working time means time during which either you or the employees who are the object of the solicitation are expected to be actively engaged with assigned work. You may conduct solicitations during your lunch period, coffee breaks, or other authorized nonworking time, so long as you do so when the other employees are also on nonworking time.

To avoid inappropriate litter, clutter, and safety risks, you may not distribute literature or other items that are not work related in working areas at any time. Working areas do not include break/rest areas, lunchrooms, or parking lots. Electronic distribution of materials is prohibited during work time. Literature that violates the Agency's equal employment opportunity and anti-harassment policies (including threats of violence), or is knowingly and recklessly false, is never permitted. Non-employees are not permitted to distribute materials on Agency premises at any time.

This policy is not intended to restrict the statutory rights of employees, including the right to discuss terms and conditions of employment.

Violations of this policy should be reported to your Director.

6.2 Personal Appearance

Your personal appearance reflects on the reputation, integrity, and public image of CVAG. All employees are required to report to work neatly groomed and dressed. You are expected to maintain personal hygiene habits that are generally accepted in the community, including clean clothing, good grooming and personal hygiene, and appropriate attire for the workplace and the work being performed. Depending on your job, may be required to wear uniforms or protective safety clothing and equipment. Use common sense and good judgment in determining what to wear to work.

Fragrant products, including but not limited to perfumes, colognes, and scented body lotions or hair products, should be used in moderation out of concern for others with sensitivities or allergies.

The Agency, in accordance with applicable law, will reasonably accommodate employees with disabilities or religious beliefs that make it difficult for them to comply fully with the personal appearance policy unless doing so would impose an undue hardship on the Agency. Contact your Director to request a reasonable accommodation.

Failure to comply with the personal appearance standards may result in being sent home to groom or change clothes. If sent home due to your appearance, your time spent away from work will not be paid. You are required to clock out when leaving and clock in upon your return to work. Frequent violations may result in disciplinary action, up to and including termination of employment.

6.3 Whistleblower Policy

When employees notify a supervisor, manager, or an appropriate government or law enforcement agency that they have reason to believe their employer is violating a state or federal statute, or violating or not complying with a state or federal rule or regulation, those employees are protected from retaliation. As such, CVAG has a strict policy that prohibits retaliation against employees who make such reports while employed in any form of employment or who participates in the investigation of such a complaint. The Agency also does not permit retaliation against employees who refuse to participate in an activity that would result in a violation of a state or federal statute, or a violation or noncompliance with a state or federal rule or regulation.

If you have information regarding possible violations of state or federal statutes, rules, or regulations, or violations of fiduciary responsibility by the Agency, we encourage you to report it immediately to your Director or to the Executive Director. Alternatively, you may contact the California State Attorney General's Whistleblower Hotline at (800) 952-5225. The Attorney General will refer your call to the appropriate government authority for review and possible investigation.

6.4 Access to Personnel and Medical Records Files

CVAG maintains separate medical records files and personnel files for all employees. Files containing medical records are stored separate and apart from any business-related records in a safe, locked, inaccessible location. The medical file is the repository for sensitive and confidential information related to an individual's health, health benefits, health-related leave and/or accommodations, and benefits selections and coverage. Medical records are kept confidential in compliance with applicable laws and access is on a "need-to-know" basis only.

Supervisors and others in management may have access to your personnel file for possible employment-related decisions. All employees have the right to inspect and receive a copy of their personnel records. The Agency will make such records available for inspection and/or to receive a copy within 30 calendar days of a written request. Payroll records will be made available to inspect or receive a copy within 21 calendar days of a verbal or written request.

All requests by an outside party for information contained in your personnel file will be directed to the Executive Director and/or the designee, ~~Administrative Services Director,~~ which is the only director authorized to give out such information.

6.5 Authorization for Use of Personal Vehicle

All employees required to operate a motor vehicle as part of their employment duties must maintain a valid driver's license, acceptable driving record, and appropriate insurance coverage. CVAG may run a motor vehicle department check to assess your driving record. It

is your responsibility to provide a copy of your current driver's license and insurance coverage for your personnel file. Any changes in your driving record, including, but not limited to, driving infractions or changes to your insurance policy, must be reported to the Agency immediately.

If you use your personal vehicle in the course and scope of employment, you may not operate such vehicle while:

- Under the influence of drugs, alcohol, or any other substance that might impair your judgment or ability to drive; or
- Texting, emailing, or otherwise using a cell phone or other handheld device without utilizing a hands-free device.

6.6 Bulletin Boards

CVAG maintains an official bulletin board located in the kitchen for providing employees with official Agency notices, including wage and hour laws, changes in policies, and other employment-related notices. At times, the Agency may also post information of general interest to employees on the bulletin board. You are responsible for being informed about this material by periodically reviewing the bulletin board. Only authorized personnel may add and remove notices from the bulletin board. As provided in the Non-solicitation/Non-distribution policy, unauthorized postings by employees are strictly prohibited.

6.7 Computer Security and Copying of Software

Software programs purchased and provided by CVAG are to be used only for creating, researching, and processing materials for Agency use. By using Agency hardware, software, and networking systems you assume personal responsibility for their use and agree to comply with this policy and other applicable Agency policies, as well as city, state, and federal laws and regulations.

All software acquired for or on behalf of the Agency, or developed by Agency employees or contract personnel on behalf of the Agency, is and will be deemed Agency property. It is the policy of the Agency to respect all computer software rights and to adhere to the terms of all software licenses to which the Agency is a party. The Executive Director is responsible for enforcing these guidelines.

You may not illegally duplicate any licensed software or related documentation. Unauthorized duplication of software may subject you and/or the Agency to both civil and criminal penalties under the United States Copyright Act.

You may not duplicate, copy, or give software to any outsiders including clients, contractors, members, and others. You may use software on local area networks or on multiple machines only in accordance with applicable license agreements entered into by the Agency.

6.8 Employer Sponsored Social Events

CVAG holds periodic social events for employees. Be advised that your attendance at these events is voluntary and does not constitute part of your work-related duties. Any exceptions to this policy must be in writing and signed by the Executive Director prior to the event.

Alcoholic beverages may be available at these events. If you choose to drink alcoholic beverages, you must do so in a responsible manner. Do not drink and drive. Instead, please call a taxi, ride share or appoint a designated driver.

Despite attending voluntarily, you are expected to adhere to CVAG's Anti-harassment Policy.

6.9 Off-Duty Use of Employer Property or Premises

You may not use CVAG property for personal use during working time. You are responsible for returning Agency property in good condition and repairing or replacing any property damaged as the result of personal use or as the result of negligence. This includes use of copy machines, computers, Agency products, or office supplies for personal use without prior authorization.

It is Agency policy to control off duty and nonworking hour use of Agency facilities either for business or personal reasons. You are prohibited from using Agency facilities during off duty or nonworking hours without the written consent of your Director. If you use Agency facilities during your off-duty hours or Agency off-hours, you may be required to sign a log-in and log-out sheet maintained by the Agency or building manager.

6.10 Personal Cell Phone/Mobile Device Use

While CVAG permits employees to bring personal cell phones and other mobile devices (i.e. smart phones, tablets, laptops) into the workplace, you must not allow the use of such devices to interfere with your job duties or impact workplace safety and health.

Use of personal cell phones and mobile devices at work can be distracting and disruptive and cause a loss of productivity. Thus, you should primarily use such personal devices during nonworking time, such as breaks and meal periods. During this time, use devices in a manner that is courteous to those around you. Outside of nonworking time, use of such devices should be minimal and limited to emergency use only. If you have a device that has a camera and/or audio/video recording capability, you are restricted from using those functions on Agency property unless authorized in advance by management or when they are used in a manner consistent with your right to engage in concerted activity under section 7 of the National Labor Relations Act (NLRA).

You are expected to comply with Agency policies regarding the protection of confidential and proprietary information when using personal devices.

While operating a vehicle on work time, the Agency requires that the driver's personal cell phone/mobile device be turned off. If you need to make or receive a phone call while driving, pull off the road to a safe location unless you have the correct hands-free equipment for the device that is in compliance with applicable state laws.

You may connect your personal device to the Agency network or to Agency equipment (computers, printers, etc.) for personal use.

You may have the opportunity to use your personal devices for work purposes. Before using a personal device for work-related purposes, you must obtain written authorization from your supervisor. The use of personal devices is limited to certain employees and may be limited based on compatibility of technology. If you are authorized to use a personal device, you will receive a monthly stipend based on the estimated use of the device. If you obtain or currently have a plan that exceeds the monthly stipend, the Agency will not be liable for the cost difference.

Nothing in this policy is intended to prevent employees from engaging in protected concerted activity under the NLRA.

You will be subject to disciplinary action up to and including termination of employment for violation of this policy.

6.11 Personal Data Changes

It is your obligation to provide CVAG with your current contact information, including current mailing address and telephone number. Inform the Agency of any changes to your marital or tax withholding status. Failure to do so may result in loss of benefits or delayed receipt of W-2 and other mailings. To make changes to this information, contact human resources. ~~the Director of Administrative Services.~~

6.12 Security

All employees are responsible for helping to make CVAG a secure work environment. Upon leaving work, lock all file cabinets and doors protecting valuable or sensitive material in your work area and report any lost or stolen keys, passes, or similar devices to human resources ~~the Director of Administrative Services~~ immediately. Refrain from discussing specifics regarding Agency security systems, alarms, passwords, etc. with those outside of the Agency.

Immediately advise your Director of any known or potential security risks and/or suspicious conduct of employees, customers, or guests of the Agency. Safety and security is the responsibility of all employees and we rely on you to help us keep our premises secure.

6.13 Social Media Policy

At CVAG, we recognize the Internet provides unique opportunities to participate in interactive discussions and share information using a wide variety of social media. However, use of social media also presents certain risks and carries with it certain responsibilities. To minimize risks to the Agency, you are expected to follow our guidelines for appropriate use of social media.

This policy applies to all employees who work for the Agency.

Guidelines

For purposes of this policy, *social media* includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else's web log or blog, journal or diary, personal website, social networking or affinity website, web bulletin board or a chat room, whether associated or affiliated with the Agency, as well as any other form of electronic communication.

Agency principles, guidelines, and policies apply to online activities just as they apply to other areas of work. Ultimately, you are solely responsible for what you communicate in social media. You may be personally responsible for any litigation that may arise should you make unlawful defamatory, slanderous, or libelous statements against any member, manager, owner, or employees of the Agency.

Know and Follow the Rules

Ensure your postings are consistent with these guidelines. Postings that include unlawful discriminatory remarks, harassment, and threats of violence or other unlawful conduct will not be tolerated and may subject you to disciplinary action up to and including termination.

Be Respectful

The Agency cannot force or mandate respectful and courteous activity by employees on social media during nonworking time. If you decide to post complaints or criticism, avoid using statements, photographs, video, or audio that reasonably could be viewed as unlawful, slanderous, threatening, or that might constitute unlawful harassment. Examples of such conduct might include defamatory or slanderous posts meant to harm someone's reputation or posts that could contribute to a hostile work environment on the basis of race, sex, disability, age, national origin, religion, veteran status, or any other status or class protected by law or Agency policy. Your personal posts and social media activity should not reflect upon or refer to the Agency.

Maintain Accuracy and Confidentiality

When posting information:

- Do not create a link from your personal blog, website, or other social networking site to an Agency website that identifies you as speaking on behalf of the Agency;
- Never represent yourself as a spokesperson for the Agency, unless you have been tasked to do so by the Executive Director. If the Agency is a subject of the content you are creating, do not represent yourself as speaking on behalf of the Agency. Make it clear in your social media activity that you are speaking on your own behalf; and
- Respect copyright, trademark, third-party rights, and similar laws and use such protected information in compliance with applicable legal standards.

Using Social Media at Work

Do not use social media while on your work time, unless it is work related as authorized by your manager or consistent with policies that cover equipment owned by the Agency.

Media Contacts

If you are not authorized to speak on behalf of the Agency, do not speak to the media on behalf of the Agency. Direct all media inquiries for official Agency responses to the Assistant to the Executive Director.

Retaliation and Your Rights

Retaliation or any other negative action is prohibited against anyone who, based on a reasonable belief, reports a possible deviation from this policy or cooperates in an investigation. Those who retaliate against others for reporting a possible deviation from this policy or for cooperating in an investigation will be subject to disciplinary action, up to and including termination.

Nothing in this policy is designed to interfere with, restrain, or prevent employees from communications regarding wages, hours, or other terms and conditions of employment, or to restrain employees in exercising any other right protected by law. All employees have the right to engage in or refrain from such activities.

6.14 Suggestion Policy

At CVAG, we welcome suggestions for continued improvement and welcome your ideas for better ways to do your job, provide services at CVAG, or meet member and community needs. Discuss your ideas with your Director or another member of the management team.

We also encourage you to offer any suggestions derived from seminars, magazines, or other outside sources of information you believe would add value to the Agency.

Understand that any suggestions, innovations, inventions, or other matter created by you on work time or with Agency tools or property are considered to be the property of the Agency.

6.15 Telecommuting

Telecommuting is defined as regularly working a full or partial workday from home or some other alternate work site.

CVAG will make telecommuting available to employees when it benefits organizational and departmental needs. This option may not be available in some job classifications due to business needs. Each department manager will determine, in his or her discretion, the positions within the department that may be suitable for telecommuting.

If you meet eligibility requirements for telecommuting, you must submit a Telecommuting Agreement form to your immediate Director for departmental approval. If you are granted a telecommuting arrangement, you will be subject to the same performance standards as prior to telecommuting. Telecommuting work areas may be evaluated to ensure that appropriate safety standards are met.

Telecommuting may also be offered as a reasonable accommodation due to a disability or severe medical condition. However, telecommuting will only be offered by CVAG where it is a "reasonable" accommodation and not simply due to a request made by the employee. Consult ~~the Director of Administrative Services~~human resources if you are requesting telecommuting as a reasonable accommodation.

6.16 Telephone Use

CVAG phones are principally for work-related communications. Unless there is an emergency, limit long distance telephone calls to business purposes only. Limit personal use of Agency telephones to brief communications during rest periods where possible. Casual conversation with friends and relatives during working hours is strongly discouraged. Telephone use is subject to the Use of Agency Technology Policy.

6.17 Third Party Disclosures

From time to time, CVAG may become involved in news stories or potential or actual legal proceedings of various kinds. When that happens, lawyers, former employees, newspapers, law enforcement agencies, and other outside persons may contact our employees to obtain information about the incident or the actual or potential lawsuit.

If you receive such a contact, you should not speak on behalf of the Agency and should refer any call requesting the position of the Agency to the Executive Director and/or the designee. ~~Assistant to the Executive Director.~~ If you have any questions about this policy or are not certain what to do when such a contact is made, contact the Executive Director and/or the designee. ~~Assistant of the Executive Director.~~

6.18 Use of Agency Technology

This policy is intended to provide CVAG employees with the guidelines associated with the use of the Agency information technology (IT) resources and communications systems.

This policy governs the use of all IT resources and communications systems owned by or available at the Agency, and all use of such resources and systems when accessed using your own devices, including but not limited to:

- Email systems and accounts;
- Internet and intranet access;
- Telephones and voicemail systems, including wired and mobile phones, smartphones, and pagers;
- Printers, photocopiers, and scanners;
- Fax machines, e-fax systems, and modems;
- All other associated computer, network, and communications systems, hardware, peripherals, and software, including network key fobs and other devices; and
- Closed-circuit television (CCTV) and all other physical security systems and devices, including access key cards and fobs.

General Provisions

Agency IT resources and communications systems are to be used for business purposes only unless otherwise permitted under applicable law or CVAG.

All content maintained in Agency IT resources and communications systems are the property of the Agency. Therefore, employees should have no expectation of privacy in any message, file, data, document, facsimile, telephone conversation, social media post, conversation, or any other kind or form of information or communication transmitted to, received, or printed from, or stored or recorded on Agency electronic information and communications systems.

The Agency reserves the right to monitor, intercept, and/or review all data transmitted, received, or downloaded over Agency IT resources and communications systems in accordance with applicable law. Any individual who is given access to the system is hereby given notice that the Agency will exercise this right periodically, without prior notice and without prior consent.

The interests of the Agency in monitoring and intercepting data include, but are not limited to: protection of Agency trade secrets, proprietary information, and similar confidential commercially-sensitive information (i.e. financial or sales records/reports, marketing or business strategies/plans, product development, customer lists, patents, trademarks, etc.); managing the use of the computer system; and/or assisting employees in the management of electronic data during periods of absence.

You should not interpret the use of password protection as creating a right or expectation of privacy, nor should you have a right or expectation of privacy regarding the receipt, transmission, or storage of data on Agency IT resources and communications systems.

Do not use Agency IT resources and communications systems for any matter that you would like to be kept private or confidential.

Violations

Violations of this policy will subject you to disciplinary action, up to and including termination of employment. If necessary, the Agency will also advise law enforcement officials of any illegal conduct.

6.19 Use of Employer Vehicles

Agency vehicles are to be used for CVAG business only. Unless the use of the vehicle has been approved for personal use, personal or outside business use is strictly prohibited.

If you drive an Agency vehicle, all infractions or violations while driving the vehicle and all restrictions, suspensions, or revocations against your driver's license must be immediately reported to your Director.

When an Agency vehicle cannot be operated, is unsafe for use, or has been damaged, notify your Director immediately.

As the driver of an Agency vehicle, you are responsible for the vehicle while in your charge and must not permit unauthorized persons to drive it or be a passenger. You are also responsible for the daily housekeeping of the vehicle; it is to remain clean and uncluttered.

You may not operate a motor vehicle while under the influence of alcohol, marijuana, or a chemical substance or other substance that can impair judgment. You may not operate a motor vehicle while texting, emailing, or otherwise using a cell phone or other handheld device without utilizing a hands-free device.

Multiple driving moving violations that appear on the annual state department of motor vehicle check will result in suspension of rights to drive an Agency vehicle or drive a personal vehicle for Agency business. Suspension of rights will continue until one year has passed with no infractions. If there are persistent and ongoing problems with driving infractions, and driving a vehicle is a part of successful execution of job responsibilities, you may be terminated.

6.20 Workplace Privacy and Right to Inspect

CVAG property, including but not limited to phones, computers, tablets, desks, work place areas, vehicles, or machinery, remains under the control of the Agency and is subject to inspection at any time, without notice to any employees, and without their presence.

You should have no expectation of privacy in any of these areas. We assume no responsibility for the loss of, or damage to, your property maintained on Agency premises including that kept in lockers and desks.

7.0 Benefits

7.1 Holidays

The following holidays shall be observed by CVAG with respect to all employees of CVAG. All full-time and part-time regular employees shall be entitled to the following holidays provided that they work at least one day before and after the holiday unless the Executive Director is their sole discretion waives this requirement. Part-time employees are entitled to holiday pay at a ratio determined by the number of regularly scheduled hours in their workday.

The observed holidays are: Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving, from a ~~1/2~~half day on Christmas Eve Day running through January 1 (Given in lieu of holidays such as Lincoln's Birthday, Admission Day, ~~Columbus Day~~ and Veterans' Day) CVAG will also offer employees one additional holiday that will rotate between Juneteenth and Indigenous Peoples' Day.

When Christmas falls on a Monday, the holiday period will begin with the whole day on December 25.

When Christmas falls on a Tuesday, the holiday period will begin with the whole day on December 24.

When Christmas falls on a Saturday, the holiday will begin with the whole day on December 24.

Special Holidays: Holidays proclaimed by the President of the United States or the Governor of California may be granted upon approval of the Executive Committee.

Weekend Holidays: If any of the recognized holidays falls on a Saturday, the preceding Friday shall be designated as the holiday. If any of the recognized holidays falls on a Sunday, the following Monday shall be designated as the holiday.

7.2 Paid Sick Leave (Accrual Method)

In accordance with California's Healthy Workplaces, Healthy Families Act, CVAG provides all eligible employees with paid sick leave benefits. Paid sick leave may be used:

- For the diagnosis, care, or treatment of an existing health condition or preventive care for you or your family member (a child, your own or your spouse/registered domestic partner's parent or legal guardian, a spouse, a registered domestic partner, a grandparent, a grandchild, or a sibling);
- For victims of domestic violence, sexual assault, or stalking to seek care, psychological counseling, shelter or support services, safety-related measures, or any relief, including restraining orders, to help ensure the health, safety, or welfare of the victim or the victim's child;
- For enforced quarantine of the employee in accordance with community health regulations; or

Eligibility

All employees, including part-time and temporary, who have worked in California for at least 30 days within a year after beginning employment are entitled to earn paid sick leave.

Accrual and Usage

Eligible full-time employees begin to accrue paid sick leave upon employment at a rate of fours hour for every pay period worked and may begin using accrued leave on the 90th day of employment.

Eligible part-time employees begin to accrue paid sick leave upon employment at a rate of .05 hours for every hour worked and may begin using accrued leave on the 90th day of employment.

Under the provisions of CVAG's contract with Public Employees Retirement System (PERS), employees are eligible for service credit at retirement for all unused, accumulated leave upon retirement.

You may not use more sick leave than you have accrued or receive an advance of sick leave that has not yet been accrued.

Notice

If your need for leave is foreseeable, provide human resources ~~the Director of Administrative Services~~ with as much advance notice as possible. We recognize that there may be occasions, such as sudden illness, when advance notice is not possible; in these situations, inform your Director of the circumstances as soon as practicable. You may also be asked to provide a certification of illness to your Director.

Interaction with Other Leave

Paid sick leave will run concurrently with other types of leave where permitted under applicable law. For example, if the employee is eligible for disability benefits, they must apply for such benefits. For example, if you require a leave of absence for your own serious health condition or to care for a qualified family member with a serious health condition under the Family Medical Leave Act or Californian Family Rights Act (if applicable), paid sick leave may be applied concurrently with these leaves.

Retaliation

The Agency will not retaliate against employees who request or take leave in accordance with this policy.

Sick Leave While on Vacation

An employee shall be granted sick leave by the Executive Director for illness while on vacation to the extent that it exceeds two regularly scheduled workdays. Such illness will be charged to sick leave rather than vacation leave only under the following conditions:

- The illness or injury of the employee was of a nature that would preclude the effective use of vacation and would prevent the employee from performing their normal duties on the job.
- The employee must notify the Executive Director immediately upon the conclusion of their approved vacation leave.

~~**Administrative Leave**~~

~~Class II and Class III Exempt employees will receive ten administrative leave days at the start of the fiscal year. Unused administrative leave is not subject to accumulation or paid upon termination.~~

7.3 Vacation Policy

CVAG provides eligible employees with paid vacation.

Eligibility

All regular full-time employees are eligible to accrue vacation time immediately upon hire. Employees will accrue but are ineligible to use their vacation until they have worked for six months.

All regular part-time employees shall accrue vacation benefits immediately upon hire. Employees will accrue but are ineligible to use their vacation until they have worked for six months. Vacation time for part time employees is at a ratio determined by the number of regularly scheduled hours in their workday.

Temporary employees are not eligible to accrue vacation benefits.

Deposits into Your Leave Account

Vacation is calculated according to your work anniversary year.

The amount of vacation accrued each year is based on your length of service and accrues according to an accrual schedule determined by the Agency up to a maximum annual grant as shown below:

- First three years of employment: ~~5/6 working days for each month or~~ 3.6076923 hours per payroll period (~~8~~960 hours/year)
- Beginning of fourth year and through the tenth year: ~~1 1/4 working days for each month or~~ 54.6154308 hours per payroll period (12036 hours/year)
- Beginning of the eleventh year and thereafter: ~~1 2/3 working days for each month or~~ 6.1538 7692 hours per payroll period (16076 hours/year)
- ~~When an employee reaches Step 6 on their salary merit scale and has served for a period of at least 5 years, they become eligible to receive an additional 40 hours of vacation leave yearly (prorated for part-time employees) after a favorable evaluation.~~

Once you reach the maximum accrual amount (2.5 times annual entitlement), you will not accrue any additional vacation until you use some of the accrued but unused vacation and the amount falls below the maximum accrual amount. You will not receive retroactive credit for any period of time in which you did not accrue vacation because you accrued the maximum amount.

Leave Usage and Requests for Leave

Agency encourages you to use your vacation time. You are eligible to begin using vacation after 6 months of employment.

You must request vacation from your Director as far in advance as possible, but at least 2 weeks in advance. The Agency will generally grant requests for vacation when possible, taking business needs into consideration. When multiple employees request the same time off, their length of employment may determine priority in scheduling vacation times.

You must take vacation in increments of at least half~~1~~ day.

During a Leave of Absence

Agency may require you to use any unused vacation during disability or family medical leave, or any other leave of absence, where permissible under local, state, and federal law.

You will not accrue vacation during unpaid leaves of absence, or other periods of inactive service, unless vacation accrual is required by applicable federal, state, or local law.

Payout of Accrued Vacation

Once the maximum vacation accrual is reached, and/or upon written request by an employee, CVAG's Executive Director at their discretion may pay off a portion of an employee's accumulated vacation time in lieu of the employee taking time off work. The employee can only make one request per fiscal year and may request payoff for any accrued but unused vacation time that is in excess of 80 hours, and up to a maximum of 80 hours.

Separation of Employment

Upon separation of employment for any reason, you will be paid for accrued but unused vacation hours.

7.4 Witness Leave

If you are required by law to appear in court as a witness, you may take unpaid time off to do so. You are required to provide CVAG reasonable advance notice of the date that you will need to take off work.

7.5 Voting Leave

If your work schedule prevents you from voting on Election Day, CVAG will allow you to take reasonable time off to vote. Under these circumstances, you will be paid for up to 2 hours for voting leave. The time off must be used at the beginning or end of the regular work shift. To request time off for voting, you must notify your Director with as much reasonable notices as possible, but at least two working days in advance of the voting day.

7.6 School Activities Leave

CVAG will provide employees with an unpaid leave of up to 40 hours per calendar year for engaging in either of the following activities:

- To find, enroll, or reenroll their child in a school or with a licensed childcare provider, or to participate in activities of the school or licensed childcare provider of their child; or
- To address a childcare provider or school emergency.

Employees may only take up to 8 hours of School Activities Leave in a calendar month.

For the purposes of this policy, “childcare provider or school emergency” means that an employee’s child cannot remain in a school or with a childcare provider due to one of the following: the school or childcare provider has requested the child be picked up, or has an attendance policy, prohibiting the child from attending school or the licensed childcare provider; behavioral or discipline problems; a closure or unexpected unavailability of the school or childcare provider, excluding holidays; or a natural disaster, including but not limited to fire, earthquake or flood.

Eligibility

All employees who are the parent (including guardian, stepparent, foster parent, grandparent, or person who stands in loco parentis) of one or more children of the age to attend kindergarten or grades 1-12, or cared for by a licensed child care provider.

Notice

To request time off under this leave policy, you must provide reasonable notice in advance of the time off needed. Additionally, CVAG may require you to provide documentation from the school or licensed childcare provider to serve as proof of the child-related activity on the specific date and time requested off.

If more than one parent is employed by the Agency, generally, leave will be granted to the parent who provides notice first. At the Agency’s discretion, both parents may be granted leave simultaneously.

Use of Vacation Time

Employees are required to use accrued vacation hours concurrently with this leave. When employees do not have any available vacation hours, the leave will be taken unpaid.

Retaliation

The Agency will not retaliate against employees who request or take leave in accordance with this policy.

7.7 School Disciplinary Leave

CVAG will provide eligible employees with unpaid leave where permitted by law, to appear at their child's school if the child has been suspended or, for reasons specified in the California Education Code Section 48900.1, the parent has been requested to attend a portion of a school day in the classroom of their child or ward.

Eligibility

All employees who are the parent or guardian of a student are eligible for school disciplinary leave.

Notice

You must provide documentation from the school of your need to take school disciplinary leave.

Retaliation

The Agency will not retaliate against employees who request or take leave in accordance with this policy.

7.8 Pregnancy Disability Leave

If you are disabled by pregnancy, childbirth, or a related medical condition, CVAG will provide you with up to four months of unpaid Pregnancy Disability Leave (PDL).

Eligibility

To be eligible for PDL, you must suffer from a pregnancy-related disability. A ***pregnancy-related disability*** is a physical or mental condition related to pregnancy or childbirth that prevents you from performing the essential duties of your job, or would cause undue risk to you or your pregnancy's successful completion.

Conditions for which PDL is available include, but are not limited to:

- Severe morning sickness;
- Prenatal or postnatal care;
- Doctor ordered bed rest;
- Gestational diabetes;
- Pregnancy-induced hypertension;
- Preeclampsia;
- Post-partum depression;
- Lactation conditions such as mastitis;
- Loss or end of pregnancy; or
- Recovery from loss or end of pregnancy.

Use of Leave

PDL may be taken before or after birth during any period of time (not to exceed four months) where you are physically unable to work due to your pregnancy-related disability. You may take PDL all at once or intermittently.

Where applicable under state and federal law, employees who qualify and are entitled to take PDL may also be eligible for leave under the California Family Rights Act (CFRA). CFRA leave will be counted separately from PDL. An additional 12 weeks of bonding leave may also be available to qualified individuals. Speak with your Director about your eligibility for these leaves.

Notice and Leave Request Process

Foreseeable Need for Leave

If the need for leave is foreseeable because of an expected birth/adoption or planned medical treatment, you must give at least 30 days' notice. If 30 days' notice is not practicable, give notice as soon as possible. You are expected to complete and return a leave request form prior to the beginning of leave. Failure to provide appropriate notice and/or complete and return the necessary paperwork will result in the delay or denial of leave.

Unforeseeable Need for Leave

If the need for leave is unforeseeable, provide notice as soon as practicable and possible under the given circumstances. Normal call-in procedures apply to all absences from work including those for which leave under this policy may be requested. Complete and return the necessary leave request form as soon as possible to obtain the leave. Failure to provide appropriate notice and/or complete and return the necessary paperwork on a timely basis will result in the delay or denial of leave.

Leave Request Process

To request leave under this policy, obtain a leave request form from your Director and return the completed form to ~~Administrative Services~~human resources. If the need for leave is unforeseeable and you will be absent more than three days, contact ~~Administrative Services~~ human resources by telephone and request that a leave form be mailed to your home. If leave will be fewer than three days, complete and return the leave request form upon returning to work.

Call-In Procedures

In all instances of absence, follow the call-in procedures and standards established for giving notice of absence from work utilizing phone, text and email.

Paid Leave Utilization During Pregnancy Leave

You will be required to use available sick leave during PDL. However, you may opt to use any available vacation during your PDL in order to receive compensation for additional time off for the leave.

If you are on PDL for eight or more consecutive calendar days, you may be eligible for partial wage replacement benefits under the California State Disability Insurance (“SDI”) program. You are responsible for applying for these benefits and can obtain forms from your health care provider or from the California Employment Development Department (“EDD”).

Certification and Fitness for Duty Requirements

When requesting PDL, you must provide certification from a health care provider to qualify for leave. Such certification must be provided within 15 days of the request for leave unless it is not practicable under the circumstances despite your diligent efforts. Failure to provide certification may result in the leave being delayed, denied, or revoked. At the discretion of the Agency, you may also be required to obtain a second or third certification from another health care provider at Agency expense. Recertification of the continuance of a serious health condition or an injury/illness of a military service member will also be required at appropriate intervals.

Temporary Transfer and Other Accommodations

If you are suffering from a pregnancy related disability, you are entitled to a temporary transfer to another position or other reasonable accommodation based on the pregnancy-related disability if you request the transfer or reasonable accommodation and the request is based on the medical certification of a health care provider that a transfer or reasonable accommodation is medically advisable, and the request can be reasonably accommodated by the Agency. All employees who are transferred to accommodate a pregnancy-related disability have the same reinstatement and other rights described below with respect to pregnancy-related disability leaves.

The Agency may also require you to transfer temporarily to an available alternative position with the same pay and benefits in order to accommodate your need for intermittent leave or a reduced work schedule.

Health Insurance

The Agency will maintain your health insurance coverage during leave as if you were still working. You must continue to make timely payments of your share of the premiums. Failure to pay premiums within 30 days of when they are due may result in a lapse of coverage. If this occurs, you will be notified 15 days before the date coverage will lapse that coverage will terminate unless payments are promptly made. Alternatively, at our option, the Agency may pay your share of the premiums during the leave and recover the costs of this insurance upon your return to work. Coverage that lapses due to nonpayment of premiums will be reinstated immediately upon return to work without a waiting period. Under most circumstances, if you do not return to work at the end of leave, the Agency may require reimbursement for the health insurance premiums paid during the leave.

Return to Work

Upon returning to work at the end of leave, you will be placed in your original job or an equivalent job with equivalent pay and benefits. You will not lose any benefits that accrued before leave was taken. You may not, however, be entitled to discretionary raises, promotions, bonus payments, or other benefits that become available during leave.

At the completion of PDL, you will be required to obtain a release to return to work from your health care provider stating that you are able to resume your original job or duties.

Failure to Return

If you fail to return to work or fail to make a request for an extension of leave prior to the expiration of the leave, you will be deemed to have voluntarily terminated your employment.

Alternative Employment

While on leave of absence, you may not work or be gainfully employed either for yourself or others unless express, written permission to perform such outside work has been granted by the Agency. If you are on a leave of absence and are found to be working elsewhere without permission, you will be automatically terminated.

False Reason for Leave

You will be terminated if you provide a false reason for a leave.

Retaliation

The Agency will not retaliate against employees who request or take leave in accordance with this policy.

7.9 California Family Rights Act Policy

Beginning January 1, 2021, in accordance with the California Family Rights Act (CFRA), CVAG will provide eligible employees up to a combined total of 12 weeks of unpaid leave per year for the following reasons:

- The birth of your child, or adoption or foster care placement of a child with you.
- Your own serious health condition (not including disability due to pregnancy, childbirth, or related medical conditions).
- The serious health condition of a family member including spouse, siblings, grandparents, grandchildren, domestic partners, parents-in-law and children (of any age, one whom the employee stands in loco parentis, or that of a domestic partner).
- Qualified exigencies related to the covered active duty of an employee's spouse, domestic partner, child or parent in the United States Armed Forces.

Eligibility

To be eligible for CFRA leave:

- You must work at a worksite that employs 5 or more employees.
- You must have been employed with the Company for at least 12 months and for 1,250 hours during the previous 12 months.

Leave Usage

Eligible employees may take up to 12 workweeks of leave per leave year. For purposes of this policy, the leave year is the 12-month period measured forward from the day CFRA leave began.

You are required to use any accrued vacation time or other paid accrued time off that you are eligible to take during the otherwise unpaid portion of the CFRA leave. You also are required to use any accrued sick leave that you are eligible to take during the otherwise unpaid portion of a CFRA leave if the CFRA leave is for your own serious health condition or any other reason mutually agreed to between you and the Agency.

When medically necessary, leave may be taken on an intermittent or reduced work schedule. If you are taking a leave for the birth, adoption, or foster care placement of a child, you may take a minimum of two weeks, and you must finish the leave within one year of the birth or placement for adoption or foster care.

CFRA leave will run concurrent with other federal/state laws where permitted by law.

Notice Requirement

If possible, provide at least 30 days' advance notice of the need for leave where leave is foreseeable (such as the birth of a child or planned medical treatment). If the need for leave is not foreseeable, provide notice as soon as possible. Notice should include the anticipated timing and duration of the leave.

Failure to comply with these notice rules is grounds for, and may result in, deferral of the request for leave until you comply with the notice requirement.

Medical Certification

Where leave is requested for your own serious health condition or to care for a covered family member with a serious health condition, the Agency may require written communication from a health care provider stating the reasons for the leave and the probable duration of the condition.

Return to Work

If you take leave for your own serious health condition, you must obtain from your health care provider a release to return to work before you will be permitted to resume work.

Reinstatement

Upon return to work at the end of leave, you will be placed in your original job or an equivalent job with equivalent pay and benefits. You will not lose any benefits that accrued before leave was taken. You may not, however, be entitled to discretionary raises, promotions, bonus payments, or other benefits that become available during the period of leave.

Benefits

If the Agency provides you with health benefits under a group health plan, the Agency will maintain and pay for your health coverage at the same level and under the same conditions as coverage would have been provided if you had not taken CFRA leave.

Failure to Return to Work

If you fail to return to work or fail to make a request for an extension of leave prior to the expiration of the leave, you will be considered to have voluntarily terminated your employment. Under most circumstances, if you do not return to work at the end of leave, the Agency may require reimbursement for the health insurance premiums paid during the leave.

Alternative Employment

While on leave of absence, you may not work or be gainfully employed either for yourself or others unless express, written permission to perform such outside work has been granted by the Agency. If you are on a leave of absence and are found to be working elsewhere without permission, you will be subject to disciplinary action up to and including termination.

Abuse of Leave

If you are found to have provided a false reason for a leave, you will be subject to disciplinary action up to and including termination.

Retaliation

The Agency will not retaliate against employees who request or take leave in accordance with this policy.

7.10 Jury Duty Leave

Every Employee of CVAG who is summoned or required to serve as a trail juror or witness shall be entitled to be absent from their CVAG duties during the period of such service or while necessarily being present in court as a result of such a call, for a reasonable length of time.

When summoned for jury duty, employees should immediately notify their supervisors so the employee's absence can be covered. Employees are expected to return to work within a reasonable time if excused from jury duty during regular business hours.

CVAG will pay the employee's regular pay, less any jury compensation for work lost due to jury duty service, up to a maximum of fifteen (15) workdays per year. Employees are requested to present a statement showing the amount of jury duty compensation and duration of service to receive pay for those days.

7.11 Crime Victim Leave

CVAG provides employees who are the victim of a violent felony or serious felony (or the family member of a victim of a violent felony or serious felony) with unpaid leave in order to attend judicial proceedings related to the crime. A family member under this policy includes a spouse, domestic partner, child, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father, or stepfather.

When the need for leave is foreseeable, you must provide documentation of the scheduled proceeding. Such notice is typically given to the victim of the crime by a court or government agency setting the hearing, a district attorney or prosecuting attorney's office, or a victim/witness office. If advance notice is not possible, you must provide appropriate documentation within a reasonable time after the absence.

Any absence from work to attend judicial proceedings will be unpaid, unless you choose to take paid time off, such as accrued vacation or personal holiday.

The Agency will not retaliate against employees who request or take leave in accordance with this policy.

7.12 Bereavement Leave

CVAG recognizes the importance of taking leave when there is a death in the family. Where bereavement leave is not required by law, the Agency will provide bereavement leave as follows:

All employees are eligible for 3 days of paid bereavement leave for the death of an immediate family member.

You may use accrued but unused vacation/sick leave/paid time off if additional time is needed. Additional unpaid time off may be granted at the discretion of the Agency on a case-by-case basis.

For purposes of this policy, ***immediate family member*** includes the following and applies both to the family of the employee and the employee's spouse or domestic partner: child (including foster child and stepchild), spouse, domestic partner, sister, brother, parents (including foster parents and stepparents), grandparents.

You must provide notice of your need for bereavement leave as far in advance as possible. The Agency may require documentation supporting your need for bereavement leave.

7.13 Bone Marrow and Organ Donor Leave

CVAG will provide employees, with a paid leave of absence for the purpose of donating organs or bone marrow. When donating an organ, you may take up to 30 paid business days in any one-year period.

The Agency will provide employees with an additional unpaid leave of absence of up to 30 business days in a one-year period when donating an organ. The one-year period is measured from the date leave begins.

When donating bone marrow, you may take up to five paid business days in any one-year period. The one-year period for both leaves is measured from the date leave begins.

You are required to provide as much advance notice as possible if you wish to take leave to donate an organ or bone marrow. Provide human resources with verification from a physician that the donation will take place and that there is a medical necessity for the donation.

When taking a leave for bone marrow, you must use up to five days of accrued unused paid sick leave vacation or combination thereof concurrently with the leave. When taking a leave when donating an organ, you must use up to two weeks of accrued paid sick leave, vacation, or combination thereof concurrently with the leave.

Leave taken under this policy does not constitute a break in service for health insurance coverage, accrual of vacation or sick pay, or seniority.

This leave will not run concurrently with federal Family and Medical Leave Act or California Family Rights Act leave.

The Agency will not retaliate against employees who request or take leave in accordance with this policy.

7.14 Emergency Services Leave

If you are a volunteer firefighter, reserve peace officer, or emergency rescue personnel (as defined by applicable law), CVAG will provide you with unpaid time off to perform your emergency duties. You may substitute available vacation for any unpaid portion of leave to perform such emergency duties.

If you are a health care provider you must notify the Agency at the time you become designated as emergency rescue personnel and when you are notified that you will be deployed as a result of that designation.

7.15 Military Leave (USERRA)

CVAG complies with applicable federal and state law regarding military leave and re-employment rights. Unpaid military leave of absence will be granted to members of the uniformed services in accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994 and its subsequent amendments (collectively “USERRA”) and all applicable state law. You must submit documentation of the need for leave to the ~~Director of Administrative Services~~human resources. When returning from military leave of absence, you will be reinstated to your previous position or a similar position, in accordance with state and federal law. You must notify your Director of your intent to return to employment based on requirements of the law. For more information regarding status, compensation, benefits, and reinstatement upon return from military leave, contact the ~~Director of Administrative Services~~human resources.

7.16 Personal Leave of Absence

CVAG recognizes that you may need time off from work in special circumstances that other leave policies may not address. In such cases, you may request a personal leave of absence.

Eligibility

All regular employees employed for at least 90 days are eligible to apply for an unpaid personal leave of absence.

Requesting Leave

Requests for unpaid personal leave must be submitted to the Executive Director in writing at least 30 days in advance where practical. In emergency situations, written notice must be provided as soon as possible. The request should include the reason for the leave as well as the dates you expect to begin and end the leave.

Job performance, absenteeism, and departmental requirements will be taken into consideration before a request is approved. Requests for unpaid personal leave may be denied or granted for any reason and are within the sole discretion of the Agency.

The leave of absence shall not exceed three months. After three months, the leave of absence may be extended up to three additional months if authorized by the Executive Director. No such leave shall be granted except upon written request of the employee, setting forth the reason for the request, and the approval will also be in writing. Upon expiration of regularly approved leave or within a reasonable period of time after notice to return to work, the employee shall be reinstated in the classification held at the time the leave was granted if the needs of CVAG permits and/or a position in such classification is available. Failure on the part of an employee on leave to report promptly at its expiration, or within a reasonable time after notice return to work shall be cause for termination.

The granting of any leave of absence without pay exceeding fourteen calendar days shall result in a new salary anniversary for the employee. Such date shall be based on their original salary date plus the number of calendar days of their leave in excess of fourteen calendar days. Since the earning of benefits is determined by hours worked, leaves of absence without pay do NOT earn vacation, sick leave, any benefits such as retirement credits, holiday time and car allowances; not do they earn any CVAG payments toward medical insurance, dental insurance, life insurance and deferred compensation except as required by such law such as COBRA benefits, which are available at the employee's own expense.

Alternative Employment

While on an unpaid leave of absence, you may not work or be gainfully employed either for yourself or others unless express, written permission to perform such outside work has been granted by the Agency. If you are on a leave of absence and are found to be working elsewhere without permission, you will be subject to disciplinary action up to and including termination.

7.17 Disability Insurance

If you are unable to work for at least eight days due to a non-work-related illness or injury, or a pregnancy-related disability, you may be eligible to receive disability insurance benefits. Disability insurance is a component of California's State Disability Insurance (“SDI”) program. Disability insurance provides eligible employees with up to 52 weeks of partial wage

replacement benefits. Benefit amounts are based on a percentage of your wages paid during a specific 12-month base period, determined by the date your claim begins.

To apply for this benefit, you must contact the California Employment Development Department ("EDD") to obtain the necessary forms, including a healthcare certification to be completed by your treating physician.

The SDI program does not create a right to a leave of absence, job protection, or job reinstatement. As stated above, SDI is a program that provides partial wage replacement benefits while an employee is unable to work for the reasons mentioned above. Further, SDI is funded by workers through SDI payroll deductions.

You are responsible for filing your claim and other forms promptly and accurately with the EDD. To learn more about the SDI program, including eligibility requirements and benefits, or to make a claim for DI benefits, contact your local EDD office or visit (www.edd.ca.gov).

CVAG will be notified that you have submitted a disability insurance claim and will be promptly respond to any requests from EDD to confirm pay rate and dates not worked due to disability.

7.18 Paid Family Leave Insurance

California's Paid Family Leave (PFL) insurance program provides eligible employees with up to eight weeks of partial wage replacement in any 12-month period to take time off from work to bond with a new child (either by birth, adoption, or foster care placement) or to care for a seriously ill family member (child, parent, parent-in-law, grandparent, grandchild, sibling, spouse, or registered domestic partner). The 12-month period begins on the day a claim is submitted.

PFL insurance is funded entirely by workers through state disability insurance (SDI) payroll deductions. If you are currently receiving benefits from SDI or workers' compensation insurance, you may not be eligible to receive PFL benefits. The California PFL insurance program does not create a right to a leave of absence, job protection, or job reinstatement.

The PFL insurance program makes benefits available to eligible employees through the EDD. To obtain more information on eligibility or to obtain a claim form, you must contact the EDD office or visit the website (www.edd.ca.gov). Medical and other documentation may be required.

7.19 Dental Insurance

All regular full-time employees who are scheduled to and do work 30 hours per week and who have completed 30 of employment at CVAG are eligible for the Agency dental plan on the first day of the month following 30 days of employment. Dental plan benefits are described in detail in the Summary Plan Description ("SPD").

7.20 Employer-Sponsored Disability Benefits

CVAG offers the following employer-sponsored disability insurance benefits to employees when they miss work due to non-work-related disabilities.

Eligibility

All regular employees, who are scheduled to and do work 30 hours per week, employed at least 30 days are eligible for employer-sponsored Short-Term Disability. Eligibility begins on the first day of the month following 30 days of employment.

Short-Term Disability Insurance

Short-Term Disability insurance generally pays a weekly benefit if you cannot work because of a covered illness or injury. The benefit replaces a portion of your weekly income, providing funds directly to you to help pay your bills and living expenses. Check your plan documents for details about benefit payments and duration.

Long-Term Disability Insurance

Long-Term Disability insurance generally pays a monthly benefit to you if you cannot work because of a covered illness or injury. The benefit replaces a portion of your income, thus helping to meet your financial commitment in a time of need. Check your plan documents for details about benefit payments and duration.

Additional Information

The terms and conditions for the disability insurance program are outlined in the Summary of Plan Benefits. Contact ~~the Director of Administrative Services~~human resources for a copy of the plan provisions, required forms, and additional information about these benefits.

7.21 PERS and ~~457~~Deferred Compensation Plans

All regular employees employed to work the number of hours as required by the Public Employees Retirement System ("PERS") to qualify, automatically become members of the (PERS). CVAG contributes to retirement funds immediately upon employment in accordance with PERS policy.

Retirement is defined as an employee who is fully vested in PERS and meets the retirement requirements of PERS. Under CVAG's contract with PERS, Classic employees receive 2% of final compensation at age 55 for each year of service credit and PEPRA employees receive 2% at 62. For employees who retire earlier, the percentage of final compensation is reduced. The provisions of the Retirement system are available directly from PERS.

Under the provisions of CVAG's contract with PERS, employees are eligible for service credit for all unused, accrued sick leave at the PERS maximum amount allowable.

CVAG offers its employees a 457(b) plan to which employees may contribute in line with Internal Revenue Code. CVAG does not provide a matching contribution on the 457(b) plan. ~~Effective July 1, 2023,~~ CVAG also offers its employees a 401(a) plan to which CVAG will match up to 2% of an employee's annual salary. Employees are eligible to contribute to the plan in line with Internal Revenue Code with any CVAG matching contribution effective only after an employee reaches six months of employment. Employees are fully vested in their eligible employer contributions.

7.22 Health Insurance Policy

CVAG offers group health insurance benefits to all eligible employees who are scheduled to and do work at least 30 hours per week and who have completed 30 days of employment and their eligible dependents. Health plan benefits are described in detail in the Summary Plan Description ("SPD"), which may be obtained from ~~the Director of Administration~~Hhuman ~~R~~resources. To cover both the employee's cost and/or the dependent's costs, CVAG will provide an amount equivalent to the CalPERS PERS Choice health plan. rates for the respective three tiers. For part time employees the amount paid by CVAG toward health benefits and insurance is reduced in proportion to those hours the employee works compared to an 80 hour pay period. Any costs in excess of the benefit amount will be paid by the employee. Any unused benefit amount will be paid to the employee. Employees can choose not to be covered by CVAG's medical insurance only if they receive comparable coverage from another source and provide proof of such coverage. Employees choosing not to be covered by CVAG's insurance will receive a benefit rate equivalent to the single rate. The employee must notify the ~~Director of Administrative Services~~human resources of any changes in non-CVAG provided benefits.

Payments by the employer stop if the employee is terminated, leaves employment or retires subject to PERS and COBRA requirements (details herein below).

Benefits may be canceled or changed at the discretion of the Agency, unless otherwise prohibited by law.

If you or a dependent become ineligible for benefits due to a change in work hours or through a life event, or you leave employment with us, you may have the right to continue your health benefits under federal or state law. In such event, the Agency will provide you with information about your rights to continue your benefits coverage.

7.23 COBRA

The Consolidated Omnibus Budget Reconciliation Act (COBRA) provides the opportunity for eligible CVAG employees and their beneficiaries to continue health insurance coverage under the Agency health plan when a "qualifying event" could result in the loss of eligibility. Qualifying events include resignation, termination of employment, death of an employee, reduction in hours, a leave of absence, divorce or legal separation, entitlement to Medicare, or where a dependent child no longer meets eligibility requirements.

Contact ~~the Director of Administrative Services~~human resources to learn more about your COBRA rights.

7.24 Life Insurance

CVAG provides life insurance to all regular employees who are scheduled to and do work at least 30 hours per week and who have completed 30 days of employment with the Agency. You will be required to notify the benefits administrator of your intended beneficiary. Refer to the SPD for details about the benefit.

7.25 Workers' Compensation Insurance Policy

Workers' compensation is a no-fault system designed to provide benefits to all employees for work-related injuries. Workers' compensation insurance coverage is paid for by employers and governed by state law. The workers' compensation system provides for coverage of medical treatment and expenses, occupational disability leave, and rehabilitation services, as well as

payment for lost wages due to work related injuries. If you are injured on the job while working at CVAG, no matter how slightly, you are to report the incident immediately to your Director. Consistent with applicable state law, failure to report an injury within a reasonable period of time could jeopardize your claim for benefits.

To receive workers' compensation benefits, notify your Director immediately of your claim. If your injury is the result of an on-the-job accident, you must fill out an accident report. You will be required to submit a medical release before you can return to work.

7.26 Credit Union

CVAG employees are eligible to join the Altura Credit Union will full privileges for saving and borrowing money as members. Upon request by the employee, CVAG will handle deposits to each participating employee's account with the Credit Union on a payroll deduction basis. Information regarding the Credit Union may be obtained by the Accounts Manager.

7.27 Section 125 Plan

CVAG has established an IRS Section 125 program. This program can be used upon written request of a CVAG employee to set aside a portion of the employee's pay for the purposes described in the program's brochure. For a copy of the brochure see ~~the Director of Administrative Services~~human resources.

The result can be considerable tax savings since these benefits are paid from pre-tax earnings if this option is exercised by the employee. You may want to consult your tax advisor prior to exercising this option. There are certain guidelines and restrictions by the IRS on this program.

The current plan allows for the payment of childcare expenses, insurance premiums and a medical reimbursement program.

7.28 Accommodations for Nursing Mothers

CVAG is required by law to provide employees that are nursing mothers with certain accommodations to express milk upon request. Accordingly, the Agency will provide nursing mothers with:

- Reasonable break time to express milk for their infant child(ren) each time the mother has the need to express milk; and
- A private room or other location in close proximity to their work area, other than a restroom, which is shielded from view and free from intrusion, to express breast milk.

Requesting Accommodation

If you have a need for accommodation, contact your Director. If the Agency cannot provide break time or a location that complies with the above, the Agency will provide you with a written response.

Break Times

Regarding break times, you may use your regular paid rest breaks or may take other reasonable break time when needed. If possible, the break time should run concurrently with scheduled meal and rest breaks already provided to you. If the break time cannot run

concurrently with meal and rest breaks already provided or additional time is needed, break times will be unpaid except where federal or state law dictates otherwise.

Milk Storage

Expressed milk can be stored in Agency refrigerators. Sufficiently mark or label your milk to avoid confusion for other employees who may share the refrigerator.

Retaliation

The Agency will not retaliate against employees who request or obtain an accommodation in accordance with this policy.

Right to File Complaint

If you feel the Agency is not providing you with adequate break time and/or a place to express milk as provided for in Labor Code § 1030, you may file a report/claim with the Labor Commissioner's Bureau of Field Enforcement ("BOFE") at the BOFE office nearest your place of employment. The complaint must be filed within three years of the alleged unlawful action.

In addition, if you believe you have been a victim of retaliation for either asserting a right to lactation accommodation or for complaining to the Labor Commissioner about the failure of the Agency to provide this accommodation, you may file a retaliation claim with the Labor Commissioner's Office pursuant to Labor Code § 98.7. This claim must be filed within six months of the alleged retaliation.

7.29 Leave and Accommodations for Victims of Domestic Violence, Sexual Assault, or Stalking

CVAG will provide an unpaid leave of absence to victims of domestic violence, sexual assault, or stalking to obtain or attempt to obtain any relief, including time to acquire:

- Temporary restraining orders;
- Permanent restraining orders;
- Mental Health Treatment;
- Medical Treatment; or
- Time in a domestic violence shelter.

Notice

You must provide reasonable advance notice of your intention to take leave for the above reasons unless advanced notice is not feasible. If an unscheduled absence occurs, you must provide the following certifying documentation within a reasonable amount of time after your absence:

- A police report indicating that you were a victim of domestic violence, sexual assault, or stalking;
- A court order protecting or separating you from the perpetrator of an act of domestic violence, sexual assault, or stalking, or other evidence from the court or prosecuting attorney stating that you have appeared in court; or
- Documentation from a licensed medical professional, domestic violence counselor, sexual assault counselor, licensed health care provider, or counselor stating that you were undergoing treatment for physical or mental injuries or abuse resulting from victimization of an act of domestic violence, sexual assault, or stalking.

Reasonable Accommodation

In addition to time off, at your request, CVAG will provide:

Reasonable accommodations to assist in protecting your safety while at work. Such reasonable accommodations may include the implementation of safety measures such as:

- A transfer, reassignment, or modified schedule;
- A change in telephone number, workstation or installed lock;
- Assistance in documenting domestic violence, sexual assault, or stalking that occurs in the workplace;
- An implemented safety procedure or other adjustment to a job structure, workplace facility, or work requirement in response to domestic violence, sexual assault, or stalking; or
- Referral to a victim assistance organization.

Upon receiving a request, the Agency will engage in a timely, good faith, interactive process with you to determine the most effective reasonable accommodations.

Once you no longer need an accommodation, you must notify the Agency that the accommodation is no longer needed. If circumstances change and you need a new accommodation, you must request one.

Certification

When requesting a reasonable accommodation, you will be asked to submit a signed, written statement that certifies that the accommodation is for an authorized purpose. You may also be asked to provide certifying documentation as listed above in the Notice section of this policy. If the accommodation extends beyond six months, CVAG may request certification documentation every six months after the date of the prior certification.

Use of Paid Time Off

Generally, this is an unpaid leave of absence.

You may use available vacation, personal leave, accrued paid sick leave, or compensatory time off for your leave.

Confidentiality

The Agency will maintain the confidentiality of anyone requesting time off or requesting an accommodation under this policy, except as required by federal or state law or as necessary to protect your safety in the workplace.

Retaliation

The Agency will not retaliate against a victim of domestic violence, sexual assault, or stalking for requesting or obtaining leave or a reasonable accommodation in accordance with this policy.

7.30 Disability Accommodation

CVAG complies with the Americans with Disabilities Act (ADA), the Pregnancy Discrimination Act, and all applicable state and local fair employment practices laws, and is committed to providing equal employment opportunities to qualified individuals with disabilities, including disabilities related to pregnancy, childbirth, and related conditions. Consistent with this

commitment, the Agency will provide reasonable accommodation to otherwise qualified individuals where appropriate to allow the individual to perform the essential functions of the job, unless doing so would create an undue hardship on the business.

If you require an accommodation because of your disability, it is your responsibility to notify your Director. You may be asked to include relevant information such as:

- A description of the proposed accommodation;
- The reason you need an accommodation; and
- How the accommodation will help you perform the essential functions of your job.

After receiving your request, the Agency will engage in an interactive dialogue with you to determine the precise limitations of your disability and explore potential reasonable accommodations that could overcome those limitations. Where appropriate, we may need your permission to obtain additional information from your medical provider. All medical information received by the Agency in connection with a request for accommodation will be treated as confidential.

The Agency encourages you to suggest specific reasonable accommodations that you believe would allow you to perform your job. However, the Agency is not required to make the specific accommodation requested by you and may provide an alternative accommodation, to the extent any reasonable accommodation can be made without imposing an undue hardship on the Agency.

If leave is provided as a reasonable accommodation, such leave may run concurrently with leave under the federal Family and Medical Leave Act and/or any other leave where permitted by state and federal law.

The Agency will not discriminate or retaliate against employees for requesting an accommodation.

7.31 Religious Accommodation

CVAG is dedicated to treating its employees equally and with respect and recognizes the diversity of their religious beliefs. All employees, unpaid interns, and volunteers may request an accommodation when their religious beliefs cause a deviation from the Agency dress or grooming code, or the individual's schedule, basic job duties, or other aspects of employment. The Agency will consider the request, but reserves the right to offer its own accommodation to the extent permitted by law. Some, but not all, of the factors that the Agency will consider are cost, the effect that an accommodation will have on current established policies, and the burden on operations, including other employees, when determining a reasonable accommodation. At no time will the Agency question the validity of a person's belief.

If you require a religious accommodation, speak with your Director.

7.32 Continuing Education Policy, Tuition Assistance, and Wellness Policy

We believe in the continuing education of our employees. If CVAG sends you to a class or training program during normal working hours related to your employment and you are nonexempt, you will be paid training pay for that time. If you are interested in attending an outside class and having the Agency pay for your attendance, you are required to provide advance written notice describing the class, including the subject matter, length, and cost. Depending on the type of training, the Agency may reimburse some or all of the fees, including materials expenses, meals, and transportation. If your Director approves of your attendance

at a class that is not sponsored by the Agency, you will be reimbursed once you have attended and paid for the class.

All regular employees who are scheduled to and do work 30 or more hours per week shall be eligible to participate after six months of employment.

The employee must still be employed by CVAG upon completion of the course and at the time they apply for reimbursement.

The Executive Director will determine what type of courses will be allowed for reimbursement prior to commitment by the employee.

Courses considered by the Executive Director for reimbursement shall be designed to directly improve the knowledge of the employee which will improve performance and enhance advancement opportunities.

Professional Memberships are reimbursed at 100%

Funds can also be used toward CVAG wellness program. Purchases need to be approved and will be reimbursed at 75%.

Employees are eligible for a maximum annual (fiscal year) benefit of $1,250.000.

7.33 Unemployment Compensation Insurance Policy

Unemployment compensation insurance provides temporary income for employees who have lost their job under certain circumstances. Your eligibility for unemployment compensation will, in part, be determined by the reasons for your separation from the Agency. For more information about eligibility and applying for unemployment compensation benefits, contact your local EDD office or visit www.edd.ca.gov.

7.34 Vision Care Insurance

All regular employees who are scheduled to and do work 30 hours per week and who have reached 30 days of employment at CVAG are eligible for the Agency vision care plan. Eligibility begins on the first day of the month after 30 days of employment. Vision care plan benefits are described in detail in the Summary Plan Description.

8.0 Safety and Loss Prevention

8.1 General Safety Policy

It is the responsibility of all CVAG employees to maintain a healthy and safe work environment. Report all safety hazards and occupational illnesses or injuries to your Director as soon as reasonably possible and complete an occupational illness or injury form as needed. Failure to follow the Agency health and safety rules may result in disciplinary action, up to and including termination of employment.

8.2 Drug and Alcohol Policy

CVAG is committed to providing a safe, healthy, and productive work environment. Consistent with this commitment, it is the intent of the Agency to maintain a drug, marijuana, and alcohol-free workplace. Being under the influence of alcohol, marijuana, illegal drugs (as classified

under federal, state, or local laws), or other impairing substances while on the job may pose a serious health and safety risk to others, and will not be tolerated.

Prohibited Conduct

The Agency expressly prohibits employees from engaging in the following activities when they are on duty or conducting Agency business or on Agency premises (whether or not they are working):

- The use, abuse, or being under the influence of alcohol, marijuana illegal drugs, or other impairing substances;
- The possession, sale, purchase, transfer, or transit of any illegal or unauthorized drug, including prescription medication that is not prescribed to the individual, or drug-related paraphernalia; or
- The illegal use or abuse of prescription drugs.

While the use of marijuana has been legalized under some state laws for medicinal and/or recreational uses, it remains an illegal drug under federal law. The Agency does not discriminate against employees solely on the basis of their lawful off-duty use of marijuana. However, you may not consume or be under the influence of marijuana while on duty or at work. If you have a valid prescription for medical marijuana, refer to the Agency Disability Accommodation policy for additional information.

Nothing in this policy is meant to prohibit your appropriate use of over-the-counter medication or other medication that can legally be prescribed under both federal and state law, if it does not impair your job performance or safety or the safety of others. If you take over-the-counter medication or other medication that can legally be prescribed under both federal and state law to treat a disability, inform your Director if you believe the medication may impair your job performance, safety, or the safety of others or if you believe you need a reasonable accommodation before reporting to work while under the influence of that medication.

Violations

Violation of this policy may result in disciplinary action, up to and including termination of employment.

If an employee is suspected of being impaired, or under the influence of any intoxicating substance, the Agency maintains the right to request that employee to undergo a drug test. If the employee refuses or has a test result that is positive, disciplinary action may result, up to and including termination of employment. While waiting for the results of the test, the employee will be placed on a leave. In most cases, the results are received immediately.

8.3 Policy Against Workplace Violence

As the safety and security of our employees, vendors, contractors, and the general public is in the best interests of CVAG, we are committed to working with our employees to provide a work environment free from violence, intimidation, and other disruptive behavior.

Zero Tolerance Policy

The Agency has a zero tolerance policy regarding workplace violence and will not tolerate acts or threats of violence, harassment, intimidation, and other disruptive behavior, either physical or verbal, that occurs in the workplace or other areas. This applies to management, co-workers, employees, and non-employees such as contractors, members, and visitors.

Workplace violence can include oral or written statements, gestures, or expressions that communicate a direct or indirect threat of physical harm, damage to property, or any intentional behavior that may cause a person to feel threatened.

Prohibited Conduct

Prohibited conduct includes, but is not limited to:

- Physically injuring another person;
- Threatening to injure a person or damage property by any means, including verbal, written, direct, indirect, or electronic means;
- Taking any action to place a person in reasonable fear of imminent harm or offensive contact;
- Possessing, brandishing, or using a firearm or other weapon on Agency property or while performing Agency business except as permitted by state law; or
- Violating a restraining order, order of protection, injunction against harassment, or other court order.

Reporting Incidents of Violence

Report to your Director, in accordance with this policy, any behavior that compromises our ability to maintain a safe work environment. All reports will be investigated immediately and kept confidential, except where there is a legitimate need to know. You are expected to cooperate in any investigation of workplace violence.

Violations

Violating this policy may subject you to criminal charges as well as discipline up to and including immediate termination of employment.

Retaliation

Victims and witnesses of workplace violence will not be retaliated against in any manner. In addition, you will not be subject to discipline for, based on a reasonable belief, reporting a threat or for cooperating in an investigation.

If you initiate, participate, are involved in retaliation, or obstruct an investigation into conduct prohibited by this policy, you will be subject to discipline up to and including termination.

If you believe you have been wrongfully retaliated against, immediately report the matter to human resources staff. ~~the Director of Administrative Services.~~

8.4 Nonsmoking Policy

CVAG is concerned about the effect that smoking and secondhand smoke inhalation can have on its employees and clients. Smoking in the office, client areas, restrooms and inside CVAG vehicles is prohibited. CVAG also considers the use of e-cigarettes and vaping devices that contain nicotine as “smoking”, and therefore, use of these products is also prohibited in the areas listed above.

Employees who wish to smoke must do so on an approved rest break or meal period and may only do so in the designated smoking areas.

8.5 Heat Illness Prevention

CVAG is committed to complying with all applicable laws and ensuring that employees avoid heat illness while working outside. Heat illness may begin with mild symptoms and progress quickly to signs of serious and life-threatening illness. All employees who work outdoors and are reasonably anticipated to be exposed to the risk of heat illness will be provided detailed training before starting work involving a risk of heat illness.

This policy ensures that employees working outdoors understand they are allowed and encouraged to take preventative cool-down rest periods in provided shaded areas whenever they feel the need to protect themselves from overheating.

You may also be asked to take a cool-down rest period if you are observed having any signs of heat illness. Access to shade is permitted at all times. Cool-down periods are not limited in frequency and are considered time worked.

When taking a preventative cool-down rest period:

- You will be monitored and asked if you are experiencing any symptoms of heat illness;
- You will be encouraged to remain in the shade; and
- You will not be ordered back to work until any signs or symptoms of heat illness have abated, but in no event sooner than five minutes after accessing shade, excluding the time needed to access the shade.

The Agency provides fresh, pure, and suitably cool drinking water at no charge. When the work environment is hot, you are encouraged to frequently drink small cups of water, with up to four cups (one quart or more) per hour recommended, to stay hydrated.

The Agency has in place effective emergency response procedures if you show signs or report symptoms of heat illness while taking a preventative cool-down rest period.

You must immediately report to your Director if you experience any symptoms or signs of heat illness or see signs of heat illness in co-workers so that the Agency can respond with medical attention, as appropriate.

The Agency will not discriminate or retaliate against employees who take preventative cool-down rest periods in accordance with this policy.

8.6 Business Closure and Emergencies

CVAG recognizes that inclement weather and other emergencies may affect your ability to get to work. In such situations, your safety is paramount.

Office Closure

Examples of emergencies when the Agency may close include, but are not limited to, power outages, orders given by government authorities, earthquake, flood, and fire.

Notification

In an emergency, the Agency will make every effort to notify you of the closing by phone. These notification efforts assume that you have access to electricity and internet and/or phone service.

When the Agency is unable to notify you of the closure, use common sense to assess the safety and practicality of the situation. In a regional power outage, for example, the Agency is

likely to have no power. If there is reported flash flooding in your area, report to work only if you can make it safely.

Partial-Day Closure

If an emergency event such as inclement weather or a power outage occurs, the Agency may decide to close mid-day. When the Agency closes mid-day, you will be instructed to leave immediately so that the conditions do not further deteriorate and affect your ability to travel safely.

If you are exempt and are working at home with prior permission, or at the office on the day of the partial day closure, you will be paid your normal salary for the week. If you are nonexempt, you will be paid for the hours you worked, unless state law dictates otherwise.

Notified of Closure Prior to Reporting to Work

If you are nonexempt and are notified of a closure prior to reporting to work, you will not be paid during the closure, unless state law dictates otherwise. If you are exempt, you will be paid your normal salary for the week.

Benefits Coverage

Your health insurance coverage will be maintained by the Agency during the closure on the same basis as if you were still working.

Extending Leave

When the Agency closure ends, you are expected to report to work. Contact your Director if you cannot return to work at the end of the closure. The Agency recognizes that you may need additional time off to repair extensive home damage or for other emergency situations. These will be assessed on a case-by-case basis.

If You Cannot Get to Work

Unique circumstances may affect your ability to come to work even when the Agency is able to remain open. The Agency recognizes that in a severe national or regional disaster, all methods of communication may be unavailable. However, you should continue to try and contact your Director, by any method possible.

Time missed under circumstances where the Agency remains open and you are unable to report to work is to be used as vacation time, personal time, or is unpaid.

9.0 Trade Secrets and Inventions

9.1 Confidentiality and Nondisclosure of Trade Secrets

As a condition of employment, CVAG employees are required to protect the confidentiality related to the Agency. Access to this information should be limited to a "need to know" basis and should not be used for personal benefit, disclosed, or released without prior authorization from management.

If you have information that leads you to suspect that employees are sharing such information in violation of this policy and/or competitors are obtaining such information, you are required to inform your Director or human resources staff. ~~the Director of Administrative Services.~~

Violation of this policy may result in disciplinary action up to and including termination, and may subject the violator to civil liability.

Closing Statement

Thank you for reading our handbook. We hope it has provided you with an understanding of our mission, history, and structure as well as our current policies and guidelines. We look forward to working with you to create a successful Agency and a safe, productive, and pleasant workplace.

Tom Kirk, Executive Director

Coachella Valley Association of Governments

Acknowledgment of Receipt and Review

By signing below, I acknowledge that I have received a copy of the Coachella Valley Association of Government (“CVAG” or “Agency”) Employee Handbook (handbook) and that I have read it, understand it, and agree to comply with it. I understand that the Agency has the maximum discretion permitted by law to interpret, administer, change, modify, or delete the rules, regulations, procedures, and benefits contained in the handbook at any time with or without notice. No statement or representation by a supervisor, manager, or any other employee, whether oral or written, can supplement or modify this handbook. Changes can only be made if approved in writing by the Executive Director of the Agency. I also understand that any delay or failure by the Agency to enforce any rule, regulation, or procedure contained in the handbook does not constitute a waiver on behalf of the Agency or affect the right of the Agency to enforce such rule, regulation, or procedure in the future.

I understand that neither this handbook nor any other communication by a management representative or other, whether oral or written, is intended in any way to create a contract of employment. I further understand that, unless I have a written employment agreement signed by an authorized Agency representative, I am employed "at-will" (to the extent permitted by law) and this handbook does not modify my "at-will" employment status. I further understand that if my employment has not expressly been designated as “at-will”, I am entitled to due process for any adverse employment action that occurs, including discipline and termination.

If I am covered by a written employment agreement (signed by an authorized Agency representative), I understand that the terms of the employment agreement or collective-bargaining agreement will control.

This handbook is not intended to preclude or dissuade employees from engaging in legally protected activities under the National Labor Relations Act (“NLRA”).

This handbook supersedes any previous handbook or policy statements, whether written or oral, issued by CVAG.

If I have any questions about the content or interpretation of this handbook, I will contact Executive Director.

_____ _____

Signature Date

_____

Print Name

Confirmation of Receipt of Harassment, Discrimination and Retaliation Prevention Policy

I have received my copy of the Agency's Harassment, Discrimination and Retaliation Prevention Policy. I understand and agree that it is my responsibility to read and familiarize myself with this policy. I understand that the Agency is committed to providing a work environment that is free from harassment, discrimination, and retaliation. My signature certifies that I understand that I must conform to and abide by the rules and requirements described in this policy.

_____ _____

Signature Date

_____

Print Name

ITEM 7C

Coachella Valley Association of Governments
Executive Committee
June 5, 2023

STAFF REPORT

Subject: **Renaming of the Energy & Environmental Resources Committee**

Contact: Tom Kirk, Executive Director (tkirk@cvag.org)

Recommendation: Rename CVAG's Energy & Environmental Resources Committee to be CVAG's Energy & Sustainability Committee, effective July 1

Energy & Environmental Resources Committee: Concurred (Meeting of May 11)

Background: The Energy and Environmental Resources Committee serves as an advisory policy committee to the Executive Committee. The Committee's origins date back to CVAG's founding years in the 1970s, when the CVAG General Assembly created a Natural Resources Committee and an Ad Hoc Energy Resources Committee.

Over the years, some of these standing and ad hoc committees merged and the Committee's name changed to reflect change in scope and programs. By the early 1980s, the Committee was known as the Energy and Environment Committee, and the range of regional programs included solid waste management and air quality issues. By 1988, the Committee was engaged in overseeing the Fringe Toed Lizard Preserve, which eventually led to the formation of the Coachella Valley Conservation Commission (CVCC). CVAG has dubbed the committee the Energy and Environmental Resources Committee for more than 20 years.

CVAG staff is now recommending that the Energy and Environmental Resources Committee be renamed again, this time to the Energy & Sustainability Committee. Thanks to the stellar work of the CVCC, CVAG and its committee no longer take a lead on habitat conservation nor does CVAG spearhead preservation of natural habitat and other natural resources. The new name of the Energy & Sustainability Committee would be more in line with the policy direction and programs that CVAG is leading. It also would make CVAG internally consistent with how these programs are detailed in the annual budget.

Fiscal Analysis: There is no cost to CVAG for the name change.

ITEM 7D

Coachella Valley Association of Governments
Executive Committee
June 5, 2023

STAFF REPORT

Subject: **CVAG/CVCC Agreement for Administration of the Coachella Valley Multiple Species Habitat Conservation Plan**

Contact: Kathleen Brundige, Director of Conservation (kbrundige@cvag.org)
Claude Kilgore, CVCC Auditor (ckilgore@cvag.org)

Recommendation: Authorize the Chair to execute the Agreement with the Coachella Valley Conservation Commission for Administration of the Coachella Valley Multiple Species Habitat Conservation Plan, allowing the total to be paid each fiscal year to be determined by CVAG's adopted budget specific to CVCC, which will be approved by CVCC and CVAG as part of the annual budget processes

CVAG Finance Committee: Concurred (Meeting of May 25)

CVCC Finance Committee: Concurred (Meeting of May 25), and moved the item forward for consideration by the CVCC at its June 8, 2023 meeting

Background: Since the Coachella Valley Conservation Commission's (CVCC) inception, CVAG has provided administrative services and staffing to the CVCC for the implementation of the Coachella Valley Multiple Species Habitat Conservation Plan (CVMSHCP). The original agreement commenced upon issuance of state and federal permits for the CVMSHCP which occurred in the fall of 2008. CVAG provides staff support to the CVCC consistent with the terms of the 2008 agreement, and the CVAG Executive Director also serves as the CVCC Executive Director. In addition to staff support for CVCC and coordination of CVMSHCP implementation, CVAG staff provides administrative support, meeting coordination, Geographic Information Systems (GIS), and fiscal services including accounting, preparation of the budget, oversight of the annual audit, and management of the various CVCC funds.

The CVMSHCP provided that for the first five years of Plan implementation, CVCC would contract with CVAG for staff services. Thereafter, CVCC may renew the contract with CVAG for staff services, retain its own staff, or contract for services. Three amendments have since been executed to either extend the original agreement or provide for increases, including a cost-of-living increase. The staffing arrangement has been reviewed by CVAG's external auditor. Over the years, the CVCC and its Finance Committee also reviewed the staffing arrangement and its costs and have acknowledged that shared resources create efficiency and cost savings. This was especially true when compared with the costs of Western Riverside County Regional Conservation Authority (RCA), an agency that has similar habitat conservation responsibilities as the CVCC's that had been operating as a stand-alone agency. The RCA is now operating in a staffing agreement with the Riverside County Transportation Commission (RCTC). to administer the Western Riverside Multiple Species Habitat Conservation Plan. As the RCTC was considering the new arrangement, RCTC staff coordinated with CVAG staff and used the CVAG-CVCC relationship – shared staffing arrangement with two separate elected boards – as a model in its discussions.

The annual reports, including the 2022 Annual Report that was presented to the CVCC in April 2023, showcase the impressive acquisition, management, and monitoring successes of the CVMSHCP. CVCC has acquired 17,377 acres. Acquisitions since 1996 that benefit the conservation goals of the CVMSHCP by various local, state, and federal partners now total 103,174 acres. In 2022, CVCC completed its largest acquisition of just over 3,000 acres, which is in the City of Palm Springs. The CVMSHCP has also been an effective tool to streamline infrastructure and development projects.

As the number of acres owned by the CVCC continues to grow, the staff time and expenses necessary to ensure effective management of these lands to achieve conservation goals continue to increase. And, as the CVCC continues to acquire property for habitat and conservation, CVCC staff anticipates additional resources, and higher management costs, will need to be included in the budget.

The most recent amendment to the staffing agreement with the CVCC was approved by both agencies in 2021. It is set to expire on June 30, 2023, with a not-to-exceed contract amount of $943,408 (when factoring in approved Consumer Price Index (CPI) adjustments). Fiscal Year 2022/23 year-end-estimates of total costs under the contract are below the not-to-exceed amount. In order to streamline the agreement, staff is recommending an updated agreement in lieu of another amendment. This agreement is consistent with CVAG's similar staffing arrangement for Desert Community Energy and is proposed to include automatic renewals with the option for either party to cancel the agreement with due notice. It also will achieve annual consistency by updating the not-to-exceed amount each year based on the adopted budgets by CVAG and CVCC.

Nineteen CVAG employees are engaged in the CVCC operations. Out of these 19 employees, only three employees work full time on CVCC permit obligations while the other 16 employees spend varied amounts of time on CVCC, depending on their job duties. This arrangement has been reviewed by CVAG's external auditor and legal counsel.

Staff is recommending a revised staffing agreement, and both the CVAG Finance Committee and CVCC Finance Committee concurred when they held their respective meetings on May 25. The recommended action would also allow the Executive Director and/or Legal Counsel to make minor, clarifying changes prior to execution. The staffing agreement will also be presented to the CVCC for its consideration at the June 8, 2023, meeting.

Fiscal Analysis: Consistent with prior agreements, CVCC agrees to pay CVAG based on actual staff time and benefits. These costs shall include recovery of overhead costs and include reimbursement to CVAG for non-employee costs incurred by CVAG. In any fiscal year, the total to be paid will not exceed the sum included in CVAG's adopted budget specific to CVCC and shall be determined prior to the start of each fiscal year, which will be approved by CVCC and CVAG as part of the annual budget process.

Attachments: CVAG-CVCC Staffing Agreement

AGREEMENT

between

THE COACHELLA VALLEY CONSERVATION COMMISSION
and
THE COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

for
ADMINISTRATION OF THE
COACHELLA VALLEY MULTIPLE SPECIES HABITAT CONSERVATION PLAN

THIS AGREEMENT is made and effective as of June 8, 2023, between the Coachella Valley Conservation Commission ("CVCC") and the Coachella Valley Association of Governments ("CVAG").

WHEREAS, the Coachella Valley Multiple Species Habitat Conservation Plan (CVMSHCP) provides that CVCC has contracted with CVAG for the administration of the CVMSHCP and the parties now desire to continue with that arrangement;

WHEREAS, the Executive Director of CVAG serves as the Executive Director of CVCC and utilizes CVAG staff and facilities as necessary to administer the CVMSHCP consistent with the Duties and Responsibilities of the CVCC Executive Director as set out at Section 6.1.1.3 of the CVMSHCP, a copy of which is attached hereto as Exhibit A;

NOW, THEREFORE, CVCC and CVAG agree to the following terms with respect to compensation to be paid by CVCC to CVAG for the administration of the CVMSHCP.

1. TERM OF AGREEMENT

This Agreement shall commence on July 1, 2023 and be effective for a five-year term through June 30, 2028, and only upon execution by both CVAG and CVCC. This Agreement shall continue thereafter for successive five-year terms without further action by either party. This Agreement may be terminated at any time by either party giving the other party six (6) months prior written notice.

2. SERVICES

CVAG shall perform the tasks described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full.

The parties acknowledge that the costs incurred for land acquisition, land management, and biological monitoring are not included in the compensation to be paid to CVAG. Said services shall be secured by direct contract with CVCC or by subcontract, upon CVCC's written approval.

3. PAYMENT

(a) CVCC agrees to pay CVAG based upon actual staff time and benefits spent at rates not to exceed rates paid by CVAG. These costs shall include recovery of overhead costs

based on a proportional share of actual payroll expenditures for CVAG staff involved in the MSHCP program; and shall include reimbursement to CVAG for non-employee costs incurred by CVAG while performing services hereunder, which may include, but not limited to, supplies, legal services, consultant services, equipment, Commissioner meeting attendance stipends and staff expense reimbursements. In any fiscal year, the total to be paid hereunder shall not exceed the sum included in CVAG's adopted budget specific to CVCC and shall be determined prior to the start of each fiscal year and shall be approved by CVCC and CVAG as part of the annual budget process.

(b) CVAG shall invoice CVCC for payment no more frequently than monthly but at least quarterly for actual work performed.

(c) CVCC acknowledges that rates for CVAG staff are set, and may be adjusted, by the CVAG General Assembly.

(d) All direct costs billed must be specifically identified.

(e) Payment by CVCC to CVAG shall be made within thirty (30) days of receipt of each invoice.

4. OWNERSHIP OF DOCUMENTS

Upon completion of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall be delivered to CVCC and may be used, reused, or otherwise disposed of by CVCC without the permission of CVAG. CVAG may retain a copy of any such materials for use by CVAG.

5. INDEMNIFICATION FOR PROFESSIONAL LIABILITY

To the fullest extent permitted by law, CVAG shall indemnify, protect, defend and hold harmless CVCC and any and all of its officials, employees and agents from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs which arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of CVAG.

6. INSURANCE

CVAG shall maintain prior to the beginning of and for the duration of this Agreement general liability and motor vehicle coverage through the California Joint Powers Insurance Authority. CVAG shall at all times provide workers' compensation benefits for its employees.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

COACHELLA VALLEY CONSERVATION COMMISSION

By:_____
Linda Evans, CVCC Chair

ATTEST:

_____
Tom Kirk, CVCC Executive Director

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

By:_____
Steven Hernandez, CVAG Chair

APPROVED AS TO FORM:

_____
Michael Jenkins, General Counsel

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EXHIBIT A: SCOPE OF WORK

The scope of work for this agreement involves the coordination and administration for implementation of the Coachella Valley Multiple Species Habitat Conservation Plan (CVMSHCP), under the direction of the Coachella Valley Conservation Commission. The organizational structure for the Coachella Valley Conservation Commission is described in Section 6 of the CVMSHCP which covers Plan implementation. The scope of work for administration of the CVMSHCP is detailed in Section 6.1.1.3 which lists the duties and responsibilities of the CVCC Executive Director. Section 6.1.1.2 which lists the duties and responsibilities of the CVCC is also relevant to the scope of work for CVMSHCP administration. These sections are included below in their entirety.

6.1.1.3 Duties and Responsibilities of the CVCC Executive Director

Duties of the CVCC Executive Director shall include but are not limited to the following:

1. Plan, organize, coordinate, and direct CVCC staff to develop goals and annual work plans of CVCC that are then acted on by CVCC.
2. Develop and direct the implementation of goals and work activities adopted by the CVCC.
3. Coordinate implementation of the Plan by Local Permittees and the Wildlife Agencies. During the first three (3) years of implementation of the MSHCP, the CVCC Executive Director and Wildlife Agencies' representatives shall meet every ninety (90) days, at a minimum, to review the status of Plan implementation. Thereafter, the meetings shall occur every six months or as otherwise agreed upon. Within 30 days of Permit issuance, the Executive Director will circulate a Draft Implementation Manual to the Local Permittees and the Wildlife Agencies for review and comment. Within 30 days of circulation of the Draft, the Executive Director will arrange a meeting with the appropriate staff of the Local Permittees to discuss the Implementation Manual.
4. Ensure that conservation mechanisms are properly recorded for lands dedicated by Local Permittees.
5. Ensure that conservation mechanisms are properly recorded on existing CVFTL Preserve lands consistent with Section 6.6.1.3 of the Plan.
6. In coordination with the RMUCs, draft the MSHCP Reserve Management Unit Plans (RMUPs) for review and approval by the RMOC to define specific management actions, schedules, and responsibilities for each Reserve Management Unit (RMU).
7. Ensure an adequate exchange of information among the RMUCs, the Land Manager, and the MPA so that management takes into account the findings of the Monitoring Program and the latter reflects the needs of the former.
8. Ensure that the functions of the MPA are being satisfactorily carried out.
9. As needed, obtain the services of Independent Science Advisors to address specific issues and to provide recommendations concerning scientific aspects of the Plan based on the best available scientific information.
10. Oversee data management, including maintaining the Plan's GIS database and providing a back-up copy to the County annually. The database will also be provided to the Wildlife Agencies. The database will be updated at least annually with:

DRAFT

a. Data derived from inventory and research activities on species occurrences and Habitat distribution in the Conservation Areas.

b. Data on the status of land in the Conservation Areas, including lands acquired or otherwise protected and lands on which any Development has occurred.

c. Data derived from reports from the Local Permittees on the status of land outside the Conservation Areas, including Habitat loss, annexations and incorporations.

11. Create and maintain remote sensing database of current and historical aerial photos and/or satellite images.

12. As described in Section 4.4, maintain a list of biologists, acceptable to the Wildlife Agencies, who may be used to conduct surveys required by avoidance and minimization measures for specified Covered Species.

13. For surveys required by avoidance and minimization measures, maintain a list of survey protocols approved by CDFG and/or USFWS.

14. Maintain and provide to Permittees maps of modeled Habitat for Covered Species and a natural community map.

15. Maintain peer reviewed journal articles that provide information on siting and design of wildlife crossings for Covered Species.

16. Coordinate with State and Federal agencies on MSHCP funding.

17. Ensure transmission of Local Development Mitigation Fees from the County and the Cities to CVCC on a monthly basis.

18. Manage and account for all Local Permittee and Participating Special Entity revenues transmitted to CVCC for Plan implementation.

19. Prepare an Annual Report as described in Sections 6.4 and 8.7 providing information and evaluating progress toward Plan implementation and attainment of the Conservation Goals and Objectives of the Plan.

20. Maintain a record of land acquired or otherwise conserved by Conservation Area.

21. Maintain a record of all Major and Minor Amendments and Like Exchanges.

22. Prepare and submit to the Wildlife Agencies all applications for Major Amendments to the MSHCP as described in Section 6.12.4 of this document.

23. Coordinate with Permittees in the preparation and submittal to the Wildlife Agencies of Minor Amendments to the MSHCP, including seeking expedited processing of such amendments and maintaining records reflecting such amendments.

24. Participate in the Joint Project Review Process and provide appropriate data and analysis to ensure consistent Plan implementation and oversight, including providing the relevant Local Permittee an analysis of how the proposed project would impact the Conservation Area Conservation Objectives, and what the status of Rough Step is in the affected Conservation Area.

25. Concurrent with any annexation or deannexation, provide to the affected Parties a revised calculation of the applicable Conservation Objectives and other relevant information to the affected Permittees.

26. Assist in resolving disputes between the Permittees and the Wildlife Agencies.

27. Coordinate the preparation and administration of CVCC's annual budget.

28. Administer CVCC'S affairs as determined by CVCC Joint Powers Agreement.

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29. Serve as Secretary of CVCC or designate a Secretary.

30. Develop policies and procedures to administer CVCC functions and activities.

31. Ensure compliance with federal, state and local laws and regulations.

6.1.1.2 Duties and Responsibilities of CVCC

CVCC shall provide the policy direction for the implementation of the MSHCP and will provide opportunities for public participation in the decision-making process. Duties of CVCC shall include but are not limited to the following:

1. Establish the Acquisition and Funding Coordinating Committee, the Reserve Management Oversight Committee (RMOC), and the Reserve Management Unit Committees (RMUCs), and ensure designation of the Monitoring Program Administrator (MPA).
2. Establish a Trails Management Subcommittee to the RMUC for the Santa Rosa and San Jacinto Mountains Conservation Area, as described in Section 6.3.
3. Establish policies as appropriate under which the Acquisition and Funding Coordinating Committee will make recommendations to CVCC.
4. Identify and make decisions on Permittee MSHCP Reserve System acquisitions, except as set forth in Section 6.6.2, based on MSHCP Conservation Goals and Objectives, and recommendations from the Acquisition and Funding Coordinating Committee.
5. Ensure adequate management of locally managed Reserve Lands.
6. Contract with outside entities for specific services, such as land management and law enforcement, as needed.
7. Manage and coordinate the MSHCP local funding plan as set forth in Section 5 of this document.
8. Develop and implement financing strategies to maximize funding sources.
9. Develop an investment policy and review policy annually.
10. Adopt an annual budget, including but not limited to expenses associated with land acquisition, the Monitoring Program, the Management Program, and Adaptive Management, consistent with their respective annual work plans as described in Section 8.7.
11. Annually review Local Development Mitigation Fee remittance for compliance and accuracy.
12. Act as custodian of records for information concerning MSHCP implementation.
13. Maintain a record of the amount of Take and Habitat loss for each Local Permittee.
14. Maintain a record of the amount of Take Authorization to Participating Special Entities as set forth in Section 11.7 of the IA.
15. Extend Take coverage to Participating Special Entities and others as set forth in Section 11.7 of the IA.
16. Hold regularly scheduled public meetings.
17. Prepare or cause to be prepared an annual audit.

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18. Accept and manage MSHCP Reserve System property including conservation easements that have been conveyed to it by the County, Cities or other entity, agency or individual.

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ITEM 8A

Coachella Valley Association of Governments
Executive Committee
June 5, 2023

STAFF REPORT

Subject: **Recognition of the 2023 Used Oil Recycling Poster Contest Winner**

Contact: Erica Felci, Assistant Executive Director (efelci@cvag.org)

Recommendation: Information

Background: One of CVAG's longest standing sustainability programs is the Used Oil Recycling Program. Using grant funding from CalRecycle, the program aims to reduce the environmental impacts of improper disposal of used motor oil. The program includes drop off sites for members of the public to properly recycle used oil and filters, and then offering them free replacements. As part of the marketing of this event, CVAG annually hosts a poster contest that is promoted in local schools.

This year's winner is Antonio Coloma II of La Quinta, who is a third grader at Benjamin Franklin Elementary School. AT the May 20 recycling event in Coachella, Antonio received the first-place prize of a new bike, donated by KUNA radio. He will be recognized again at the June 5 meeting of the Executive Committee. Two other elementary students were also winners. Chloe Choi of Palm Desert came in second and received a family four pack of tickets to the Living Desert and Zoo. Matthew Hernandez of Thermal came in third and received a gift certificate from Red Jeep Tours.

This year's recycling program will wrap up on June 10 with a recycling event at AutoZone, 32375 Date Palm Drive in Cathedral City.

Fiscal Analysis: There is no cost to CVAG for this update.

Attachment: 2023 Used Oil Recycling Poster Winner

USED OIL & OIL FILTER RECYCLING EVENT

➡ SUBMIT YOUR DRAWING BY APRIL 7 ⬅ ➡ ENVÍE SU DIBUJO ANTES DEL 7 DE ABRIL ⬅

Draw a picture **above** showing how recycling used oil and oil filters helps Planet Earth!

¡Dibuje una imagen que muestra cómo el reciclaje de aceite usado y filtros de aceite ayuda al planeta tierra!

2023 Upcoming Used Oil and Oil Filter Recycling Events *(Eventos Para Reciclar Filtros y Aceite)*

Bring in a used oil filter and used oil and receive a new one for free! Limit (2) filters per household.

¡Traiga un filtro de aceite usado y use aceite y reciba uno nuevo para libre! Límite (2) filtros por hogar.

2023 Event Dates and Locations (Fechas y lugares de eventos):

- Sat., February 25 AutoZone, 73605 Highway 111, Palm Desert, 9am to 12pm
- Sat., March 25: AutoZone, 812 East Hobson Way, Blythe, 9am to 12pm
- Sat., May 6: AutoZone, 1717 E Vista Chino Drive, Palm Springs, 9am to 12pm
- Sat., May 13: AutoZone, 78792 Highway 111, La Quinta, 9am to 12pm
- Sat., May 20: AutoZone, 50-700 Harrison Street, Coachella, 9am to 12pm
- Sat., June 3: AutoZone, 12660 Palm Drive, Desert Hot Springs, 9am to 12pm
- Sun., June 10: AutoZone, 32375 Date Palm Drive, Cathedral City, 9am to 12pm

Funded By CalRecycle

Financiado Por CalRecycle

Visit www.CVAG.org for full 2023 schedule and additional recycling events. (Visite www.CVAG.org para ver el calendario completo de 2023 y eventos de reciclaje adicionales.)

ITEM 8B

Coachella Valley Association of Governments
Executive Committee
June 5, 2023

STAFF REPORT

Subject: **Preview of CVAG's Budget for Fiscal Year 2023/2024**

Contact: Claude T. Kilgore, Director of Finance/Administration (ckilgore@cvag.org)

Recommendation: Information

Finance Committee: Approved moving the proposed FY 2023/2024 budget forward to the Executive Committee for review and consideration. (Meeting of May 25)

Background: One of the roles of the CVAG Finance Committee is to review the preliminary budget and provide feedback and comments that staff can include as the budget is finalized. The goal of this review is to provide feedback and comments that staff can include as the budget is finalized. Through the allocation of staffing resources and related overhead, these discussions and recommendations also have an indirect impact on the Coachella Valley Conservation Commission and Desert Community Energy, which CVAG also staffs.

The CVAG Finance Committee met on May 25, 2023 to review CVAG's preliminary budget for the Fiscal Year 2023/24. Staff also provided the Finance Committee with insightful statistics and comparisons for the upcoming fiscal year. The budget covers the period July 1, 2022 through June 30, 2023. As outlined to the Finance Committee members, CVAG Staff was finalizing estimates for additional external funding to be included in the budget for CV Link at the time of their meeting. These updates were made and reflected in the updated draft budget attached. CVAG Staff also added expenditures to the transportation department's budget for a vehicle purchase for management of CV Sync as well as a passenger van lease for general transportation use including transporting elected officials to Riverside County Transportation Committee (RCTC) meetings.

This year's budget uses the same conservative budget approach that CVAG has always maintained. Most project and overhead costs have been budgeted with significant increase from the FY 2022/23 year-end estimates. All overhead expenditures were budgeted with increases in line with recent inflation increases that have exceeded 7%. Other expenditures, including electricity costs and the rental costs associated with the CV Housing First program's crisis stabilization units, have been budgeted upwards of 15%. The FY 2023/24 Budget also continues the long-standing philosophy of relying heavily on non-local revenue streams – including grants, state and federal funds – for projects, programs and the staffing resources needed to implement them.

The budget also includes additional funds to address CVAG's pension costs. Both the Administrative/Personnel Committee and the Finance Committee provided direction to increase the Unfunded Accrued Liability (UAL) paydown. Based on the Committees' direction, a total payment of $250,000 is included in the FY 2023/24 budget. The most recently available valuation report dated June 30, 2021 shows the total CalPERS Classic UAL balance of $498,492, or a 96% funded status. However, this funded status and UAL amount does not

recent investment losses. Based on conversations with CalPERS actuaries, CVAG staff estimate the new UAL balance in the upcoming report to be closer to $2 million on the Classic plan and approximately $100,000 on the PEPRA plan.

The budget also includes changes recommended by the Administrative/Personnel Committee that came as a result of CVAG's Classification and Total Compensation Study. In addition, the Administrative/Personnel Committee supported a 7.3% increase to the base amount of each member agency's CVAG membership dues. Increases to dues are traditionally based on the Consumer Price Index from the Bureau of Labor Statistics for Riverside County, which was 7.3% year-over-year in January 2023.

The budget is now being presented to the Executive Committee for initial review. On June 26, 2023, staff will recommend approval of the budget by the Executive Committee and then by the General Assembly.

Fiscal Impact: The fiscal impact is included CVAG's Fiscal Year 2023/2024 Budget.

Attachments: CVAG's FY2023/24 Draft Budget

Annual Budget

Coachella Valley Association of Governments 2023/24

Draft

CVAG

Member Jurisdictions

- City of Palm Springs
- City of Indio
- Twenty-Nine Palms Band of Mission Indians
- Torres Martinez Desert Cahuilla Indians
- Cabazon Band of Cahuilla Indians
- Agua Caliente Band of Cahuilla Indians
- City of Indian Wells
- City of Cathedral City
- City of Palm Desert
- City of La Quinta
- City of Blythe
- County of Riverside
- City of Rancho Mirage
- City of Desert Hot Springs
- City of Coachella

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From the Executive Director

To the honorable 75 members of the CVAG General Assembly,

Riverside County Board of Supervisors; Mayors and City Council Members from the Cities of Blythe, Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, and Rancho Mirage; and Tribal Council Chairmen and Members from the Agua Caliente Band of Cahuilla Indians, the Cabazon Band of Cahuilla Indians, the Torres Martinez Desert Cahuilla Indians and the Twenty-Nine Palms Band of Mission Indians

June 5, 2023

Fifty years ago, at a time when many of our local governments were still in their own infancy, your predecessors set aside their own differences and took a bold approach to addressing the problems of their time. The formation of the Coachella Valley Association of Governments was sparked after our agency's predecessor, the Regional Anti-Pollution Authority (RAPA), demonstrated the power of regionalism by successfully opposing the establishment of an oil refinery in the San Gorgonio Pass. CVAG's original seven-page Joint Powers Agreement pledged to "explore areas of inter- governmental cooperation and coordination of government programs and provide recommendations and solutions to problems of common and general concern." Over five decades, that commitment has not only remained steadfast but also inspired others as new cities incorporated across the Coachella Valley, as collaboration extended eastward to the City of Blythe and – as soon as State law allowed it – as CVAG welcomed the Tribal Nations that made the Coachella Valley their home for countless generations.

This year's milestone anniversary has provided me with an opportunity to reflect on just how much can be accomplished when we have a shared vision of working together to improve the lives of the residents, businesses and visitors across eastern Riverside County. Many of you have heard me say that, over its lifespan, CVAG may have started as a convening and advocacy agency and morphed into an agency that planned and facilitated projects by others. In its most recent decade, it morphed again into a "doing" agency, one that leads and delivers its own projects and programs. The budget itself, presented here for your review and approval, reflects that commitment and sets the stage for how CVAG will continue to serve the region with forward-thinking projects and programs for the next 50 years and beyond.

Our current transportation construction projects are prime examples of regional innovation. The first phase of CV Sync is nearly complete, leading to regional signal synchronization and more efficient travel along Highway 111, Ramon Road and Washington Street. Even before its completion, signal improvements and the network of traffic management centers at city halls and at CVAG's office were proving useful in managing traffic for major events such as the Ironman triathlon and BNP Paribas Open. This year, we're seamlessly transitioning to Phase 2 of construction, which was given the green light by the CVAG Transportation and Executive Committees when they approved more than $90 million in construction for traffic signal synchronization and smart technologies to 19 additional corridors. The work involves intersections in all participating jurisdictions, where crews are replacing conduit and installing highly technical hardware and software systems. It also includes technology that allows all participating cities to communicate and coordinate in real-time to manage traffic flow. While we recently had a setback when the State of California opted not to use CV Sync work on Highway 111 for middle-mile broadband, we'll continue to find

opportunities to use the CV Sync infrastructure as a way to build a "smart region," including connecting unserved and underserved areas in the Coachella Valley and increasing access in areas already being served. We'll also continue to work with the State on their revised plans to use existing right of way along Interstate 10 as part of the continued efforts to improve connectivity in the region.

We're also looking for opportunities to secure state and federal funding for much-needed transportation investments. This past year, CVAG secured one of the largest competitive awards of any kind in Coachella Valley history. The $36.483 million Active Transportation Project award from the California Transportation Commission will bring the Arts and Music Line to life and create a new way to travel along Avenue 48 through the Cities of Coachella, Indio and La Quinta. Design and engineering work will continue throughout this fiscal year to keep this transformative bike-and-pedestrian project on schedule. We also helped the City of Desert Hot Springs secure $17.397 million in ATP funding for bike and pedestrian improvements along Hacienda Ave and Palm Drive, with the latter project benefitting from CVAG's Bike and Pedestrian Safety Program that was designed to get projects shovel ready.

Meanwhile, we're pouring pavement – lots of pavement – as nearly $53 million in construction continues on CV Link in the cities of Palm Springs, Palm Desert, La Quinta, Indio and Coachella as well as unincorporated Riverside County. When this phase is done, more than half of the 40-mile project route will be complete. Travel along the Whitewater River (Coachella Valley Stormwater Channel) and you'll see new undercrossings built to keep cyclists and pedestrians from having to cross major arterials as well as the signature bridge that connects the Cities of Indio and La Quinta at the future Promontory Point access point. Improvements have also been realized across the City of Palm Springs, where additional miles of CV Link's cycle track has been built on-street. CVAG recently submitted a right-of-way certification with Caltrans, a necessary step with the type of funding CV Link has secured and expects to solicit bids as soon as this summer to get another three-plus miles under construction.

While we've maximized opportunities such as the larger-than-ever ATP funding cycles, we must be mindful that there are new funding realities for transportation projects. Frankly, state and federal resources are not keeping up with our region's needs. This year, we worked with our partners at Riverside County Transportation Commission (RCTC) to finalize a memorandum of understanding as part of the continued effort to secure our fair share of whatever local and outside funding is available to Riverside County. We also worked with RCTC to fund the Interstate 10/ Monroe Street Interchange Project, with $30.8 million in CVAG regional transportation funding unlocking additional funding sources. But if we want to continue improving access along our major arterials, help bring passenger rail to the Coachella Valley and improve the movement of people and goods along State Route 86 and Interstate 10, we'll have to think outside the box. In the coming year, our team will be laying the groundwork to launch the next update of the Transportation Project Prioritization Study. We'll also be looking for creative cost-saving solutions, such the flooding and blowsand study that led to the current redesign of Indian Canyon's low-water crossing. And we'll continue to be frank about the fiscal forecast and provide regular analysis with so CVAG can address cash flow while keeping important regional transportation projects moving forward.

This year, you'll also see new innovative programming from the Energy & Sustainability Department. We're actively working to secure partnerships and funding for a regional urban tree planting and shade initiative to increase shading, build climate resilience and reduce the impacts of increased heat, which was spurred by CVAG Chairman Steven Hernandez's call to action and supported by CVAG's Committees in February 2022. Our team also continues to work closely with Western Riverside Council of Governments (WRCOG) and San Bernardino Council of Governments on the Inland Regional

Energy Network (I-REN). In years past, available funding resources were previously predominant in the communities served by Southern California Edison. The launch of the I-REN ushers in a new era of programs that connect residents, businesses, and local governments to nearly $66 million in resources available through 2027. I-REN will focus its activities in three distinct areas: Public Sector, Codes & Standards, and Workforce Education & Training. I-REN's programs will lead to increased energy savings and equitable access throughout the region, and CVAG staff will continue working with the Energy & Environmental Resources Committee (also known as the future Energy and Sustainability Committee) as well as the Executive Committee to guide how to deploy those programs and make sure the Coachella Valley is benefitting from the resources coming to the Inland Empire.

As we consider new programs, we're also considering ways to make longstanding programs more efficient and effective. This year, CVAG secured a new contractor for its regional street sweeping program, which provides the Coachella Valley's primary air quality control measure to reduce PM-10 (particulate matter of less than 10 microns). Using data from an efficiency study funded by the South Coast Air Quality Management District, the new street sweeping contract and route schedule addresses growth in our area and implements opportunities for improvements valleywide. We're looking to create similar streamlining in programs such as the used oil recycling program, and staff will be coming forth with a recommendation in order to launch a modernized approach in the coming fiscal year.

Through staffing agreements, CVAG also continues to provide the staff for two other joint powers authorities. Desert Community Energy (DCE), a Community Choice Aggregation program that provides locally controlled and carbon free electricity options, is now entering its fourth year of serving the City of Palm Springs. We're now serving nearly 90 percent of the City's electric customers and data shows that it is helping the City achieve greenhouse gas emission reductions at a faster-than-expected pace. The impact is almost unprecedented: In the first year alone, DCE's rollout had the same greenhouse gas reduction equivalent as replacing all the cars in the city with bikes, all while giving customers a choice in their electricity service.

Impressive achievements are also being demonstrated by the Coachella Valley Conservation Commission (CVCC) as it implements the Coachella Valley Multiple Species Habitat Conservation Plan. The CVCC and its partners are ahead of schedule in acquiring land, protecting more than 100,000 acres since 1996. This year, we continued to use partnerships to ensure we have the resources for the ever-increasing land management responsibilities that come with acquiring additional parcels. This includes a partnership for the CVCC's single largest acquisition, which protected more than 3,200 acres of land at Palm Hills in Palm Springs that's known as the goat trails. One of most significant management tasks that has emerged is in the City of La Quinta, where fence construction is now underway to limit the Peninsular bighorn sheep from frequenting golf courses, roads and backyards. We'll continue to look for the most cost-effective opportunities that ensure the CVCC protects all its properties as key habitat areas for the endangered species outlined in the Plan.

We're also utilizing partnerships to extend the reach of our CV Housing First program. We're now in the third year of operating the regional homelessness program as an in-house program with CVAG staff. This program is laser focused on serving the chronically homeless individuals known as the CV 200, a list of individuals that gets reset at the beginning of each calendar year by working with local law enforcement, code enforcement and emergency room partners. I've heard from many of you how impressive the project's impact has been. But the lack of available permanent doors – be it apartments, rooms or permanent supportive housing – coupled with increasing rents and housing voucher limits proved to be a challenge last year: While we are proud to say we permanently housed 54 individuals in 2022, it was also a reduction

from the 75 CV 200 individuals we housed in 2021. Our success rate saw an uptick in the first part of 2023 with 24 clients housed – in large part because new housing units opened in the City of Riverside. CVAG's comprehensive approach includes rapid rehousing opportunities, maximizing case management while clients are living in CVAG's own apartments and rented hotel rooms, and building relationships with future clients through the mobile access center. In coming months, we'll continue to explore new solutions for the Homelessness and Executive Committees' consideration. We'll also continue to be honest and transparent about our program metrics and the clients we can, and cannot, help get off the streets through this program as well as the limitations we face without more permanent supportive housing or affordable housing units available in the region. And, yes, we will continue to report if any of our "permanently housed" clients slip back into homelessness which, thus far, has been only seven clients since bringing the program in-house.

It takes a hardworking and professional staff to achieve these milestones and the objectives that are outlined in the budget. I'm incredibly proud of their dedication to implementing programs that reflect CVAG's goals to improve transportation, conserve precious habitat, promote green energy solutions and provide social services to those who are less fortunate. Our 35 staff members operate three agencies with a combined budget of about $160 million. It is a lean organization. That said we continue to look for ways to fund staff and operating costs with "other money", particularly grants, state and federal funds. Emerging programs such as I-REN come with significant administration duties and making this investment helps ensure the Coachella Valley's programs aren't managed by staff in our western counterpart agencies. Administrative investments such as an Enterprise Resource Planning (ERP) system, which is budgeted in order to replace our antiquated financial system, will result in efficiencies across all three agencies.

Finally, on a more personal note, I moved to the desert 25 years ago not to enjoy our high quality of life or to work on my golf game, I moved here because I was inspired by CVAG and its groundbreaking policies. As a not-so-young recent graduate student who had already worked as a consultant for dozens of cities and regional agencies on development, transportation and environmental projects and programs, it was remarkable what CVAG had already achieved. CVAG created the first program of its kind in the nation where cities agreed to set the same development fees as their neighboring communities and pool the funding together for the greater good and linked that Transportation Uniform Mitigation Fee (TUMF) to Riverside County's first and only sales tax measure, Measure A. CVAG also administered a single species habitat conservation program for the fringe-toed lizard. These ideas revealed that this region could work together to balance the growth and development with the need to provide infrastructure before it was too late for a growing Coachella Valley all the while protecting the environment. For me, these were not only significant accomplishments from the past but also a sign of how much more the organization could achieve in the future. As we look ahead to the next 50 years, I look forward to working with you all to having CVAG continue to be recognized as a force for doing good and making life better for eastern Riverside County.

Tom Kirk
Executive Director
Coachella Valley Association of Governments

Member Jurisdiction Roster

Few organizations, even councils of governments or joint powers authorities, benefit from as much engagement from elected officials as CVAG does. In Fiscal Year 2022/23, 72 percent of the region's city council members also served on CVAG's policy committees. This ensures policy recommendations and programming decisions are being considered by a diverse group of individuals before they are ultimately adopted.

Blythe
Mayor Joseph DeConinck
Vice Mayor Johnny Rodriguez
Councilmember Dale Reynolds
Councilmember Joseph Halby III
Councilmember Sam Burton

City of Cathedral City
Mayor Rita Lamb
Mayor Pro Tem Mark Carnevale
Councilmember Ernesto Gutierrez
Councilmember Nancy Ross
Councilmember Raymond Gregory

City of Coachella – *Chair*
Mayor Steven Hernandez
Mayor Pro Tem Neftali Galarza
Councilmember Stephanie Virgen
Councilmember Denise Delgado
Councilmember Frank Figueroa

City of Desert Hot Springs – Vice *Chair*
Mayor Scott Matas
Mayor Pro Tem Gary Gardner
Councilmember Russell Betts
Councilmember Jan Pye
Councilmember Roger Nunez

City of Indian Wells
Mayor Donna Griffith
Mayor Pro Tem Greg Sanders
Councilmember Ty Peabody
Councilmember Dana Reed
Councilmember Bruce Whitman

City of Indio
Mayor Oscar Ortiz
Mayor Pro Tem Lupe Ramos Amith
Councilmember Elaine Holmes
Councilmember Waymond Fermon
Councilmember Glenn Miller

City of La Quinta
Mayor Linda Evans
Mayor Pro Tem Steven Sanchez
Councilmember Kathleen Fitzpatrick
Councilmember Deborah McGarrey
Councilmember John Peña

City of Palm Desert
Mayor Kathleen Kelly
Mayor Pro Tem Karina Quintanilla
Councilmember Jan Harnik
Councilmember Evan Trubee
Councilmember Gina Nestande

City of Palm Springs
Mayor Grace Garner
Mayor Pro Tem Jeffrey Bernstein
Councilmember Christy Holstege
Councilmember Lisa Middleton
Councilmember Ron deHarte

City of Rancho Mirage
Mayor Richard W. Kite
Mayor Pro Tem Steve Downs
Councilmember Ted Weill
Councilmember Meg Marker
Councilmember Lynn Mallotto

County of Riverside
1st District Supervisor Kevin Jeffries
2nd District Supervisor Karen Spiegel
3rd District Supervisor Chuck Washington
4th District Supervisor V. Manuel Perez
5th District Supervisor Yxstian Gutierrez

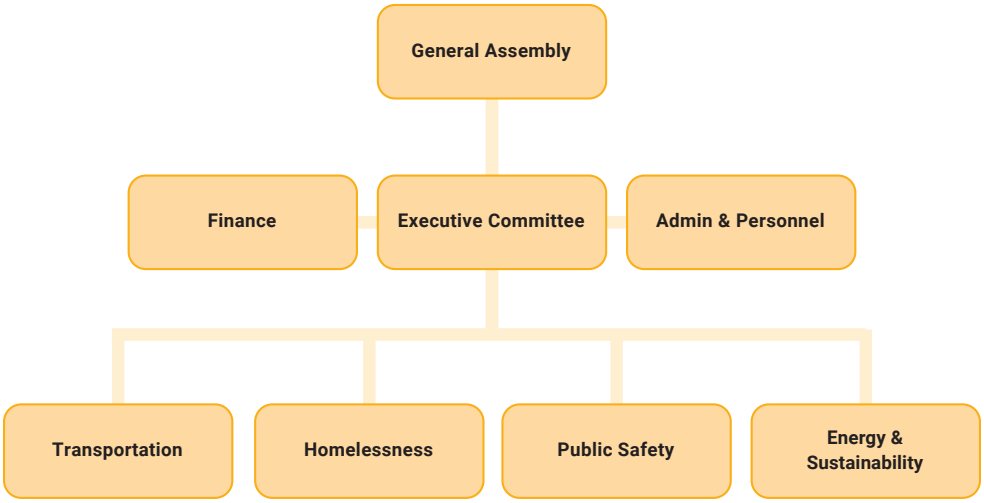
Agua Caliente Band of Cahuilla Indians
Tribal Chair Reid D. Milanovich
Tribal Vice Chair Candace Patencio Anderson
Tribal Sec/Treas Savana R Saubel
Tribal Member Virginia Siva-Gillespie
Tribal Member John R. Preckwinkle III

Cabazon Band of Cahuilla Indians
Tribal Chair Douglas Welmas
Tribal Vice Chair San Juanita Callaway
Tribal Sec/Treas Helen Ruth Callaway
Tribal Liaison Alexis Nichols
Tribal Member at Large Brenda Soulliere

Torres Martinez Desert Cahuilla Indians
Tribal Chair Thomas Tortez
Tribal Vice Chair Joseph Mirelez
Tribal Treasurer Rosemarie Morreo
Tribal Secretary Altrena Satillanes
Tribal Member Richie Lopez

Twenty-Nine Palms Band of Mission Indians
Tribal Chair Darrell Mike

Policy Committee Structure



Accomplishments in FY 2022/23

Transportation

» Coordinated with the Riverside County Transportation Commission (RCTC) to establish a memorandum of understanding that ensures the Coachella Valley will get its fair share of future local, state and federal funding sources.

» Secured one of the largest competitive awards in Coachella Valley history: $36.483 million in Active Transportation Project funding from the California Transportation Commission for the Arts and Music Line through the Cities of Coachella, Indio and La Quinta.

» Helped the City of Desert Hot Springs secure $17.397 million for bike and pedestrian improvements along Hacienda Ave and Palm Drive, with the latter project benefitting from CVAG's Bike and Pedestrian Safety Program that is designed to get projects shovel ready.

» Managed the construction of CV Link Segment 1 and Bid Alternate A that included more than $30 million of active transportation improvements – largely funded by state and federal dollars – in the Cities of Palm Springs, Palm Desert, La Quinta, Indio and Coachella.

» Substantially completed the construction of CV Sync Phase I – with acceptance planned in June – that included more than $20 million of improvements along Highway 111, Ramon Road and Washington Street.

» Demonstrated tremendous impact regional synchronization can have in managing traffic for the valley's largest events by working with cities for the Ironman triathlon and the BNP Paribas Open.

» Awarded CVAG's largest contract with $86.7 million for CV Sync Phase 2 after receiving approval from the California Transportation Commission and Caltrans to start construction, which is extending traffic signal synchronization and smart technologies to 18 additional corridors.

» Authorized another $5.6 million to construct Avenue 50 as part of CV Sync's Phase 2 work.

» Worked with RCTC to program funding for the Interstate 10/ Monroe Street Interchange Project, with $30.8 million in CVAG regional transportation funding unlocking additional funding sources.

» Launched the $4.5 million design, engineering and environmental phases of a new approach to Indian Canyon as a result of the Western Coachella Valley Flooding and Blowsand Projects – Phase One.

» Secured over $1.1 million from Clean California Grant to provide CV Link Connectors to proposed parks in the disadvantaged areas of Cathedral City and the City of Coachella.

Energy & Sustainability

» Followed Chair Hernandez's call to action and unveiled a regional urban tree planting and shade initiative to increase shading, build climate resilience and reduce the impacts of increased heat, which got Committees' approval in February 2022.

» Completed an efficiency and effectiveness study of CVAG's regional street sweeping program, ultimately leading to refined routes and a new regional street sweeping services contract through 2025.

» Coordinated with Western Riverside Council of Governments (WRCOG) and San Bernardino Council of Governments (SBCOG) to design programs for the Inland Empire Regional Energy Network (I-REN), which is a multi-year, $65 million award across two counties and three council of governments.

» Continued work on longstanding programs such as tire recycling, used oil recycling and Property Assessed Clean Energy (PACE) programs, including release of a request for proposals to update the used oil recycling program.

Community Resources

» Secured permanent housing solutions for 54 of the CV Housing First's CV 200 clients – the by-name list of chronically homeless individuals – in CVAG's second calendar (2021) year operating CV Housing First internally.

» Worked with local law enforcement, code enforcement program partners to reset the CV 200 list and, in the first quarter of 2023, permanently housed another 24 chronically homeless individuals.

» Led a homelessness program that had transparent and regularly reported data, leading to multiple jurisdictions signing multi-year memorandum of understandings.

» Coordinated additional resources for homeless individuals through no-cost MOUs with partners such as Inland County Legal Services.

» Coordinated two Regional Early Action Planning (REAP) grants for a total of $558,000, which will wrap in June 2023, to help local cities consider options for funding affordable housing.

» Led regional conversations around pressing public safety issues, including active shooter preparedness and school resource officers.

» Worked with the City of Blythe to raise awareness of the looming closure of Chuckawalla Valley State Prison and join advocacy efforts to stop it.

Administration / Finance

» Positioned CVAG to address both current and future operational and programmatic needs by securing – and then seamlessly moving into – a more functional and professional office space for most operations while working with the City of Palm Desert to maintain the CV Sync regional traffic management center, CV Housing First operations and conference rooms at the Parkview building.

» Completed the first step in overhauling the agency's financial software with an Enterprise Resource Planning system by procuring a selection consultant.

» Continued the phase-in of new budget software in order to streamline internal operations and gain efficiency for all three agencies.

» With support and approval from the Administrative/Personnel Committee, implemented the recommendations of the Class and Total Compensation Study to ensure CVAG recruits and retains top-notch talent.

» Modernize CVAG's internal evaluation process to a new performance management system that rates staff on key competencies that are aligned with CVAG's mission and program objectives.

» Updated CVAG's State and Federal Legislative Platform and led consulting services in Sacramento and Washington as part of efforts to secure additional funding for regional projects.

Desert Community Energy

» Celebrated three years (April 2020–April 2023) serving Palm Springs residents and businesses with 100% Carbon Free electricity, which has been critical to Palm Springs exceeding the State of California's ambitious 2020 goals to reduce GHG emissions and help fight climate change.

» Demonstrated financial stability by paying off all short-term debts and the line of credit.

» Approved a 15-year agreement for Cape Generating Station 1 LLC Geothermal Project as part of DCE's Mid-term Reliability Procurement

» Adopted DCE's first Legislative Platform.

» Worked to establish innovative new programs in Palm Springs, including a commercial customer recognition program.

» Partnered with OhmConnect to offer a smart plug and thermostat program to help residents save money and energy.

» Adopted an Integrated Resource Plan.

Coachella Valley Conservation Commission

» Continued to be ahead of requirements in acquiring habitat, as highlighted in the redesigned Annual Report that was presented in April 2023.

» With completion of CVCC's largest single acquisition – 3,218 acres in the mountains above the City of Palm Springs – worked with Oswit Land Trust and other partners to maintain the Palm Hills area.

» Coordinated with partners to manage more than 100,000 acres of conservation land, including partnerships Desert Recreation District on maintenance and with the Desert Hot Springs Police and Riverside County Sheriff's Office to address problematic areas.

» Contracted with Southern California Mountains Foundation to remove tamarisk from sensitive mesquite habitat in the Coachella Valley Stormwater and Delta Conservation Area.

» Achieved progress on several, longstanding big projects that includes construction of the bighorn sheep fence in La Quinta & progress on the North Shore Ranch restoration project.

» Recognizing inefficiencies and wasted resources, initiated closure of the Coachella Valley In-Lieu Fee mitigation program, and coordinated with representatives of the Riverside-Corona Resource Conservation District and the Inland Empire Resource Conservation District in drafting a joint notice of concern to the United States Army Corps of Engineers and Environmental Protection Agency regarding federal oversight of the in-lieu fee program.

Budget Overview

The CVAG FY 2023/24 Budget outlines the revenues and expenditures for the projects and programs that CVAG anticipates for the coming fiscal year. The budget itself mirrors the scope of topics that CVAG's programs cover, including transportation, energy, sustainability, community resources and homelessness.

CVAG also has a General Fund that provides additional financial support for its day-to-day operations and includes some administrative costs and general support to CVAG's policy committees. In light of changes to state law, and in the unanticipated and unlikely case of funding shortfalls or liquidation of the CVAG JPA, the CVAG general fund would stand to cover certain encumbrances such as the Unfunded Accrued Liability of CVAG's defined benefit pension plan at CalPERS (discussed in the Expenditures section below) and help shield member jurisdictions from liability. The general fund also supports various programs with no special revenue or external funding sources and can help offset COLA increases on salaries. The General Fund is anticipated to grow by $228,683.

This year's budget uses the same conservative budget approach that CVAG has always maintained. Most project and overhead costs have been budgeted with significant increases from the FY 2022/23 year-end estimates. All overhead expenditures were budgeted with increases in line with recent inflation has exceeded 7% per year. Other expenditures such as CVHF rents and electricity costs have been budgeted upwards of 15%. It also continues the long-standing philosophy of relying heavily on non-local revenue streams – including grants, state and federal funds – for projects and programs, including the staffing resources needed to implement them. The budget demonstrates several new and some very large funding sources that CVAG has been able to secure for and bring to the Coachella Valley.

The following provides a condensed summary of FY 2023/24 Budgeted Revenues and Expenditures. Additional details about the projects and programs can be found on subsequent pages of the budget, generally organized by department.

Revenues

Member Agency Dues will reflect a total increase of $41,982 across all member agencies. Member Agency Dues are increased on a yearly basis in line with the Consumer Price Index (CPI) for all items indexed (all urban consumers, Riverside-San Bernardino-Ontario from January to January) developed by the Bureau of Labor Statistics, United States Department of Labor. The Administrative/Personnel Committee, during its meeting on April 24, 2023 recommended the 7.3% CPI increase in the base amount.

Revenues from Measure A and the Transportation Uniform Mitigation Fee (TUMF) provide for the Coachella Valley's regional transportation programs. CVAG is charged with all transportation planning and administration of a multi-million-dollar regional arterial construction program. The Riverside County Transportation Commission (RCTC) projects an increase in Measure A revenue from the prior year as the local economy continues to rebound and more visitors and year-round residents make their way to the Coachella Valley. CVAG anticipates drawing down significantly on Measure A revenue as it moves swiftly with construction and Phase II of the CV Sync regional traffic signal synchronization program as further discussed in the following Transportation department pages. Another project that will be represented in future budgets as it moves towards anticipated construction in FY 2025/26 is the I-10/Monroe Ave Interchange which will utilize both Measure A and TUMF as fundings sources.

The budget assumes the completion of capital improvement projects such that the entire amount of Measure A expected to be collected by RCTC in FY 2023/24 as well as some reserves will be drawndown to cover regional transportation project expenditures not already covered by external funding sources.

CVAG has approved increases to the TUMF rate by 7.4% on April 24, 2023, which was determined and approved by the Executive Committee based on Consumer Price Index (CPI) and helps cover the increased costs of inflation and will start in January 2023. The region's TUMF rate remains significantly below other areas and continues to exempt affordable housing. TUMF is assessed on all development that will result in an increase in vehicular trips, with specific rates for residential, commercial, and industrial development, among other categories. Assessments on residential development account for the vast majority of fee dollars received. After a brief lull during the initial phases of the COVID-19 pandemic, TUMF revenues have increased beyond what can be attributed to inflation adjustments made to the fee schedule; the residential category has shown consistent growth while the non-residential categories have fluctuated year-to-year. In 2021, the State of California released its 6th Cycle Regional Housing Needs Assessment (RHNA), which identified an additional 32,000 dwelling units needed in the Coachella Valley through October 2029. Although non-binding, CVAG's member jurisdictions have been diligently updating their housing elements to accommodate RHNA's forecast, and residential development within the CVAG region, and thus potential fee revenues, is expected to continue to grow. However, supply-chain issues continue to plague the construction industry, and rising interest rates are driving down housing demand. As a result, local building industry analysts are forecasting a modest decrease in the number of dwelling units built over the course of 2023 compared to 2022. CVAG is therefore making a conservative projection of TUMF revenues, assuming stagnant development while excluding anomalies seen in FY 2021/22 actual revenues with a minor adjustment for inflation as applied over the second half of the fiscal year.

Other Transportation Funding revenues provide external resources for CVAG's internally lead projects such as the CV Link and CV Sync, both of which are multi-million-dollar regional projects lead by CVAG.

As CVAG continues with the construction phases of CV Link in FY 2023/24, it anticipates receiving funding from external resources to cover project costs in the form of Active Transportation, State Transportation Improvement Program, Air Quality Management District funds as well as funds from the Desert Healthcare District/ Foundation.

The CV Sync project brings in federal dollars in the form of Congestion Mitigation and Air Quality (CMAQ) funds as well as State Transportation Improvement Program (STIP) funds. It is budgeted such that external funding sources not covering the project costs for these programs will be supplemented by Measure A transfers into the CV Link and CV Sync funds.

The Inland Regional Energy Network (I-REN) launched in FY 2022/23 and provides a significant shift for energy programs in the Coachella Valley. In years past, available funding resources were previously predominant in the communities served by Southern California Edison. The launch of the I-REN ushers in a new era of programs – and resources. The proposed I-REN budget through 2027 is nearly $66 million, which is a huge influx of annual investments to Riverside and San Bernardino Counties.

Interestingly, CVAG is the one partner agency with a Community Choice Aggregation (CCA) program (DCE) and the only partner that has an existing Energy and Environmental Resources Committee to implement the associated, sustainability related objectives and programs. Based on the I-REN business plan, this endeavor will require at least ten staff across the agencies, with WRCOG serving as the lead administrative agency. At CVAG, it is expected that I-REN could fund several full-time employees in order to manage and implement all the programs effectively. The I-REN budget will fund all related staff time and overhead costs. This is a necessary investment: CVAG needs to maintain staff on I-REN in order to ensure that the region gets its fair share of the millions that are coming to the Inland Empire. Without this staff, CVAG will be left to rely on the staff in western Riverside County and San Bernardino County and the region risks being shortchanged on programs.

CVAG will continue to receive external funding from member jurisdictions for its growing CV Housing First Program that are nominally in-line with amounts received in Fiscal Year 2022/23 which saw contributions to the programs finalized in the form of memorandums of understanding as opposed to informal agreements as in prior years.

As investment income in the form of interest revenue affects all CVAG cost-centers/funds which maintain a fund balance, it is an important budgetary consideration. In March 2022, the Federal Reserve began increasing interest rates at a significant pace from historic lows in order to combat inflation amid concerns about an economic downturn. The increases continued through FY 2022/23 with the Fed Rate expected to reach 5.00 – 5.25% by May 2023. According to the Chicago Mercantile Exchange Group ((CME) – the world's largest financial derivatives exchange), several indicators currently demonstrate that the Fed's restrictive monetary policy may be proving sufficiently restrictive and hints to stable interest rates through 2023 before potential rate cuts in 2024. The CME notes in April

2023 that the increase in interest rate risk associated with the inverted yield curve has already disrupted the banking industry and the lack of loan growth does suggest the Fed's current interest rate policy is having an impact. In February 2023, the Federal Funds rate rose above a key measure of inflation – the PCE Core Inflation. Moreover, the path of inflation is receding. While impossible to predict the future of the interest rate environment, these indicators demonstrate that CVAG's investment income will remain relatively stable in early FY 2023/24 with the potential of decreased investment income as the fiscal year closes. As such, CVAG has conservatively budgeted investment income in the budget.

Expenditures

The budget anticipates a relatively large investment in an enterprise resource planning system (ERP), which will allow CVAG to fully integrate its contracting, accounts payable/ receivable, personnel, and financial transaction and reporting systems across all cost centers/funds. The upfront costs and investment in an ERP system include many one-time costs such as ERP selection and implementation consultants as well as backfill for certain staff managing the project. Total budgeted costs allocated out to all funds/ cost-centers were approximately $380,000 for FY 2023/24 and will likely remain high in FY 2024/25. Once implementation is complete, CVAG staff anticipate the annual costs to decrease in FY 2025/26. The FY 2023/24 budget is also sensitive to unknown and continued inflationary factors in the coming fiscal year and all expenditures were evaluated on a line-by-line basis and projected increases in prices were applied agency-wide for conservative budgetary practices. It should be note that these conservative budgetary increases might not be as apparent when comparing across historic data as the new staffing for the new programs such as I-REN take a proportional share of these increased costs away from other long-standing programs. These costs, like other overhead costs, are budgeted across departments and cost-centers/funds based on budgeted personnel costs charged to each cost-center/fund.

With such wide-ranging responsibilities and annual budgeted expenses of over $160 million for the three agencies it administers, CVAG's staffing levels remain extremely lean. To deliver projects and run programs, independent contractors and consultants are utilized extensively. However, the recent pandemic, associated impacts and distortions to the labor market have challenged the ability of many employers to adequately run programs and construction projects. As previously reported to the Administrative/ Personnel Committee, CVAG experienced substantial staff turnover during the Great Resignation of 2021. CVAG management used this as an opportunity to assess its internal staffing structure and better position the agency to address needs in the long term. In the FY 2022/23 budget this resulted in some vacancies being replaced with new positions and some new titles for positions that were not anticipated in the previous budget. These changes ensured CVAG's internal structure was better aligned with the staffing needs of the programs and policies that the Executive Committee approved – all while staying within CVAG's authorized personnel budget. The cost of positions filled is largely, if not entirely, covered by funding secured for the specific programs, including transportation funding for CV Sync and the launch of the new I-REN program or reimbursement from agencies such as CVCC and DCE. This allows overhead costs to be spread more widely across various funding sources, reducing the impact on the general fund as well as all other funds accounted for as cost-centers in the agency.

CVAG completed a classification and total compensation study in November 2022 with a phased implementation for employees making less than the new salary range with half of the pay increase effective beginning on January 1, 2023 and full implementation effective July 1, 2023. Due to this phased methodology, the FY 2022/23 year-end Personnel costs estimate represents only one fourth of the total changes each year with the full impact budgeted in FY 2023/24. Total Agencywide salaries are budgeted to increase from $3,237,077 in FY 2022/23 budget to $3,694,194 in FY 2023/24 budget (which includes all of the factors discussed below). It is important to note that CVAG has never exceeded its Agencywide Personnel budget and typically remains several hundreds of thousands of dollars below budget each year.

While the Full Time Equivalent (FTE) of budgeted positions remains relatively stable between 35-36 FTE from budget year to budget year, the full effect of bringing salaries to market median and maintaining them at such market rate is included in the total Personnel Costs. It should be noted that at the time of Koff Study implementation, approximately 60% of employees received increases to bring their salaries to the minimum of their new salary ranges and these increases were somewhat unevenly borne across departments depending on which individual staff received the increase. This resulted in some cost centers/ funds experiencing higher increases in salaries and benefits than others such as the CVCC. In addition, all budgeted yet vacant positions were budgeted above the minimum of the salary range; their actual salaries may end up being less than budgeted.

In addition, the Administrative/Personnel Committee at its November 2022 meeting approved the following changes suggested by CVAG management related to certain benefit offerings which were then reflected in updates to CVAG's Personnel Rules and Benefits Manual. This included the removal of the two-weeks paid administrative leave for FLSA-exempt employees which will provide savings via operational efficiencies and added two additional vacation days each year to all staff persons. The two additional vacation day accruals are estimated to cost $32,000 if all staff vacation accruals are liquidated in FY 2023/24. The Committee also authorized CVAG to offer an employer matching contribution to a qualified deferred compensation plan not to exceed 2% of an employee's annual salary. This increase in cost is estimated at $80,000 for FY 2023/24 if fully utilized by every employee. In addition, CVAG will also be offering one additional floating holiday each year.

The Administrative/Personnel Committee, at its April 24, 2023 meeting, recommended a FY 2023/24 4% cost of living increase for salaries (based on the same index used when evaluating Member Agency Dues) which amounts to approximately $161,370. This increase is in line with or lower than other agencies' budgets, some of which have recommended 2.5%, 3%, 4%, and 5% increases in FY 2023/24 as well as the relevant Consumer Price Index from the Bureau of Labor Statistics for Riverside County which was 7.3% year-over-year in January 2023.

Also new for FY 2023/24, CVAG implemented a new performance management system which established a link between annual reviews and merit increases by eliminating the former Step-Pay approach which generally saw 5% salary increases across the board and replaced it with a Merit-Pay structure based on an open salary range philosophy with variable percentage salary increases each year for each employee based on performance. Under the new system and effective with FY 2023/24 budgeted salaries, merit increases were between 1 and 4%. Although difficult to realize given the full implementation of the classification and total compensation study, CVAG anticipates substantial cost-savings with the new system in FY 2023/24 and beyond.

Benefits in the FY 2023/24 budget included cost increases due to uncertainty surrounding the rising cost of health plans. CVAG also budgeted comfortably to consider changes in potential open enrollment employee election changes as well as to cover overtime pay. The wellness plan offered by CVAG was budgeted at 100% participation yet actual participation and costs come in much less than this annually which will likely maintain course in FY 2023/24 and come in under budget. In addition, all budgeted yet vacation positions were budgeted at the most expensive cafeteria plan offering amount. Given the timing of potential hires, and their actual elections, these actual benefit costs will likely come in under budget.

A cost to the budget of nearly every governmental agency in California is that of its pension liability. CVAG participates in the California Public Employee Retirement System (CalPERS) and contributes payment on behalf of its employees every pay period. Beginning July 1, 2023 CalPERS employer contribution rates increase 1.65% to 13.26% for Classic plan employees and 0.24% to 8% for PEPRA plan employees. In addition to these bi-weekly costs, government agencies have seen the pension liability grow as retired populations live longer and costs continue to increase.

In addition to the annual minimum payments needed to meet CalPERS funding requirements, CVAG has to balance an approach to paydown the remainder of the full Unfunded Accrued Liability (UAL) which represents futures costs to sustain the CalPERS plans. Although CVAG carries a smaller UAL than many other agencies, a prudent decision was made by CVAG Administrative/Personnel and Finance Committees to paydown the cost of the (UAL) over a period of approximately 10 years (projections based on CalPERS actuarial valuation reports at that time). The first Additional Discretionary Payment (ADP) was made in the amount of $1 million on July 31, 2019 with a target to paydown approximately $200,000 total (minimum payment + ADP payment) each year thereafter to reduce the current UAL balance to $0 on the final payment. CVAG made ADPs in FY 2020/21 for $173,454, FY 2021/22 for $112,311, FY 2022/23 anticipated at $111,188. On its most recently available CalPERS Valuation Report dated June 30, 2021 (which establishes the minimum contribution for FY 2023/24 budget), CVAG's Classic plan funded ratio was 95.7% representing a UAL of approximately $500,000, which is a much-improved funded status from prior years and partly due to high returns in FY 2020/21. CVAG's funded status is higher than the average public agency status of 82.6% for the valuation period ended June 30, 2021, indicating that recent ADPs made by CVAG have been effective in lowering CVAG's overall future UAL costs. However, this funded status and UAL amount does not include the approximately $1.6 million investment loss from the year ended June 30, 2022 as the CalPERS actuarial valuation reports are on a two-year lag and an updated UAL number will not be released until July of 2023. However, based on conversations with CalPERS actuaries, CVAG staff estimate the new UAL balance to be closer to $2,000,000 on the Classic plan and approximately $100,000 on the PEPRA plan.

In response to this, in February 2023, CVAG staff convened the Finance Committee and recommended the Committee re-evaluate the current UAL paydown approach in order to proactively adjust to changing external forces and prudently manage the UAL. The Finance Committee provided direction for the FY 2023/24 budgeted CalPERS UAL paydown and directed staff to incorporate an annual payment of $250,000 – which is $50,000 more than the originally scheduled amount – into the upcoming budget based on CVAG staff recommendation. This increased paydown will not only reduce the overall UAL yet it will also reduce future UAL payments as well as allow for stable annual contributions. This recommendation also received support at the April 24, 2023 Administrative/Personnel Committee. The Finance Committee anticipates revisiting the UAL payment annually to provide direction on any ADPs based on evolving information like CalPERS fund performance each year. As is typical for governmental agencies, these costs are allocated to the various costing centers/funds based on respective personnel costs.

The Capital Project Summary included in this document is a listing of the major Capital Improvement Program projects scheduled for activity in FY 2023/24 as well as the following four fiscal years. The cost estimates for currently slated projects utilize many external sources of funding such as ATP, STIP, CMAQ, and AQMD, for example.

The projects listed in the Capital Project Summary will continue to be a focus of the CVAG Transportation and Executive Committees, which have previously received a cash-flow analysis of regional transportation projects to help guide their decisions.

Costs continue to escalate on these projects. At the same time, major sources of revenue for many conventional projects – including state and federal funding for bridges and interchanges – have been drying up. The federal infrastructure bill may inject needed funding into the region. In the coming fiscal year, CVAG will continue with a value-engineering study and updating project expenditure estimates for projects within CVAG's Transportation Project Prioritization Study (TPPS) and be seeking policy guidance from the Transportation and Executive Committees on how to address cost sharing in the future.

It should be noted that the budget also identifies non-personnel costs, which are defined as all costs other than Salaries and Benefits, Consultants, Construction/Project Costs, Tenant Improvements and Debt Service expenditures. These non-personnel costs include indirect items to cover CVAG's overhead expenditures, such as office building rent, ERP system implementation and ongoing costs, utilities or general supplies along with the staff's proportionate share of general administration salaries and benefits, which become allocated to each department.

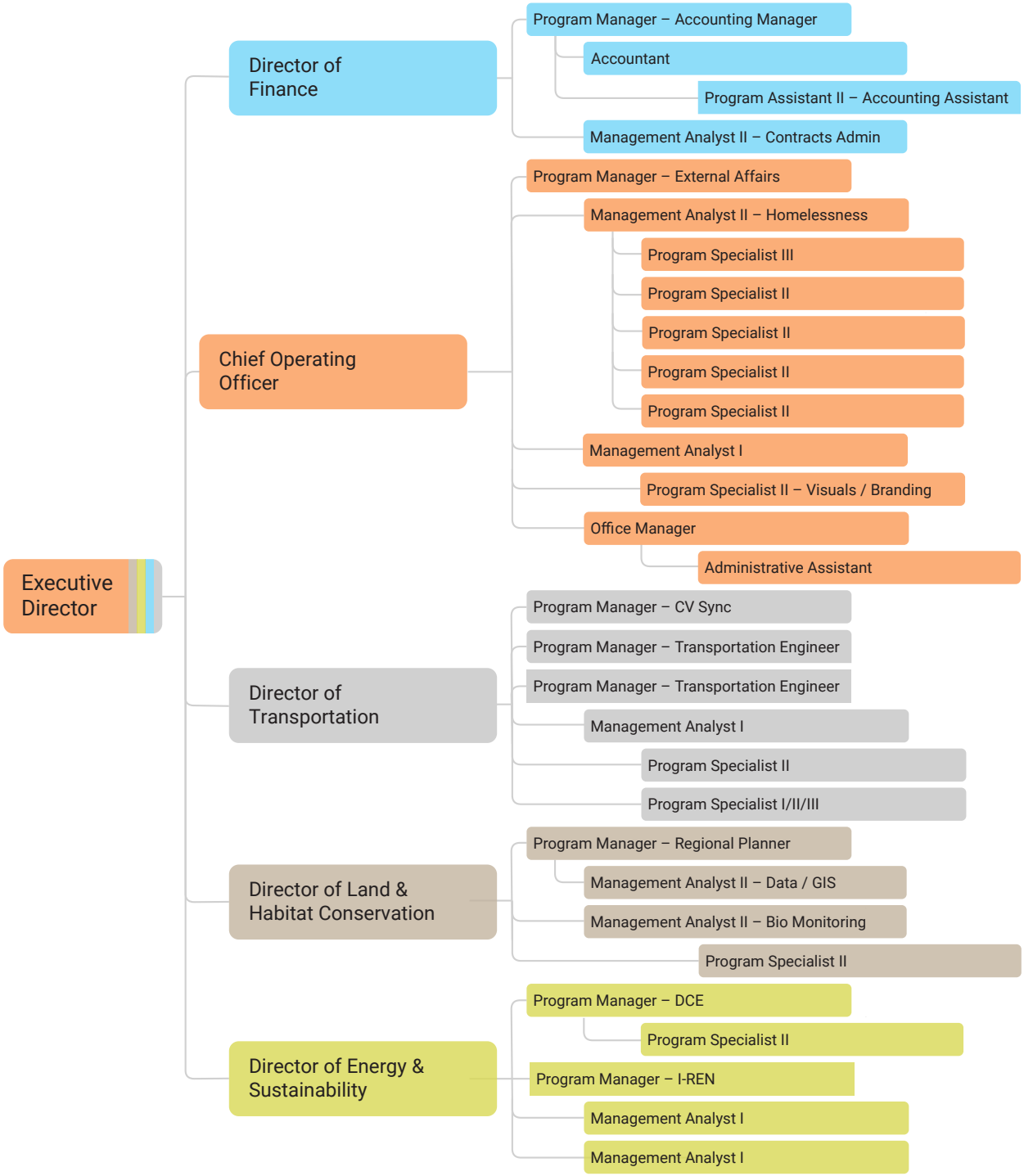
In the current budget, these non-personnel costs have been grouped into broader categories of Office Operations, Meeting Attendance Stipends, Employee Travel or Training, Facility Expenses, and Professional Services.

Office Operations represent expenditures such as printing, office supplies, and computer software. Meeting Attendance Stipends represents the costs paid in the form of meeting stipends to CVAG committee members and other nominal meeting support costs. Employee Travel or Training is largely represented by employee mileage reimbursements which is largely born by the CV Housing First caseworkers traveling across the Coachella Valley providing rapid rehousing solutions to Housing First clients and also include meeting registration for staff training across the agency. Facility Expenses include such costs as office rent and maintenance, general liability insurance, and increasingly - utility costs. Examples of Professional Services expenditures represent the cost of external consultants and independent contractors as well as legal and accounting services. CVAG also provides staff for the Coachella Valley Conservation Commission (CVCC) and Desert Community Energy (DCE), with those expenses reimbursed under the terms of administrative agreements.

Located in the FY 2021/22 Actual Costs column throughout the comparative budgetary information, is a line item listed as Gain/Loss and in FY 2021/22 represents paper losses required to be disclosed in the annual audited financial statements under US GAAP. Bond prices typically correlate inversely to interest rate yields so paper losses are likely to occur in a high interest rate environment while actual cash flow increases via investment income. As these gains/losses do not affect budgeted cash flows and have historically not been budgeted, they are only presented as actuals to ensure fund balances tie to the audited financial statements. The same holds true for the Debt Service and Interest Expense for Measure A related to revenue bonds issued by RCTC which also do not affect CVAG budgeted cash flows.

Finally, certain amounts in the prior-year budget, current year-end estimate, and actual financial statements have been reclassified for comparative purposes to conform to the presentation of the current-year budget. These reclassifications did not result in any change to previously reported net position or change in net position.

Organization Chart



Allocated Positions

Class Title	Salary Range
Executive Director	Contract
Deputy Executive Director *	35
Chief Operating Officer	33
Director - Energy and Sustainability	30
Director - Finance & Administration	30
Director - Land & Habitat Conservation	30
Director - Transportation	30
Program Manager - Accounting/Finance	24
Program Manager - CV Sync	24
Program Manager - Energy and Sustainability	24
Program Manager - External Affairs	24
Program Manager - I-REN	24
Program Manager - Land & Habitat Conservation	24
Program Manager - Transportation	24
Program Manager - Transportation Engineer	24
Management Analyst II - Land & Habitat Conservation	16
Management Analyst II - Community Resources	16
Management Analyst II - Community Resources *	16
Management Analyst II - Contracts Administration	16
Management Analyst II - GIS/Data	16

Class Title	Salary Range
Management Analyst II - Transportation *	16
Accountant	14
Management Analyst I - Administration	14
Management Analyst I - Energy & Sustainability	14
Management Analyst I - Energy & Sustainability	14
Management Analyst I - Transportation Engineer	14
Office Manager	14
Program Specialist III - Community Resources	13
Program Specialist III - Transportation	13
Program Specialist II - Administration	11
Program Specialist II - Community Resources	11
Program Specialist II - Community Resources	11
Program Specialist II - Community Resources	11
Program Specialist II - Community Resources	11
Program Specialist II - Transportation Engineer	11
Program Specialist II - Accounting/Finance	11
Program Specialist II - Energy and Sustainability - DCE	11
Program Specialist II - Land and Habitat Conservation	11
Program Assistant - Administration	7

* Unbudgeted Position

Salary Schedule

Salary Schedule *	Minimum	Maximum
1	40,716	58,529
2	42,752	61,456
3	44,890	64,529
4	47,134	67,755
5	49,491	71,143
6	51,965	74,700
7	54,563	78,435
8	57,292	82,357
9	60,156	86,475
10	63,164	90,798
11	66,322	95,338
12	69,638	100,105
13	73,120	105,110
14	76,776	110,366
15	80,615	115,884
16	84,646	121,678
17	88,878	127,762
18	93,322	134,150

Salary Schedule *	Minimum	Maximum
19	97,988	140,858
20	102,888	147,901
21	108,032	155,296
22	113,434	163,061
23	119,105	171,214
24	125,061	179,774
25	131,314	188,763
26	137,879	198,201
27	144,773	208,111
28	152,012	218,517
29	159,612	229,443
30	167,593	240,915
31	175,973	252,961
32	184,771	265,609
33	194,010	278,889
34	203,710	292,834
35	213,896	307,475
Exec. Dir. Contract	-	312,156

* Includes budgeted 4% COLA

Fiscal Overview

Member Agency Dues

The main source of revenues in the General Fund is dues assessed and collected from member cities, Tribal Governments, and CVAG boundaries within Riverside County. These membership dues are used to fund the expenses of CVAG and its programs, committees, and other budgeted expenses which are not otherwise chargeable to individual departments, projects, or other funding sources.

Jurisdiction	Population	% of Total	Dues	Assessed Value	% of Total	Dues	Total Dues
Blythe	14,682	3.41%	$ 8,874	$ 948,928,570	0.94%	$ 2,446	$ 11,320
Cathedral City	51,840	12.04%	$ 31,332	$ 5,907,533,620	5.85%	$ 15,224	$ 46,556
Coachella	42,158	9.79%	$ 25,477	$ 2,431,925,320	2.41%	$ 6,272	$ 31,748
Desert Hot Springs	32,569	7.57%	$ 19,700	$ 2,564,121,678	2.54%	$ 6,610	$ 26,310
Indian Wells	4,762	1.11%	$ 2,889	$ 7,104,277,352	7.03%	$18,294	$ 21,183
Indio	89,137	20.71%	$ 53,894	$ 10,632,548,949	10.53%	$ 27,402	$ 81,297
La Quinta	37,860	8.79%	$ 22,874	$ 16,712,792,894	16.55%	$ 43,068	$ 65,943
Palm Desert	50,889	11.82%	$ 30,759	$ 17,950,974,247	17.78%	$ 46,269	$ 77,029
Palm Springs	44,397	10.31%	$ 26,830	$ 17,075,223,539	16.91%	$ 44,005	$ 70,835
Rancho Mirage	16,804	3.90%	$ 10,149	$10,689,358,081	10.59%	$ 27,559	$ 37,708
Riverside County (CVAG Boundaries)	45,408	10.55%	$ 27,455	$ 8,952,157,830	8.87%	$ 23,083	$ 50,537
Agua Caliente Band of Cahuilla Indians	-	-	-	-	-	-	$ 11,320
Cabazon Band of Cahuilla Indians	-	-	-	-	-	-	$ 11,320
Torres Martinez Desert Cahuilla Indians	-	-	-	-	-	-	$ 11,320
Twenty-Nine Palms Band of Mission Indians	-	-	-	-	-	-	$ 11,320
Totals	**430,506**	**100.00%**	**$ 260,233**	**$ 100,969,842,080**	**100.00%**	**$ 260,233**	**$ 565,746**

City Population Source: Demographic Research Unit, Department of Finance, State of California as of January 2022.

County Population Source: U.S. Census increased/(decreased) by an average increase/decrease for the C.V. Cities and Blythe, (0.18%) in 2020, 0.05% in 2021 and (0.74%) in 2022. Population in the County of Riverside increased by 0.45% as of January 1, 2022.

Assessed Valuations: Riverside County 2021/22 Assessed Valuation Report.

The total assessed valuation for the Coachella Valley Unified, Desert Sands Unified and Palm Springs Unified School Districts for FY 2022/2023 was $100,020,913,510.

CVAG's boundaries are the same as the boundaries of the above school districts within Riverside County's boundaries. Riverside County's share of that assessed valuation was calculated by subtracting the assessed valuation of all those cities within those school district boundaries which totals $91,068,755,680. This leaves $8,952,157,830 for the County of Riverside's assessed valuation in the Coachella Valley. These values use the Local Roll which does not include the State Assessed (SBE) Properties.

Overall Agency Summary

The Overall Agency Summary Report summarizes the FY 2023/24 proposed budget. This report compares the proposed budget with the year-end revenue and expenditure estimates for FY 2022/23, the adopted budget for FY 2022/23, and the audited financial statements for FY 2021/22.

	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Yr. End Est.	FY 2023/24 Budget
Beginning Fund Balance	**$ 50,662,083**	**$ 48,186,890**	**$ 62,080,030**	**$ 73,952,508**
Revenues / Funding Source				
CVAG Dues	$ 470,654	$ 532,740	$ 538,706	$ 574,721
Signal Synchronization (CMAQ)	$ 4,359,267	$ 13,739,400	$ 10,872,133	$ 16,536,000
CV Link (CMAQ)	-	-	-	$ 5,057,000
Active Transportation Program	$ 2,594,768	-	-	-
STIP Federal	$ 3,312,839	$ 19,675,336	$ 3,529,083	$ 7,886,528
AB 2766	$ 367,854	$ 420,374	$ 417,101	$ 404,588
AQMD - CV Link	$ 6,510,044	$ 6,039,982	$ 4,388,896	$ 2,096,290
AQMD - Street Sweeping	$ 220,000	$ 220,000	$ 220,000	$ 220,000
Used Oil Grant	$ 86,920	$ 85,800	$ 76,935	$ 72,642
Active Transportation Program (State)	$ 2,945,591	$ 5,332,858	$ 2,011,482	$ 3,238,431
SCAG	$ 337,939	$ 217,581	$ 163,492	$ 1,607,333
AB 939	$ 7,913	$ 15,404	$ 15,826	$ 15,615
Air Quality Enhancement/Colmac	$ 300,000	$ 190,000	$ 190,000	$ 190,000
Measure A	$ 20,594,187	$ 46,729,882	$ 11,569,300	$ 40,688,439
Measure A - In-Lieu TUMF Revenue	$ 83,928	-	$ 23,580	-
TUMF Revenues	$ 10,795,964	$ 6,746,155	$ 7,111,157	$ 7,222,975
Transportation Local Contribution	$ 3,184,771	$ 601,408	$ 489,606	$ 1,444,576
Loan Repayments	$ 10,421	$ 10,421	$ 10,421	-
RCTC Admin Reimbursements	$ 1,216,030	$ 927,023	$ 829,503	$ 1,457,500
CPUC - LATA Grant	-	-	-	$ 978,460
RCTC - PP&M	$ 419,372	$ 214,500	$ 214,500	$ 95,000
RCTC - LTF	$ 472,500	$ 479,588	$ 585,000	$ 697,500
Contributions	$ 44,700	$ 27,000	$ 27,000	$ 27,000
PACE Funding	$ 1,985	$ 7,500	$ 12,400	$ 6,700
Member Agencies - CVHF	$ 2,143,585	$ 1,455,678	$ 1,407,325	$ 1,442,000
DHCD Desert Health Care District	$ 1,670,000	-	$ 1,670,000	$ 1,670,000
Other Revenues	$ 71,383	$ 91,563	$ 1,143,232	$ 82,750
I-REN Admin Reimbursement	-	$ 592,094	$ 523,063	$ 728,771
CVCC Administrative Reimbursement	$ 786,605	$ 896,361	$ 899,737	$ 1,236,705
DCE Administrative Reimbursement	$ 1,209,837	$ 756,237	$ 655,579	$ 893,965
Investment Income	$ 186,964	$ 967,981	$ 1,256,058	$ 1,148,320
Gain (Loss) in Investments	($ 894,474)	-	-	-
Total Revenues / Funding Source	**$ 63,511,547**	**$ 106,972,867**	**$ 50,851,116**	**$ 97,719,810**

Overall Agency Summary

	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Yr. End Est.	FY 2023/24 Budget
Expenditures / Expenditure				
Personnel				
Salaries	$ 2,116,053	$ 3,237,077	$ 2,647,432	$ 3,694,194
Benefits	$ 869,865	$ 1,379,796	$ 1,162,981	$ 1,788,929
Total Personnel	**$ 2,985,918**	**$ 4,616,873**	**$ 3,810,414**	**$ 5,483,123**
Non-Personnel				
Interest Expense *	$ 1,119,087	-	-	-
Office Operations	$ 187,670	$ 338,320	$ 295,088	$ 301,657
Meeting Attendance Stipends	$ 29,500	$ 59,397	$ 52,500	$ 53,775
Employee Travel or Training	$ 55,872	$ 52,099	$ 39,519	$ 64,520
Facility Expenses	$ 512,999	$ 483,552	$ 298,497	$ 494,853
Professional Services	$ 605,128	$ 1,217,747	$ 487,602	$ 896,974
Total Non-Personnel	**$ 2,510,255**	**$ 2,151,114**	**$ 1,173,206**	**$ 1,811,779**
Project/Program				
Capital Outlay	$ 27,144,745	$ 54,114,549	$ 28,160,892	$ 61,411,655
Debt Service *	$ 1,893,146	$ 3,012,233	-	-
Crisis Stabilization Unit Rent & Utilities - CVHF	-	$ 274,386	$ 381,745	$ 479,365
Consultants/Service Providers	$ 1,785,497	$ 4,137,065	$ 483,039	$ 2,888,934
Construction/Project Costs	$ 15,692,093	$ 39,477,267	$ 4,935,054	$ 25,219,522
Rapid Resolutions - CVHF	$ 56,938	$ 100,000	$ 27,863	$ 45,000
Mobile Access Center - CVHF	$ 25,008	$ 22,500	$ 6,424	$ 8,060
Total Project/Program	**$ 46,597,428**	**$ 101,138,000**	**$ 33,995,017**	**$ 90,052,536**
Other				
Operating Transfers Out	$ 10,426,500	$ 27,266,788	$ 8,905,282	$ 25,795,564
Operating Transfers In	($ 10,426,500)	($ 27,266,788)	($ 8,905,282)	($ 25,795,564)
Total Other	-	-	-	-
Total Expenditures / Expenditure	**$ 52,093,601**	**$ 107,905,987**	**$ 38,978,637**	**$ 97,347,438**
Net Excess (Deficit)	**$ 11,417,947**	**($ 943,921)**	**$ 11,872,479**	**$ 372,372**
Ending Fund Balance	**$ 62,080,030**	**$ 47,242,970**	**$ 73,952,508**	**$ 74,324,881**

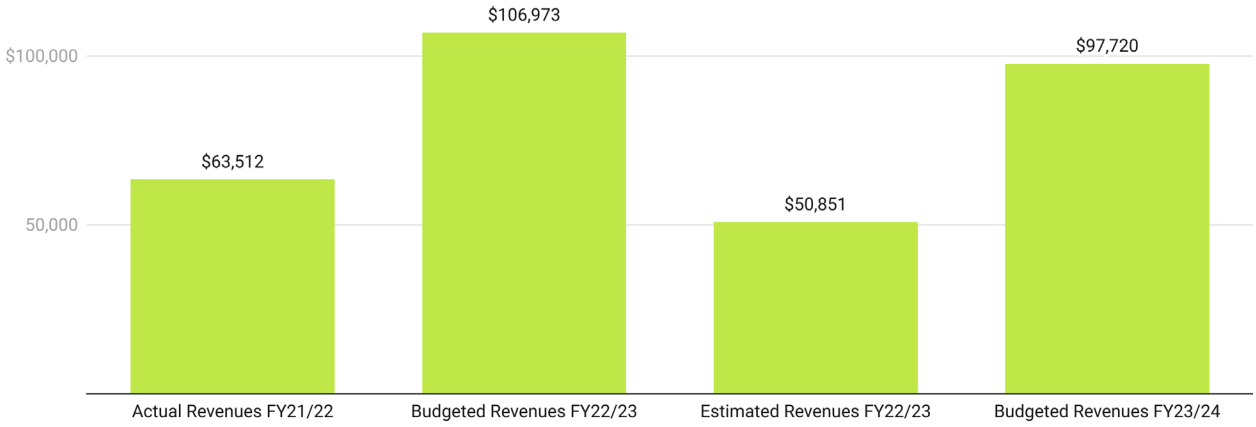
* Line represents a non-cash transaction required for conformity with US GAAP audited financial statements. Since there is no associated cash flow, the transaction is not used for budgetary purposes.

Operating Transfers

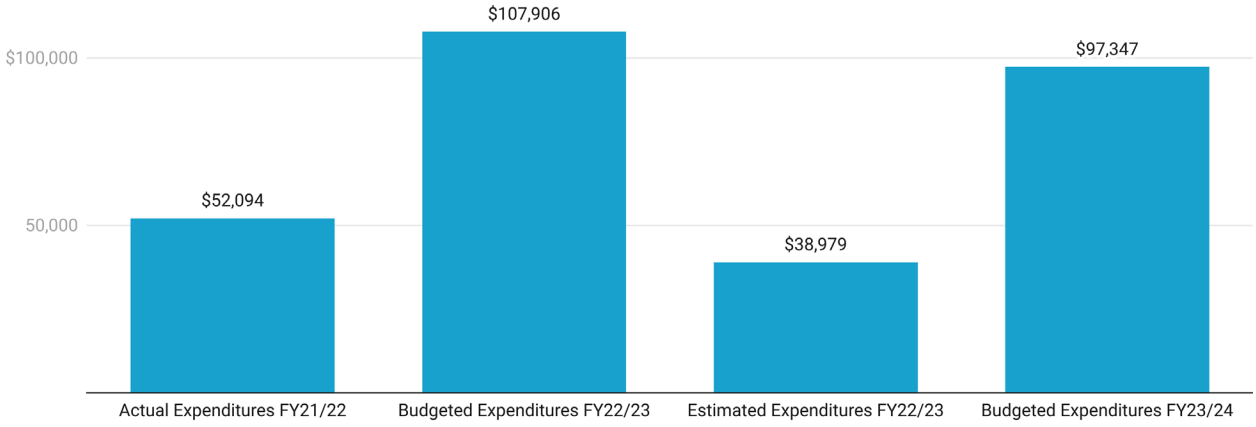
Operating transfers constitute cash transfers from a fund receiving revenues to a fund through which expenditures will be or have already been made.

Fund Transfer Out	Fund Transfer In	Amount
301 - AB 2766	702 - Regional Street Sweeping	$ 356,590
301 - AB 2766	711 - Lawn Scalping Program	$ 5,116
411 - SCAG	612 - LTF / PP&M	$ 554
501 - AB 939	207 - Tire Recycling	$ 3,401
611 - Measure A	618 - CV Link	$ 15,196,006
611 - Measure A	624 - Signal Synchronization	$ 9,535,341
612 - LTF / PP&M	618 - CV Link	$ 698,557
Total Operating Transfers		**$ 25,795,564**

Revenues ($000's)



Expenditures ($000's)



Capital Project Summary

The following capital project funding has been approved by the Executive Committee for Construction for Fiscal Year 2023/24.

Approved Capital Projects — Transportation	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27
Madison Street from Avenue 52 to Indio Boulevard Phase 2 Under Construction Lead Agency: City of Indio Funded from Regional / Local Fund Sources	$ 2,830,291	-	-	-
I-10 Monroe Interchange PS&E & ROW Phase, Construction in 25/26 Lead Agency: City of Indio Funded from Regional / Local Fund Sources	$ 4,000,000	$ 5,000,000	$ 17,054,091	$ 14,500,200
Indian Canyon from Garnet Avenue to/including Railroad Crossing Bridge Right of Way, Utilities, Construction in 2023/24 Lead Agency: City of Palm Springs Funded from STIP / HBRR / Regional / Local Fund Sources	$ 2,620,848	$ 2,620,847	-	-
Avenue 50 Widening (Calhoun to Cesar Chavez) Design, Construction in 2024 Lead Agency: City of Coachella Funded from Regional / Local Fund Sources	$ 750,000	$ 2,774,677	$ 2,774,677	-
Ramon Road Bridge Widening over WWR Final Design and Right of Way (Pending HBP Funding) Lead Agency: City of Palm Springs Funded from HBP / Regional / Local Fund Sources	$ 931,140	$2,638,215	$ 2,638,215	-
Vista Chino Bridge over WWR Final Design and Right of Way (Pending HBP Funding) Lead Agency: City of Palm Springs Funded from HBP / Regional / Local Fund Sources	$ 60,000	$ 3,859,900	$ 3,859,900	-
South Palm Canyon Bridge over Tahquitz Creek Final Design and Right of Way (Pending HBP Funding) Lead Agency: City of Palm Springs Funded from HBP / Regional / Local Fund Sources	$ 361,200	$ 361,912	-	-
East Palm Canyon Bridge over Palm Canyon Wash Environmental, Utility, Coordination and Right of Way Lead Agency: City of Palm Springs Funded from HBP / Regional / Local Fund Sources	$ 295,000	$ 370,086	-	-
Dune Palms Bridge over WWR Construction in late 2023 Lead Agency: City of La Quinta Funded from HBP / Regional / Local Fund Sources	$ 2,449,200	$ 2,448,550	-	-
Avenue 44 Bridge over WWR Construction 2022 (Pending HBP Funding) Lead Agency: City of Indio Funded from HBP / Regional / Local Fund Sources	$ 450,000	$ 1,109,705	$ 1,109,705	-
Date Palm Drive (I-10 and Varner) Design/Construction Lead Agency: City of Cathedral City Funded from Regional / Local Fund Sources	$ 1,872,866	-	-	-

Capital Project Summary

Approved Capital Projects — Transportation	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27
Bicycle & Pedestrian Safety Program Projects are either under construction or have been completed Lead Agency: Various Funded from Regional / Local Fund Sources	$ 1,399,161	-	-	-
Varner Road Improvement (Ramon Road to Monterey) Completed (Future Reimbursement) Lead Agency: County Funded from Regional / Local Fund Sources	$ 1,870,758	-	-	-
Portola Avenue (North of Gerald Ford Drive) Completed (Future Reimbursement) Lead Agency: City of Palm Desert Funded from Regional / Local Fund Sources	$ 534,935	-	-	-
CV Link (Segment 1) Construction Lead Agency: CVAG Funded from STIP/ATP/CMAQ/AQMD/DHCD/Local Fund Sources	$ 33,185,920	$ 22,435,000	-	-
CV Sync (Phase 2) Construction Lead Agency: CVAG Funded from CMAQ / STIP / Local Fund Sources	$ 27,560,000	$ 29,521,664	$ 29,622,944	-
Avenue 50 Bridge over CVSWC Design Lead Agency: City of Coachella Funded from HBP / Regional / Local Fund Sources	$ 396,000	-	-	-
Avenue 50 & Jackson St. Intersection Design Lead Agency: Indio Funded from Regional / Local Fund Sources	$ 446,616	-	-	-
Arts & Music Line Design Lead Agency: CVAG Funded from ATP / Regional / Local Fund Sources	$ 943,371	-	-	-
Avenue 50 Widening (Jefferson to Jackson) Design Lead Agency: City of Indio Funded from Regional / Local Fund Sources	$ 675,000	-	-	-
Flooding & Blowsand Projects Design Lead Agency: CVAG Funded from Regional / Local Fund Sources	$ 1,339,389	-	-	-
Avenue 48 Widening (Van Buren to Dillon) Design Lead Agency: County Funded from Regional / Local Fund Sources	$ 300,000	-	-	-
Total	**$ 76,219,695**	**$ 73,140,556**	**$ 57,059,532**	**$ 14,500,200**

Budget By Programs

An overview of the financial activities anticipated in each program for FY 2023/24.

	Transportation	Community Resources	Energy & Sustainability	General Fund	Total
Beginning Fund Balance	**$ 68,315,918**	**$ 3,354,563**	**$ 164,347**	**$ 2,084,448**	**$ 73,919,276**
Revenues / Funding Source					
Signal Synchronization (CMAQ)	$ 16,536,000	-	-	-	$ 16,536,000
CV Link (CMAQ)	$ 5,057,000	-	-	-	$ 5,057,000
STIP Federal	$ 7,886,528	-	-	-	$ 7,886,528
AB 2766	-	$ 404,588	-	-	$ 404,588
AQMD - CV Link	$ 2,096,290	-	-	-	$ 2,096,290
AQMD - Street Sweeping	-	$ 220,000	-	-	$ 220,000
Used Oil Grant	-	-	$ 72,642	-	$ 72,642
Active Transportation Program (State)	$ 3,238,431	-	-	-	$ 3,238,431
SCAG	$ 1,607,333	-	-	-	$ 1,607,333
AB 939	-	-	$ 15,615	-	$ 15,615
Air Quality Enhancement/Colmac	-	$ 190,000	-	-	$ 190,000
Measure A	$ 40,688,439	-	-	-	$ 40,688,439
TUMF Revenues	$ 7,222,975	-	-	-	$ 7,222,975
Transportation Local Contribution	$ 1,444,576	-	-	-	$ 1,444,576
RCTC Admin Reimbursements	$ 1,457,500	-	-	-	$ 1,457,500
CPUC - LATA Grant	$ 978,460	-	-	-	$ 978,460
RCTC - PP&M	$ 95,000	-	-	-	$ 95,000
RCTC - LTF	$ 697,500	-	-	-	$ 697,500
Contributions	-	$ 27,000	-	-	$ 27,000
PACE Funding	-	-	$ 6,700	-	$ 6,700
Member Agencies - CVHF	-	$ 1,442,000	-	-	$ 1,442,000
DHCD Desert Health Care District	$ 1,670,000	-	-	-	$ 1,670,000
Other Revenues	-	$ 26,250	$ 50,000	$ 6,500	$ 82,750
I-REN Admin Reimbursement	-	-	$ 728,771	-	$ 728,771
CVCC Administrative Reimbursement	-	-	$ 1,236,705	-	$ 1,236,705
DCE Administrative Reimbursement	-	-	$ 893,965	-	$ 893,965
Investment Income	$ 1,078,225	$ 47,488	$ 3,773	$ 18,835	$ 1,148,320
Total Revenues / Funding Source	$ 91,754,257	$ 2,357,325	$ 3,008,171	$ 600,056	$ 97,719,810

Budget By Programs

	Transportation	Community Resources	Energy & Sustainability	General Fund	Total
Expenditures / Expenditure					
Personnel					
Salaries	$ 1,261,166	$ 592,497	$ 1,658,979	$ 181,552	$ 3,694,194
Benefits	$ 693,253	$ 279,811	$ 729,788	$ 86,077	$ 1,788,929
Total Personnel	**$ 1,954,419**	**$ 872,307**	**$ 2,388,767**	**$ 267,630**	**$ 5,483,123**
Non-Personnel					
Office Operations	$ 90,643	$ 58,734	$ 139,876	$ 12,405	$ 301,657
Meeting Attendance Stipends	$ 14,480	$ 6,736	$ 11,277	$ 21,282	$ 53,775
Employee Travel or Training	$ 11,373	$ 30,123	$ 21,877	$ 1,147	$ 64,520
Facility Expenses	$ 197,516	$ 107,121	$ 171,598	$ 18,619	$ 494,853
Professional Services	$ 728,263	$ 73,372	$ 86,484	$ 8,855	$ 896,974
Total Non-Personnel	**$ 1,042,275**	**$ 276,085**	**$ 431,112**	**$ 62,308**	**$ 1,811,779**
Project/Program					
Capital Outlay	$ 61,273,386	$ 33,699	$ 94,250	$ 10,320	$ 61,411,655
Crisis Stabilization Unit Rent & Utilities - CVHF	-	$ 479,365	-	-	$ 479,365
Consultants/Service Providers	$ 2,792,434	$ 41,500	$ 55,000	-	$ 2,888,934
Construction/Project Costs	$ 24,329,322	$ 808,450	$ 53,000	$ 28,750	$ 25,219,522
Rapid Resolutions - CVHF	-	$ 45,000	-	-	$ 45,000
Mobile Access Center - CVHF	-	$ 8,060	-	-	$ 8,060
Total Project/Program	**$ 88,395,142**	**$ 1,416,074**	**$ 202,250**	**$ 39,070**	**$ 90,052,536**
Other					
Operating Transfers Out	$ 25,430,458	$ 361,706	$ 3,401	-	$ 25,795,564
Operating Transfers In	($ 25,430,458)	($ 361,706)	($ 3,401)	-	($ 25,795,564)
Total Other	-	-	-	-	-
Total Expenditures / Expenditure	**$ 91,391,836**	**$ 2,564,467**	**$ 3,022,128**	**$ 369,008**	**$ 97,347,438**
Net Excess (Deficit)	**$ 362,421**	**($ 207,141)**	**($ 13,957)**	**$ 231,048**	**$ 372,372**
Ending Fund Balance	**$ 68,678,340**	**$ 3,147,422**	**$ 150,390**	**$ 2,315,496**	**$ 74,084,507**

Transportation

Big Picture

Improving the Regional Arterial Network

Since 1989, CVAG has been responsible for regional transportation planning in the Coachella Valley, and plans for all people of all ages using many modes of transportation. CVAG works in cooperation with its member jurisdictions to develop and manage a progressive regional road program and congestion mitigation program, and some of its notable projects include the overhauling of six interchanges along the Interstate 10 Improvement Corridor. The priorities are regularly reviewed and encompassed in the Transportation Project Prioritization Study (TPPS) and the associated Regional Arterial Cost Estimate (RACE) and Active Transportation Plan (ATP). In recent months, CVAG has joined member jurisdictions in celebrating a number of project completions. In the upcoming fiscal year, CVAG's Transportation Department will continue to work with member jurisdictions to advance individual projects, including regional active transportation projects, as well as support efforts to secure outside funding for them in order to reduce the impact on regional and local resources.

Transportation Uniform Mitigation Fee (TUMF) Program

The TUMF program began in fiscal year 1989/90 as a way to generate additional funds required for necessary improvements to the regional transportation system. Local jurisdictions may choose not to collect TUMF, however, jurisdictions not collecting TUMF forfeit their share of local Measure A funds to the regional arterial program. CVAG saw steady increase in local Measure A funding received by CVAG's member jurisdictions until the Great Recession, which began in 2008 and resulted in significant downturns in revenues generated. TUMF, like all development impact fees, requires a nexus be demonstrated between the proposed development and the impacts to be mitigated. In TUMF's case, the assessment is based on the number of vehicle trips new development or site improvements may generate.

CV Link

CVAG has been working on CV Link for the past decade. The project is a major innovation in alternative transportation that will provide a safe route to walk, run, bike or use low-speed electric vehicles, such as golf carts. CV Link is expected to provide significant environmental, health, and economic benefits to generations of current and future residents and visitors. CV Link will ultimately span more than 40 miles across the Coachella Valley. To date, about ten miles of the project have been built in the cities of Cathedral City, Palm Desert and Palm Springs. When the current construction is complete, more than half of the project will be built. Construction will continue this year in the cities of Palm Springs, Palm Desert, La Quinta, Indio and Coachella as well as unincorporated Riverside County. This stage of construction includes bridges and undercrossings, which are a key safety feature that will allow the CV Link users to go under major roadways in order to avoid traditional vehicular traffic.

CV Sync

Synchronizing the traffic signals across the Coachella Valley has been a longstanding goal at CVAG. Design and engineering of CV Sync started in 2016, and the work was later expanded to encompass upgrading all traffic controllers to the same standard. Construction of CV Sync's first

phase – synchronizing signals on Highway 111, Washington Street and Ramon Road – was completed last fiscal year. The second phase, which includes another 21 corridors, is now under construction. CV Sync will have technology that allows all cities to communicate and coordinate in real-time to manage traffic flow, which will be especially useful for the large events that draw hundreds of thousands of tourists to the Coachella Valley. This project will also deploy fiber-optic broadband technology throughout the Coachella Valley, which can help to unlock federal and state funding opportunities The project spans the Coachella Valley, but does not extend into the City of Rancho Mirage, which previously secured funding to do its own signal synchronization project.

Core Program Areas

The Work Plan for Fiscal Year 2023/24 is separated into the following core program areas:

Project Management and Contract Administration
The Transportation Department leads the implementation of the Transportation Project Prioritization Study (TPPS), Regional Arterial Cost Estimate (RACE) and Active Transportation Program (ATP). The department also provides updates to the Capital Improvement Program (CIP) and other transportation plans, in partnership with member jurisdictions. This role includes staff time to conduct project oversight (design, environmental, construction and close-out), preparation of reimbursement agreements for regional arterial, interchange and bridge projects, review and approval of project billings in accordance with project scope of work and participation in project development team meetings and associated staff reports. In recent years, the Transportation Department has conducted cash flow analysis for regional projects and provided recommendations on how to maximize opportunities at the state and federal levels.

Regional Coordination of Programs
CVAG works closely with its partners – including the Riverside County Transportation Commission – to support the Riverside County Congestion Management Program, analyze traffic patterns through the traffic count program and advance regional transportation projects. Additionally, CVAG supports the RCTC Technical Advisory Committee; support efforts for County-wide SB 821 and Local Streets & Roads funding. CVAG also has helped advance the Coachella Valley Passenger Rail Service Development Plan. Coordination with RCTC will be further formalized in the coming months, when both agencies bring forth an updated memorandum of understanding to their respective governing bodies.

Additionally, staff time is used to support of the State Transportation Improvement Program (STIP) and Regional Transportation Improvement Program (RTIP), support in implementation of the CVAG Transportation Project Prioritization Study (TPPS) and monitoring and examining impacts of implementing state policies. TPPS activities support the regional project construction program which includes staff time to develop an annual prioritized list of construction projects and required financial resources.

CVAG also provides support for the Southern California Association of Governments' programs, including providing input to the Federal and Regional Transportation Improvement Plans (FTIP and RTIP) and assisting SCAG with transportation modeling refinements.

CV Link
The largest segment of this 40-plus mile active transportation corridor is now under construction. At the same time, resources are dedicated to conducting project oversight of services needed for future phases (environmental compliance, right-of-way and phased construction of later segments).

CV Sync, Phase II
Phase II of the valley-wide signal synchronization project will be under construction this year, resulting in improved travel along an additional 21 corridors throughout the Coachella Valley. Staff time includes conducting project oversight of consultant services (environmental compliance, right-of-way and phased construction plans); review of project billings; participation in project development team meetings and preparation of associated reports.

Arts & Music Line
The Arts & Music Line is a 15-mile project that largely extends along Avenue 48 in the Cities of La Quinta, Indio and Coachella. The project provides safe routes to local schools and embraces the use of bold color schemes, innovative lighting and artwork to create not only a safe and inviting route but also a destination in and of itself. It includes two connections to CV Link – the valleywide multimodal pathway now under construction – and a connection to the polo grounds, which is home to the world-renowned Coachella and Stagecoach art and music festivals.

Planning For Future Transportation Needs
This area involves support to multiple programs with a focus on key project areas. These areas include staff time and project management to maintain and provide input for GIS Information Services, the countywide transportation demand model, the regional arterial traffic count program, and transportation legislation review and analysis. CVAG staff also provides regional land use information to CVAG jurisdictions, developers, SCAG and Caltrans. The countywide transportation model involves support for the RIVCOM transportation model for forecasting projected transportation system needs to the year 2039.

Implementing The TUMF Program
CVAG continues to dedicate staff time in support of the TUMF program and TUMF/GIS Interface program. TUMF program activities include staff time to update the program, monitor the implementation of the TUMF program in member jurisdictions, to perform annual fiscal reviews of building permits and monthly TUMF collections, to research, analyze and prepare reports for TUMF appeals, to enter TUMF collections in the TUMF data base, to meet with developers on request to review potential TUMF assessments, and to perform special TUMF analysis on request. The TUMF/GIS Interface program requires support for continuing the development of integrating the TUMF collection process with electronic transmission of new development information for land use coverages as well as coordinating with RCTC on TUMF compliance.

Congestion Management / Air Quality Programs
The Transportation Department provides support for air quality programs, including the regional street sweeping program. CVAG also helps address State Implementation Plan (SIP) conformance to regional projects.

Fighting for the Region's Fair Share of Funding
With costs escalating on projects, major sources of revenue for many of CVAG's traditional transportation projects are drying up. CVAG staff has recently provided committees with cash flow projections that show declines in Measure A sales tax revenue and TUMF revenues. State and federal resources are simply not keeping up with the demand. CVAG has been actively tracking the transportation infrastructure funds that are being debated at the state and federal levels, and have recently engaged lobbying firms in order to help secure the region's fair share of the funding.

Anticipated Milestones for FY 2023/24

» Construct segments of CV Link in the Cities of Palm Springs, Palm Desert, La Quinta, Indio and Coachella, as well as prepare bid packages for the next stretches of the project.

» Start construction on the next segments of CV Link, including groundbreaking in the city of Coachella.

» Start the construction of CV Link segment 5, which will provide a 3.5 miles connection to current work and is awaiting Caltrans right of way certification.

» Manage construction on CV Sync Phase 2 and work with member jurisdictions' staffs to fully implement the technologies installed during Phase I.

» Begin process of updating the Transportation Project Prioritization Study (TPPS) to be in line with statewide trends and requirements, with anticipated completion in FY 2024/25.

» Complete planning and design of low-water crossings identified in the recent Flood and Blowsand Study, which identified more cost-effective alternatives to expensive bridges and overpasses in the western Coachella Valley.

» Work with member jurisdictions to identify funding for, and advance, regional roadway, bridge and interchange projects in order to improve travel and goods movement across the region.

Transportation Budget by Cost Center

	TUMF	Measure A	LTF / PP&M	CV Link	CV Sync	SCAG	Total
Beginning Fund Balance	**$ 16,807,707**	**$ 51,508,211**	**-**	**-**	**-**	**-**	**$ 68,315,918**
Revenues / Funding Source							
Signal Synchronization (CMAQ)	-	-	-	-	$ 16,536,000	-	$ 16,536,000
CV Link (CMAQ)	-	-	-	$ 5,057,000	-	-	$ 5,057,000
STIP Federal	-	-	-	$ 5,681,728	$ 2,204,800	-	$ 7,886,528
AQMD - CV Link	-	-	-	$ 2,096,290	-	-	$ 2,096,290
Active Transportation Program (State)	-	-	-	$ 3,238,431	-	-	$ 3,238,431
SCAG	-	-	-	-	-	$ 1,607,333	$ 1,607,333
Measure A	-	$ 40,688,439	-	-	-	-	$ 40,688,439
TUMF Revenues	$ 7,222,975	-	-	-	-	-	$ 7,222,975
Transportation Local Contribution	$ 1,208,734	$ 235,843	-	-	-	-	$ 1,444,576
RCTC Admin Reimbursements	-	$ 1,457,500	-	-	-	-	$ 1,457,500
CPUC - LATA Grant	-	-	$ 978,460	-	-	-	$ 978,460
RCTC - PP&M	-	-	$ 95,000	-	-	-	$ 95,000
RCTC - LTF	-	-	$ 697,500	-	-	-	$ 697,500
DHCD Desert Health Care District	-	-	-	$ 1,670,000	-	-	$ 1,670,000
Investment Income	**$ 191,891**	**$ 875,974**	**$ 5,024**	**-**	**$ 5,336**	**-**	**$ 1,078,225**
Total Revenues / Funding Source	**$ 8,623,600**	**$ 43,257,755**	**$ 1,775,984**	**$ 17,743,449**	**$ 18,746,136**	**$ 1,607,333**	**$ 91,754,257**

Transportation Budget by Cost Center

	TUMF	Measure A	LTF / PP&M	CV Link	CV Sync	SCAG	Total
Expenditures / Expenditure							
Personnel							
Salaries	$ 317,408	$ 604,194	$ 11,621	$ 205,491	$ 109,778	$ 12,674	$ 1,261,166
Benefits	$ 129,453	$ 243,887	$ 5,621	$ 110,676	$ 199,401	$ 4,215	$ 693,253
Total Personnel	**$ 446,861**	**$ 848,081**	**$ 17,242**	**$ 316,167**	**$ 309,180**	**$ 16,889**	**$ 1,954,419**
Non-Personnel							
Office Operations	$ 22,585	$ 42,761	$ 775	$ 14,638	$ 9,029	$ 855	$ 90,643
Meeting Attendance Stipends	$ 4,539	$ 8,492	$ 50	$ 877	$ 468	$ 54	$ 14,480
Employee Travel or Training	$ 3,207	$ 6,020	$ 73	$ 1,299	$ 694	$ 80	$ 11,373
Facility Expenses	$ 31,361	$ 59,297	$ 10,153	$ 28,136	$ 67,312	$ 1,258	$ 197,516
Professional Services	$ 246,489	$ 458,484	$ 567	$ 16,748	$ 5,357	$ 618	$ 728,263
Total Non-Personnel	**$ 308,181**	**$ 575,054**	**$ 11,618**	**$ 61,697**	**$ 82,860**	**$ 2,865**	**$ 1,042,275**
Project/Program							
Capital Outlay	$ 18,053	$ 34,364	$ 70,661	$ 33,260,149	$ 27,889,438	$ 721	$ 61,273,386
Consultants/Service Providers	-	$ 1,813,974	$ 978,460	-	-	-	$ 2,792,434
Construction/Project Costs	$ 7,785,057	$ 14,957,961	-	-	-	$ 1,586,305	$ 24,329,322
Total Project/Program	**$ 7,803,110**	**$ 16,806,299**	**$ 1,049,121**	**$ 33,260,149**	**$ 27,889,438**	**$ 1,587,026**	**$ 88,395,142**
Other							
Operating Transfers Out	-	$ 24,731,348	$ 698,557	-	-	$ 554	$ 25,430,458
Operating Transfers In	-	-	($ 554)	($ 15,894,563)	($ 9,535,341)	-	($ 25,430,458)
Total Other	**-**	**$ 24,731,348**	**$ 698,003**	**($ 15,894,563)**	**($ 9,535,341)**	**$ 554**	**-**
Total Expenditures / Expenditure	**$ 8,558,151**	**$ 42,960,782**	**$ 1,775,984**	**$ 17,743,449**	**$ 18,746,136**	**$ 1,607,333**	**$ 91,391,836**
Net Excess (Deficit)	**$ 65,449**	**$ 296,973**	**-**	**-**	**-**	**-**	**$ 362,421**
Ending Fund Balance	**$ 16,873,156**	**$ 51,805,184**	**-**	**-**	**-**	**-**	**$ 68,678,340**

Community Resources

Big Picture

Addressing Homelessness in Coachella Valley

The CVAG Homelessness Committee facilitates coordinated strategies to address this serious issue through regional initiatives like CV Housing First. The program, which started in 2017, follows a nationally successful housing first model to address chronic homelessness in the Coachella Valley. The program utilizes crisis stabilization units – which are apartments and hotel rooms – to provide temporary supportive housing while case mangers work with individuals to find a stable income or public benefits and then get them into permanent housing solutions.

CV Housing First also provides rapid resolution solutions to quickly address those needs of individuals who have recently entered homelessness. These solutions could include helping to fix their car, which then provides them with the transportation they need between their housing and work to sustain the job that keeps them off the streets.

This program is focused on addressing clients on the CV 200 list, a by-name list of chronically homeless individuals who have been identified by local law enforcement and other program providers as the most familiar faces. These are the highest utilizers of public resources: the ones who most interacting with public safety and police; most commonly loitering in front of local businesses; and most frequently showing up in the local emergency rooms to use healthcare system resources. By identifying these individuals, CVAG is using outreach, including a mobile access center, and case management to get them off the streets, and into housing – thereby reducing the total costs to the general public.

Starting in 2020, CV Housing First has been operated directly by CVAG staff instead of contracted through non-profit organizations or other providers. The results have been impressive: In the first two years of in-house operations, 129 chronically homeless individuals were placed in permanent housing solutions and another 24 were permanently housed in the first quarter of 2023. CVAG in this coming fiscal year will continue the program and provide quarterly reports to demonstrate both the successes and the challenges.

CVAG staff will also be working with the Homelessness Committee and an established ad hoc to identify ways to increase the number of individuals who are permanently housed by examining how to address issues like vouchers not covering the rising costs of rents.

Alan Seman Bus Pass Program

Since 2007, CVAG has provided a bus pass program that works in conjunction with community-based organizations and non-profit agencies throughout the Coachella Valley to ensure homeless or near homeless individuals can get access to case management services, employment opportunities and medical care. The program is named after the late Alan Seman, who was Mayor Pro Tem of the City of Rancho Mirage and a tireless advocate for the transportation needs of the homeless. CVAG staff administers the program in conjunction with its CV Housing First program.

Core Program Areas

The Work Plan for Fiscal Year 2023/24 is separated into the following core program areas:

Homelessness

The primary function is the operation of the CV Housing First program. There also is general administration of the Homelessness Committee, including development and follow-through of program goals, preparation and dissemination of agendas, minutes and meeting schedules.

Additionally, staff works at the Homelessness and Executive Committee direction to explore, analyze and develop projects and/or programs that respond to a regional approach to addressing homelessness. This has involved coordination with program partners and stakeholders, particularly the County of Riverside and partners through the Continuum of Care.

Public Safety

The general administration of the Public Safety Committee includes the preparation of agendas, presentations and meeting materials. Under the Public Safety Committee's discretion, track, recommend, support and/or oppose programs that may impact the area, which includes the looming closure of the Chuckawalla State Prison near the City of Blythe.

The Committee also provides an opportunity to facilitate collaboration between local and regional law enforcement agencies on major public safety issues, such as earthquake preparedness, trainings and planned responses to active shooter situations and the roll out of regional behavioral health resources.

Southern California Association of Governments

In partnership with the Southern California Association of Governments (SCAG), CVAG serves as the sub-regional coordinator to disseminate SCAG information to the member jurisdictions including information related to the Regional Transportation Plan and the Regional Needs Housing Element (RHNA). One of the initiatives in the 2022/23 Fiscal Year was the completion of two Regional Early Action Planning (REAP) projects, which were approved as a way to help implement funding to address the housing crisis from a planning perspective.

Pooled Resources for Regional Collaboration

CVAG's Community Resources budget has historically included the street sweeping program, which is largely funded by the AB 2766 contributions that each jurisdiction provides in order to address the regional arterial roadway system. Future CVAG budgets may detail this funding in a different section of the budget, as decisions on this program are recommended through the Energy & Environmental Resources Committee.

Anticipated Milestones for FY 2023/24

- Continue a laser-focus on the CV 200 services with a goal of permanently housing 65 individuals in 2023.
- Work with partner agencies and local law enforcement to address non-200 clients who engage with the Mobile Access Center.
- Secure multi-year support from member jurisdictions and partner organizations to mirror the direction provided by the Executive Committee and ensure stable funding levels for the near future.
- Bolster resources available in the Coachella Valley, including behavioral health resources, and establish additional partnerships that benefit CV Housing First clients.
- Explore, based on the guidance of the Homelessness Committee, long-term needs of the program and consider using county funding to invest in units. .

Community Resources Budget by Cost Center

	Bus Pass / Homeless	AB 2766	Street Sweeping	Lawn Scalping	Total
Beginning Fund Balance	**$ 2,648,214**	**$ 631,349**	**$ 75,000**	**-**	**$ 3,354,563**
Revenues / Funding Source					
AB 2766	-	$ 404,588	-	-	$ 404,588
AQMD - Street Sweeping	-	-	$ 220,000	-	$ 220,000
Air Quality Enhancement/Colmac	-	-	$ 150,000	$ 40,000	$ 190,000
Buss Pass Contributions	$ 27,000	-	-	-	$ 27,000
Member Agencies - CVHF	$ 1,442,000	-	-	-	$ 1,442,000
Other Revenues	-	-	$ 26,250	-	$ 26,250
Investment Income	$ 40,152	$ 3,776	$ 3,552	$ 7	$ 47,488
Total Revenues / Funding Source	**$ 1,509,152**	**$ 408,364**	**$ 399,802**	**$ 40,007**	**$ 2,357,325**
Expenditures / Expenditure					
Personnel					
Salaries	$ 555,698	$ 11,379	$ 22,591	$ 2,828	$ 592,497
Benefits	$ 265,488	$ 5,407	$ 7,424	$ 1,492	$ 279,811
Total Personnel	**$ 821,186**	**$ 16,785**	**$ 30,016**	**$ 4,320**	**$ 872,307**
Non-Personnel					
Office Operations	$ 56,273	$ 755	$ 1,512	$ 195	$ 58,734
Meeting Attendance Stipends	$ 2,370	$ 4,257	$ 96	$ 12	$ 6,736
Employee Travel or Training	$ 29,890	$ 72	$ 143	$ 18	$ 30,123
Facility Expenses	$ 103,482	$ 1,121	$ 2,238	$ 280	$ 107,121
Professional Services	$ 71,576	$ 555	$ 1,102	$ 138	$ 73,372
Total Non-Personnel	**$ 263,592**	**$ 6,760**	**$ 5,091**	**$ 642**	**$ 276,085**
Project/Program					
Capital Outlay	$ 31,606	$ 647	$ 1,285	$ 161	$ 33,699
Crisis Stabilization Unit Rent/Utilities - CVHF	$ 479,365	-	-	-	$ 479,365
Consultants/Service Providers	-	$ 1,500	-	$ 40,000	$ 41,500
Construction/Project Costs	$ 88,450	-	$ 720,000	-	$ 808,450
Rapid Resolutions - CVHF	$ 45,000	-	-	-	$ 45,000
Mobile Access Center - CVHF	$ 8,060	-	-	-	$ 8,060
Total Project/Program	**$ 652,481**	**$ 2,147**	**$ 721,285**	**$ 40,161**	**$ 1,416,074**
Other					
Operating Transfers Out	-	$ 361,706	-	-	$ 361,706
Operating Transfers In	-	-	($ 356,590)	($ 5,116)	($ 361,706)
Total Other	**-**	**$ 361,706**	**($ 356,590)**	**($ 5,116)**	**-**
Total Expenditures / Expenditure	**$ 1,737,259**	**$ 387,398**	**$ 399,802**	**$ 40,007**	**$ 2,564,467**
Net Excess (Deficit)	**($ 228,107)**	**$ 20,966**	**-**	**-**	**($ 207,141)**
Ending Fund Balance	**$ 2,420,107**	**$ 652,315**	**$ 75,000**	**-**	**$ 3,147,422**

Energy & Sustainability

Big Picture

Enhancing our environment

The Energy & Sustainability staff coordinate programs that include sustainability, water conservation, recycling/reuse of resources, air quality, and other environmental programs. The E&S Department supports the Energy & Environmental Resources Committee, which includes all CVAG member jurisdictions as well as Coachella Valley Water District, Mission Springs Water District and Imperial Irrigation District as voting members, and Desert Water Agency as a non-voting member.

CVAG also leads regional conversations and information sharing through its staff-level roundtables, including discussing ways to improve the Coachella Valley in the ways of reducing greenhouse gasses through recycling and the reduction of solid wastes delivered to landfills. Based on direction provided in February 2022, the E&S Department is also leading efforts to secure funding for a regional urban tree planting and shade initiative to increase shading, build climate resilience and reduce the impacts of increased heat.

Locally controlled energy efficiency investments

The Inland Regional Energy Network (I-REN) is a consortium of CVAG, the Western Riverside Council of Governments and San Bernardino Council of Governments to serve the counties of San Bernardino and Riverside. These partners have joined together in order to establish locally administered, designed, and delivered energy efficiency programs and support to fill gaps in existing energy efficiency programs, address the needs of underserved customers, and ensure affordable access to energy efficiency programs across the region. The goal was to fill some of the funding gaps that were a result of declining funding from the California Public Utilities Commission (CPUC) for Local Government Partnerships and energy efficiency programs, as well as the end of the ten-year Desert Cities Energy Partnership funding. The CPUC approved the I-REN business plan in November 2021, which includes funding for both programs and additional staffing. Coordination of this program also coincides with CVAG's staffing of Desert Community Energy (DCE).

Support property owner investments in clean energy

PACE, or Property Assessed Clean Energy, is a program that allows property owners, both residential and commercial, to finance energy improvement measures on a property and pay those improvements back through their property taxes. The idea behind this type of program was to allow a property owner to be able to improve their quality of life without upfront costs, and pay them back gradually over time, usually with the energy savings of the improvements offsetting the increase in the annual tax bills.

Coordination of community recycling programs

CVAG leads several regional programs for recycling. The CVAG Waste Tire Amnesty programs are funded by grants received from CalRecycle for the purpose of hosting tire collection events in the Coachella Valley. These events are a place where residents can conveniently bring unwanted tires and have them recycled properly, rather than discarded improperly or illegally dumped on vacant lands. CVAG also spearheads a used oil recycling program funded by grants received from CalRecycle for the purpose of hosting used oil collection events in the Coachella Valley. These events

are a place where residents can conveniently bring used oil and filters and have them recycled properly, rather than discarded improperly or illegally dumped.

Improving Air Quality
There are a number of CVAG-led programs designed improve the air quality in the Coachella Valley and to reduce the impacts of PM-10 through regional coordination. These include the Coachella Valley's regional street sweeping program. This program has historically been included in CVAG's Community Resources budget, but future CVAG budgets may detail this funding in this section of the budget as decisions on this program have been recommended through the Energy & Environmental Resources Committee..

Core Program Areas

The Work Plan for Fiscal Year 2023/24 is separated into the following core program areas:

Project Management and Contract Administration
The Energy & Sustainability staff leads the implementation of a number of regional programs, including PACE programs, that encourage awareness about energy use and to initiate, encourage, and promote energy conservation and energy efficiency initiatives within the Coachella Valley and Palo Verde Valley. This work also results in coordinating implementation of green building, energy efficiency, and zero net energy buildings. Additional project and contract management work is done for a number of recycling programs, including used oil and tires. Other programs, such as encouraging regional implementation of the urban greening guide, will enhance awareness of climate change and promote ways to reduce greenhouse gas emissions.

Launch of the I-REN
The ramp of the I-REN program was a significant undertaking for CVAG's Energy & Sustainability staff. The $65.968 million budget, which spans over six years, includes funding for administering programs. Staff time in the first year was primarily focused on establishing governance and drafting initial programs. I-REN will focus its activities in three distinct areas: Public Sector, Codes & Standards, and Workforce Education & Training. The vision of the I-REN is to connect residents, businesses, and local governments to a wide range of energy efficiency resources to increase energy savings and equitable access throughout Riverside and San Bernardino Counties. CVAG is currently taking the lead on programs related to Codes & Standards, which involves working closely with local government building staff such as Planning and Building Departments to offer resources that will help to support, train, and enable long-term streaming of energy code compliance. This can include in-person trainings and online software systems to assist with building permits for energy projects such as cool roofs, HVACs and solar/ microgrids systems.

Coordinate the Coachella Valley Energy Commission (CVEG)
CVAG has entered into a staffing agreement with Imperial Irrigation District (IID) as it explores collaborative solutions local cities and other partners to ensure electricity service is maintained for Riverside County customers after the expiration of the 1934 Agreement of Compromise between IID and Coachella Valley Water District. The CVEC was formed to address concerns related to infrastructure needs in the Coachella Valley, but most importantly, to address representation and governance options for IID's Coachella Valley ratepayers.

Sustainable Resource Use
Significant efforts have been made by CVAG jurisdictions to promote sustainable resource use. CVAG staff continues to support this initiative and identify future opportunities to promote sustainable resource use, including but not limited to the implementation of the Regional Plug-in Electric Vehicle Readiness Plan.

Air Quality Programs
The goals of the Air Quality program are to improve the air quality in the Coachella Valley and to reduce the impacts of PM10 through regional coordination. In addition to running the regional street sweeping program, CVAG staff provides support for implementation of the Community Air Monitoring Plans for the Eastern Coachella Valley that will track air quality actions prioritized by the community to reduce local exposure to harmful air pollutants. Resources are also dedicated to monitoring implementation of South Coast Air Quality Management District's Coachella Valley Extreme Area Ozone Plan. Resources are also dedicated as well as addressing issues raised by member jurisdictions.

Support Efforts to Revitalize the Salton Sea
CVAG and its Energy & Environmental Resources Committee have been strong supporters of the efforts to maintain and revitalize the Salton Sea. Staff time includes providing letters of support and facilitating information

to the member jurisdictions about various efforts, including the North Lake Concept being developed by the Salton Sea Authority. Additionally, CVAG staff tracks and provides committee members with updates on issues of regional significance, including geothermal and energy development in the Salton Sea region and exploration of the concept of importation of ocean water from the Sea of Cortez as part of the restoration of the Salton Sea.

Staff Resources for Sister Agencies

Through staffing agreements, CVAG also administers two other joint powers authorities. The department provides support to the Coachella Valley Conservation Commission (CVCC) to implement the Coachella Valley Multiple Species Habitat Conservation Plan. The CVCC is responsible for a successful land acquisition program as well as management of conservation lands. The CVCC also coordinates biological monitoring of the 27 animal and plant species and 27 natural communities covered by the plan. Since 1996, the baseline year for the CVMSHCP, more than 100,000 acres of conservation lands have been acquired.

CVAG also is the staff for Desert Community Energy (DCE), a Community Choice Energy program (also known as Community Choice Aggregation) made up of the cities of Palm Springs and Palm Desert. Community Choice Energy programs are legal entities that allow communities to source their own electricity, putting an end the monopolies held by traditional Investor-Owned Utilities. DCE launched service in the City of Palm Springs in April 2020.

Anticipated Milestones for FY 2023/24

Coachella Valley Association of Governments

- Identify and work to secure planning and implementation funding for the regional shade and tree efforts as well as other climate adaptation and/or resiliency programs.
- Continue providing resources and build consensus as the eastern Coachella Valley addresses long-term electricity concerns.
- Launch I-REN programs based on policy guidance from the Energy & Environmental Resources and Executive Committees, including deployment of CivicSpark fellows in local cities and Codes & Standards trainings for member jurisdictions' staffs.
- Advocate for the region as policies are developed by the I-REN Executive Committee to protect the region's share of funding.

Desert Community Energy

- Build financial reserves to put DCE on solid financial footing.
- Procure additional renewable energy and battery energy storage resources to meet DCE's climate action goals and help ensure future rate stability.
- Establish community benefit programs, focusing initially on energy efficiency and weatherization for older housing stock in Palm Springs.
- Launch a commercial customer recognition program.

Coachella Valley Conservation Commission

- Complete, or nearly complete the sheep fence project in La Quinta.
- Evaluate the use of North Shore Ranch as part of regional urban green initiatives.
- Finalize three minor Amendments to the Plan: a Transfer of Conservation Objectives; BLM Land Exchange with the Agua Caliente Band of Cahuilla Indians; and finalization of the Trails Plan.
- Evaluate and identify solutions for long-term needs of property acquisitions, including increased management and monitoring needs.
- Identify and create proposals to several state funds to support the restoration, stewardship, and access to public lands.
- Track and seek the CVCC's guidance on efforts such as the proposed Chuckwalla National Monument.
- Create efficiencies to understanding and accessing the CVMSHCP, including integrating searchable features in the Implementation Manual and updating the online versions of the budget, annual plan, and annual report documents online.
- Expand education and outreach regarding the CVMSHCP and Trails Plan to jurisdictions, partners, and the general public.

Energy & Sustainability Budget by Cost Center

	CVCC	AB 939	PACE	Aerial Photo	Tire Recycle	DCE	I-REN	Used Oil Recycling	Total
Beginning Fund Balance	**$ 33,232**	**$ 44,767**	**$ 42,770**	**$ 23,921**	**-**	**-**	**-**	**$ 52,889**	**$ 197,579**
Revenues / Funding Source									
Used Oil Grant	-	-	-	-	-	-	-	$ 72,642	$ 72,642
AB 939	-	$ 15,615	-	-	-	-	-	-	$ 15,615
PACE Funding	-	-	$ 6,700	-	-	-	-	-	$ 6,700
Other Revenues	-	-	-	-	$ 50,000	-	-	-	$ 50,000
I-REN Admin Reimbursement	-	-	-	-	-	-	$ 728,771	-	$ 728,771
CVCC Administrative Reimbursement	$ 1,236,705	-	-	-	-	-	-	-	$ 1,236,705
DCE Administrative Reimbursement	-	-	-	-	-	$ 893,965	-	-	$ 893,965
Investment Income	-	$ 85	$ 1,259	-	-	-	-	$ 2,428	$ 3,773
Total Revenues / Funding Source	**$ 1,236,705**	**$ 15,700**	**$ 7,959**	**-**	**$ 50,000**	**$ 893,965**	**$ 728,771**	**$ 75,070**	**$ 3,008,171**
Expenditures / Expenditure									
Personnel									
Salaries	$ 695,082	$ 4,414	$ 7,710	-	$ 7,648	$ 519,535	$ 415,452	$ 9,138	$ 1,658,979
Benefits	$ 321,311	$ 2,243	$ 3,740	-	$ 3,570	$ 222,793	$ 171,947	$ 4,184	$ 729,788
Total Personnel	**$ 1,016,393**	**$ 6,657**	**$ 11,450**	**-**	**$ 11,219**	**$ 742,328**	**$ 587,399**	**$ 13,322**	**$ 2,388,767**
Non-Personnel									
Office Operations	$ 60,216	$ 298	$ 529	-	$ 527	$ 37,572	$ 29,109	$ 11,625	$ 139,876
Meeting Attendance Stipends	$ 2,965	$ 4,227	$ 33	-	$ 33	$ 2,216	$ 1,765	$ 39	$ 11,277
Employee Travel or Training	$ 11,044	$ 128	$ 49	-	$ 48	$ 4,284	$ 6,265	$ 58	$ 21,877
Facility Expenses	$ 71,014	$ 449	$ 767	-	$ 766	$ 52,424	$ 45,269	$ 908	$ 171,598
Professional Services	$ 34,039	$ 215	$ 376	-	$ 373	$ 25,598	$ 25,436	$ 446	$ 86,484
Total Non-Personnel	**$ 179,278**	**$ 5,317**	**$ 1,755**	**-**	**$ 1,747**	**$ 122,094**	**$ 107,845**	**$ 13,076**	**$ 431,112**
Project/Program									
Capital Outlay	$ 39,534	$ 251	$ 439	-	$ 435	$ 29,544	$ 23,528	$ 520	$ 94,250
Consultants/Service Providers	-	-	-	-	$ 15,000	-	$ 10,000	$ 30,000	$ 55,000
Construction/Project Costs	$ 1,500	$ 1,500	-	$ 10,000	$ 25,000	-	-	$ 15,000	$ 53,000
Total Project/Program	**$ 41,034**	**$ 1,751**	**$ 439**	**$ 10,000**	**$ 40,435**	**$ 29,544**	**$ 33,528**	**$ 45,520**	**$ 202,250**
Other									
Operating Transfers Out	-	$ 3,401	-	-	-	-	-	-	$ 3,401
Operating Transfers In	-	-	-	-	($ 3,401)	-	-	-	($ 3,401)
Total Other	**-**	**$ 3,401**	**-**	**-**	**($ 3,401)**	**-**	**-**	**-**	**-**
Total Expenditures / Expenditure	**$ 1,236,705**	**$ 17,126**	**$ 13,643**	**$ 10,000**	**$ 50,000**	**$ 893,965**	**$ 728,771**	**$ 71,917**	**$ 3,022,128**
Net Excess (Deficit)	**-**	**($ 1,426)**	**($ 5,684)**	**($ 10,000)**	**-**	**-**	**-**	**$ 3,153**	**($ 13,957)**
Ending Fund Balance	**$ 33,232**	**$ 43,341**	**$ 37,086**	**$ 13,921**	**-**	**-**	**-**	**$ 56,042**	**$ 183,622**

Administration

Big Picture

Through staffing agreements, CVAG staff also administer the Coachella Valley Conservation Commission (CVCC) and Desert Community Energy (DCE). CVAG staff provides the day-to-day resources needed to implement programs that the focus on improving transportation, conserving precious habitat, promoting green energy solutions and providing social services to those who are less fortunate.

CVAG's Finance/Administration Department serves as the backbone to ensure seamless operations for the various departments and programs. Both CVAG management and the Finance/Administration Department continue to have a conservative and prudent approach to its recommendations. This has been seen in recent financial recommendations related to building fund balances and reducing CVAG's future obligations by paying down unfunded pension liabilities.

Core Program Areas

The Work Plan for Fiscal Year 2023/24 is separated into the following core program areas:

General Assembly
The General Assembly is the top policy-making body of CVAG. It has 75 members and is comprised of the Riverside County Board of Supervisors, Mayors, City Councilmembers, and five Tribal Members of each member Tribal Nation. The General Assembly meets annually to elect officers and adopt work plans and a budget for the ensuing year.

Executive Committee
The Executive Committee is a 19-member, policy-making body of CVAG which meets between sessions of the General Assembly. Membership is comprised of the Riverside County Board of Supervisors, Mayors, and the Tribal Council Chairs, unless a member's jurisdictional body designates another member of the City Council or Tribal Council to serve as the member.

The Executive Committee is the instrument for a regional approach to policy making for the local governments of the Coachella Valley.

From Planning to Doing
CVAG's programs have expanded, contracted, and changed over the decades. What began as a regional planning agency has become less of a planning agency and much more of an agency that also delivers projects and operates programs on a regional level.

CVAG and its associated joint powers agencies (CVCC and DCE) are the lead or implementing agencies related to wide ranging programs, that include, but are not limited to:

» Constructing transportation infrastructure such as CV Link, a valleywide multi-modal pathway, and CV Sync, the regional signal synchronization project;
» Implementing air quality programs such as the regional street sweeping program to limit airborne dust;
» Operating the CV Housing First regional homeless program that provides permanent housing solutions for chronically homeless individuals across the Coachella Valley;
» Buying land through the CVCC and managing thousands of acres of habitat to protect threatened species and implement the Coachella Valley Multiple Species Habitat Conservation Plan; and
» Purchasing carbon free electricity for ratepayers as DCE is the default electric choice in the City of Palm Springs.

Anticipated Milestones for FY 2023/24

» Streamline operations in the Finance Department and Human Resources to make all three agencies more efficient and effective, including reducing paper use, additional integration of budget software and conversion to direct deposit of elected officials' stipend payments.
» Provide a long-overdue modernization of CVAG's financial systems by moving ahead with the Enterprise Resource Planning (ERP) selection and implementation.
» Address office needs, including additional streamlining of the website, evaluation of the agenda system and finalizing the office space transition, to ensure CVAG is welcome, accessible and engaging for its member jurisdictions and the general public.
» Ensure the public's business is being conducted in a transparent and accessible manner, including continued advocacy for the use of videoconferencing for meetings.

General Fund by Program

	Community Resources	Energy & Sustainability	Administration	Total
Beginning Fund Balance				**$ 2,084,448**
Revenues / Funding Source				
CVAG Dues	$ 153,215	$ 320,136	$ 101,370	$ 574,721
Other Revenues	-	$ 6,500	-	$ 6,500
Investment Income	-	-	$ 18,835	$ 18,835
Total Revenues / Funding Source	**$ 153,215**	**$ 326,636**	**$ 120,205**	**$ 600,056**
Expenditures / Expenditure				
Personnel				
Salaries	$ 46,446	$ 135,107	-	$ 181,552
Benefits	$ 25,544	$ 60,533	-	$ 86,077
Total Personnel	**$ 71,990**	**$ 195,640**	**-**	**$ 267,630**
Non-Personnel				
Office Operations	$ 3,191	$ 9,214	-	$ 12,405
Meeting Attendance Stipends	$ 16,498	$ 4,784	-	$ 21,282
Employee Travel or Training	$ 294	$ 854	-	$ 1,147
Facility Expenses	$ 4,751	$ 13,867	-	$ 18,619
Professional Services	$ 2,266	$ 6,588	-	$ 8,855
Total Non-Personnel	**$ 27,000**	**$ 35,307**	**-**	**$ 62,308**
Project/Program				
Capital Outlay	$ 2,642	$ 7,679	-	$ 10,320
Consultants/Service Providers	-	-	-	-
Construction/Project Costs	-	-	$ 28,750	$ 28,750
Total Project/Program	**$ 2,642**	**$ 7,679**	**$ 28,750**	**$ 39,070**
Other				
Operating Transfers Out	-	-	-	-
Operating Transfers In	-	-	-	-
Total Other	**-**	**-**	**-**	**-**
Total Expenditures / Expenditure	**$ 101,632**	**$ 238,626**	**$ 28,750**	**$ 369,008**
Net Excess (Deficit)	**$ 51,583**	**$ 88,010**	**$ 91,455**	**$ 231,048**
Ending Fund Balance				**$ 2,315,496**

Funds / Cost Centers

This section of the document presents the financial overview of each fund, which can also be considered cost centers for CVAG's various projects and programs. In each report, the proposed FY 2023/24 budget is compared with the financial figures for FY 2021/22, the adopted budget for FY 2022/23 as well as the estimated year-end figures for FY 2022/23.

The budget continues to incorporate CVAG's longstanding focus of relying on outside funding — particularly grants, and state and federal funds — to fund projects, programs, and the related administrative costs.

101 - General Fund

	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Yr. End Est.	FY 2023/24 Budget
Beginning Fund Balance	**$ 1,588,512**	**$ 1,897,533**	**$ 1,876,925**	**$ 2,084,448**
Revenues / Funding Source				
CVAG Dues	$ 470,654	$ 532,740	$ 538,706	$ 574,721
Contributions	$ 17,700	-	-	-
Other Revenues	$ 16,022	$ 5,500	$ 7,938	$ 6,500
Investment Income	$ 1,975	$ 15,441	$ 19,234	$ 18,835
Gain (Loss) in Investments	($ 17,045)	-	-	-
Total Revenues / Funding Source	$ 489,307	$ 553,681	$ 565,877	$ 600,056
Expenditures / Expenditure				
Personnel				
Salaries	$ 110,425	$ 115,856	$ 165,133	$ 181,552
Benefits	$ 45,229	$ 47,877	$ 53,029	$ 86,077
Total Personnel	$ 155,654	$ 163,732	$ 218,163	$ 267,630
Non-Personnel				
Office Operations	$ 8,327	$ 12,085	$ 8,247	$ 12,405
Meeting Attendance Stipends	$ 10,851	$ 21,751	$ 21,382	$ 21,282
Employee Travel or Training	$ 1,743	$ 1,850	$ 1,469	$ 1,147
Facility Expenses	$ 12,844	$ 202,037	$ 11,724	$ 18,619
Professional Services	$ 6,909	$ 6,898	$ 6,727	$ 8,855
Total Non-Personnel	$ 40,674	$ 244,621	$ 49,549	$ 62,308
Project/Program				
Capital Outlay	-	-	$ 4,392	$ 10,320
Consultants/Service Providers	-	-	-	-
Construction/Project Costs	$ 4,566	$ 1,096	$ 86,250	$ 28,750
Total Project/Program	$ 4,566	$ 1,096	$ 90,642	$ 39,070
Other				
Operating Transfers Out	-	$ 4,930	-	-
Operating Transfers In	-	-	-	-
Total Other	-	$ 4,930	-	-
Total Expenditures / Expenditure	$ 200,894	$ 414,380	$ 358,354	$ 369,008
Net Excess (Deficit)	$ 288,413	$ 139,301	$ 207,523	$ 231,048
Ending Fund Balance	**$ 1,876,925**	**$ 2,036,834**	**$ 2,084,448**	**$ 2,315,496**

202 - PACE

	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Yr. End Est.	FY 2023/24 Budget
Beginning Fund Balance	**$ 61,814**	**$ 13,976**	**$ 38,051**	**$ 42,770**
Revenues / Funding Source				
Investment Income	$ 132	$ 1,953	$ 1,286	$ 1,259
PACE Funding	$ 1,985	$ 7,500	$ 12,400	$ 6,700
Total Revenues / Funding Source	$ 2,117	$ 9,453	$ 13,686	$ 7,959
Expenditures / Expenditure				
Personnel				
Salaries	$ 6,988	$ 7,379	$ 5,217	$ 7,710
Benefits	$ 2,743	$ 3,066	$ 2,522	$ 3,740
Total Personnel	$ 9,731	$ 10,445	$ 7,739	$ 11,450
Non-Personnel				
Office Operations	$ 343	$ 1,818	$ 300	$ 529
Meeting Attendance Stipends	$ 35	$ 112	$ 29	$ 33
Employee Travel or Training	$ 71	$ 88	$ 22	$ 49
Facility Expenses	$ 1,112	$ 1,426	$ 474	$ 767
Professional Services	$ 544	$ 826	$ 263	$ 376
Total Non-Personnel	$ 2,105	$ 4,270	$ 1,089	$ 1,755
Project/Program				
Capital Outlay	-	-	$ 140	$ 439
Consultants/Service Providers	$ 14,043	$ 5,000	-	-
Construction/Project Costs	-	$ 154	-	-
Total Project/Program	$ 14,043	$ 5,154	$ 140	$ 439
Total Expenditures / Expenditure	$ 25,879	$ 19,869	$ 8,967	$ 13,643
Net Excess (Deficit)	($ 23,763)	($ 10,416)	$ 4,719	($ 5,684)
Ending Fund Balance	**$ 38,051**	**$ 3,560**	**$ 42,770**	**$ 37,086**

203 - Aerial Photography

	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Yr. End Est.	FY 2023/24 Budget
Beginning Fund Balance	**$ 23,921**	**$ 24,039**	**$ 23,921**	**$ 23,921**
Expenditures / Expenditure Project/Program				
Construction/Project Costs	-	$ 10,000	-	$ 10,000
Total Project/Program	-	$ 10,000	-	$ 10,000
Total Expenditures / Expenditure	-	$ 10,000	-	$ 10,000
Net Excess (Deficit)	-	($ 10,000)	-	($ 10,000)
Ending Fund Balance	**$ 23,921**	**$ 14,039**	**$ 23,921**	**$ 13,921**

205 - Homeless

	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Yr. End Est.	FY 2023/24 Budget
Beginning Fund Balance	**$ 1,786,498**	**$ 2,166,749**	**$ 2,636,765**	**$ 2,648,214**
Revenues / Funding Source				
Bus Pass Contributions	$ 27,000	$ 27,000	$ 27,000	$ 27,000
Member Agencies - CVHF	$ 2,143,585	$ 1,455,678	$ 1,407,325	$ 1,442,000
Other Revenues	$ 108	$ 12,000	-	-
Investment Income	$ 4,211	$ 23,306	$ 41,002	$ 40,152
Gain (Loss) in Investments	($ 34,227)	-	-	-
Total Revenues / Funding Source	$ 2,140,677	$ 1,517,984	$ 1,475,327	$ 1,509,152
Expenditures / Expenditure				
Personnel				
Salaries	$ 431,657	$ 527,584	$ 527,062	$ 555,698
Benefits	$ 213,370	$ 260,756	$ 248,870	$ 265,488
Total Personnel	$ 645,027	$ 788,340	$ 775,931	$ 821,186
Non-Personnel				
Office Operations	$ 37,771	$ 54,129	$ 42,728	$ 56,273
Meeting Attendance Stipends	$ 1,935	$ 2,976	$ 2,963	$ 2,370
Employee Travel or Training	$ 29,885	$ 16,287	$ 17,495	$ 29,890
Facility Expenses	$ 306,198	$ 53,650	$ 72,496	$ 103,482
Professional Services	$ 108,261	$ 92,490	$ 44,962	$ 71,576
Total Non-Personnel	$ 484,050	$ 219,532	$ 180,644	$ 263,592
Project/Program				
Capital Outlay	-	-	$ 14,119	$ 31,606
Crisis Stabilization Unit Rent and Utilities - CVHF	-	$ 274,386	$ 381,745	$ 479,365
Consultants/Service Providers	-	-	-	-
Construction/Project Costs	$ 79,387	$ 66,298	$ 77,152	$ 88,450
Rapid Resolutions - CVHF	$ 56,938	$ 100,000	$ 27,863	$ 45,000
Mobile Access Center - CVHF	$ 25,008	$ 22,500	$ 6,424	$ 8,060
Total Project/Program	$ 161,333	$ 463,183	$ 507,303	$ 652,481
Total Expenditures / Expenditure	$ 1,290,410	$ 1,471,056	$ 1,463,878	$ 1,737,259
Net Excess (Deficit)	$ 850,267	$ 46,928	$ 11,449	($ 228,107)
Ending Fund Balance	**$ 2,636,765**	**$ 2,213,677**	**$ 2,648,214**	**$ 2,420,107**

207 - Tire Recycling

	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Yr. End Est.	FY 2023/24 Budget
Beginning Fund Balance	**($ 98)**	**-**	**-**	**-**
Revenues / Funding Source				
Other Revenues	-	$ 50,000	$ 50,000	$ 50,000
Total Revenues / Funding Source	-	$ 50,000	$ 50,000	$ 50,000
Expenditures / Expenditure				
Personnel				
Salaries	$ 751	$ 11,867	$ 4,627	$ 7,648
Benefits	$ 285	$ 4,238	$ 2,017	$ 3,570
Total Personnel	$ 1,036	$ 16,105	$ 6,644	$ 11,219
Non-Personnel				
Office Operations	$ 46	$ 862	$ 282	$ 527
Meeting Attendance Stipends	$ 4	$ 65	$ 26	$ 33
Employee Travel or Training	$ 8	$ 52	$ 20	$ 48
Facility Expenses	$ 103	$ 845	$ 421	$ 766
Professional Services	$ 43	$ 483	$ 234	$ 373
Total Non-Personnel	$ 204	$ 2,307	$ 982	$ 1,747
Project/Program				
Capital Outlay	-	-	$ 124	$ 435
Consultants/Service Providers	-	$ 27,865	$ 16,000	$ 15,000
Construction/Project Costs	$ 23,849	$ 8,675	$ 32,000	$ 25,000
Total Project/Program	$ 23,849	$ 36,540	$ 48,124	$ 40,435
Other				
Operating Transfers Out	-	-	$ 25,832	-
Operating Transfers In	($ 25,188)	($ 4,952)	($ 31,582)	($ 3,401)
Total Other	($ 25,188)	($ 4,952)	($ 5,750)	($ 3,401)
Total Expenditures / Expenditure	($ 98)	$ 50,000	$ 50,000	$ 50,000
Net Excess (Deficit)	$ 98	-	-	-
Ending Fund Balance	**-**	**-**	**-**	**-**

210 - Desert Community Energy

	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Yr. End Est.	FY 2023/24 Budget
Beginning Fund Balance	**($ 569,645)**	**-**	**-**	**-**
Revenues / Funding Source				
DCE Administrative Reimbursement	$ 1,209,837	$ 756,237	$ 655,579	$ 893,965
Other Revenues	-	-	-	-
Total Revenues / Funding Source	$ 1,209,837	$ 756,237	$ 655,579	$ 893,965
Expenditures / Expenditure				
Personnel				
Salaries	$ 389,269	$ 494,708	$ 412,965	$ 519,535
Benefits	$ 120,654	$ 162,555	$ 139,566	$ 222,793
Total Personnel	$ 509,922	$ 657,262	$ 552,531	$ 742,328
Non-Personnel				
Office Operations	$ 31,571	$ 35,244	$ 27,835	$ 37,572
Meeting Attendance Stipends	$ 1,755	$ 2,408	$ 2,322	$ 2,216
Employee Travel or Training	$ 4,214	$ 1,892	$ 2,785	$ 4,284
Facility Expenses	$ 45,727	$ 38,629	$ 37,532	$ 52,424
Professional Services	$ 46,995	$ 17,486	$ 21,512	$ 25,598
Total Non-Personnel	$ 130,262	$ 95,660	$ 91,986	$ 122,094
Project/Program				
Capital Outlay	-	-	$ 11,062	$ 29,544
Construction/Project Costs	$ 8	$ 3,315	-	-
Total Project/Program	$ 8	$ 3,315	$ 11,062	$ 29,544
Total Expenditures / Expenditure	$ 640,192	$ 756,237	$ 655,579	$ 893,965
Net Excess (Deficit)	$ 569,645	-	-	-
Ending Fund Balance	**-**	**-**	**-**	**-**

211 - I-REN

	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Yr. End Est.	FY 2023/24 Budget
Beginning Fund Balance		**-**	**($ 68,486)**	**-**
Revenues / Funding Source				
Contributions	-	-	-	-
I-REN Admin Reimbursement	-	$ 592,094	$ 523,063	$ 728,771
Total Revenues / Funding Source	-	$ 592,094	$ 523,063	$ 728,771
Expenditures / Expenditure				
Personnel				
Salaries	$ 35,118	$ 385,934	$ 247,737	$ 415,452
Benefits	$ 13,815	$ 139,029	$ 97,664	$ 171,947
Total Personnel	$ 48,934	$ 524,963	$ 345,400	$ 587,399
Non-Personnel				
Office Operations	$ 4,205	$ 25,952	$ 17,057	$ 29,109
Meeting Attendance Stipends	$ 148	-	$ 1,772	$ 1,765
Employee Travel or Training	$ 388	$ 1,382	$ 2,832	$ 6,265
Facility Expenses	$ 2,681	$ 22,466	$ 25,799	$ 45,269
Professional Services	$ 3,093	$ 13,027	$ 15,049	$ 25,436
Total Non-Personnel	$ 10,515	$ 62,826	$ 62,510	$ 107,845
Project/Program				
Capital Outlay	-	-	$ 6,668	$ 23,528
Consultants/Service Providers	$ 9,036	-	-	$ 10,000
Construction/Project Costs	-	$ 4,305	$ 40,000	-
Total Project/Program	$ 9,036	$ 4,305	$ 46,668	$ 33,528
Total Expenditures / Expenditure	$ 68,486	$ 592,094	$ 454,578	$ 728,771
Net Excess (Deficit)	($ 68,486)	-	$ 68,485	-
Ending Fund Balance	**($ 68,486)**	**-**	**-**	**-**

301 - AB 2766

	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Yr. End Est.	FY 2023/24 Budget
Beginning Fund Balance	**$ 324,841**	**$ 435,574**	**$ 508,286**	**$ 631,349**
Revenues / Funding Source				
AB2766	$ 367,854	$ 420,374	$ 417,101	$ 404,588
Investment Income	$ 402	$ 257	$ 3,856	$ 3,776
Gain (Loss) in Investments	($ 5,793)	-	-	-
Total Revenues / Funding Source	$ 362,463	$ 420,631	$ 420,957	$ 408,364
Expenditures / Expenditure				
Personnel				
Salaries	$ 9,900	$ 32,790	$ 9,908	$ 11,379
Benefits	$ 3,969	$ 11,247	$ 4,505	$ 5,407
Total Personnel	$ 13,870	$ 44,037	$ 14,412	$ 16,785
Non-Personnel				
Office Operations	$ 554	$ 2,858	$ 569	$ 755
Meeting Attendance Stipends	$ 2,121	$ 3,862	$ 3,589	$ 4,257
Employee Travel or Training	$ 102	$ 354	$ 43	$ 72
Facility Expenses	$ 1,219	$ 2,492	$ 900	$ 1,121
Professional Services	$ 543	$ 1,945	$ 500	$ 555
Total Non-Personnel	$ 4,540	$ 11,510	$ 5,601	$ 6,760
Project/Program				
Capital Outlay	-	-	$ 265	$ 647
Consultants/Service Providers	$ 500	$ 3,000	-	$ 1,500
Construction/Project Costs	-	$ 268	-	-
Total Project/Program	$ 500	$ 3,268	$ 265	$ 2,147
Other				
Operating Transfers Out	$ 160,108	$ 312,081	$ 277,614	$ 361,706
Operating Transfers In	-	-	-	-
Total Other	$ 160,108	$ 312,081	$ 277,614	$ 361,706
Total Expenditures / Expenditure	$ 179,018	$ 370,897	$ 297,893	$ 387,398
Net Excess (Deficit)	$ 183,445	$ 49,734	$ 123,064	$ 20,966
Ending Fund Balance	**$ 508,286**	**$ 485,308**	**$ 631,349**	**$ 652,315**

321 - Used Oil Recycling Grant

	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Yr. End Est.	FY 2023/24 Budget
Beginning Fund Balance	**$ 44,008**	**$ 20,062**	**$ 83,483**	**$ 52,889**
Revenues / Funding Source				
Used Oil Grant	$ 86,920	$ 85,800	$ 76,935	$ 72,642
Investment Income	$ 255	$ 2,042	$ 2,479	$ 2,428
Gain (Loss) in Investments	($ 1,315)	-	-	-
Total Revenues / Funding Source	$ 85,860	$ 87,842	$ 79,414	$ 75,070
Expenditures / Expenditure				
Personnel				
Salaries	$ 5,849	$ 13,360	$ 6,230	$ 9,138
Benefits	$ 2,339	$ 4,963	$ 2,746	$ 4,184
Total Personnel	$ 8,188	$ 18,324	$ 8,976	$ 13,322
Non-Personnel				
Office Operations	$ 5,039	$ 8,359	$ 9,344	$ 11,625
Meeting Attendance Stipends	$ 27	$ 117	$ 35	$ 39
Employee Travel or Training	$ 60	$ 78	$ 27	$ 58
Facility Expenses	$ 768	$ 1,501	$ 566	$ 908
Professional Services	$ 306	$ 870	$ 315	$ 446
Total Non-Personnel	$ 6,200	$ 10,924	$ 10,286	$ 13,076
Project/Program				
Capital Outlay	-	-	$ 167	$ 520
Consultants/Service Providers	$ 28,657	$ 69,200	$ 50,390	$ 30,000
Construction/Project Costs	$ 3,340	$ 15,162	$ 8,607	$ 15,000
Total Project/Program	$ 31,998	$ 84,362	$ 59,164	$ 45,520
Other				
Operating Transfers Out	-	-	$ 31,582	-
Operating Transfers In	-	($ 9,809)	-	-
Total Other	-	($ 9,809)	$ 31,582	-
Total Expenditures / Expenditure	$ 46,385	$ 103,800	$ 110,009	$ 71,917
Net Excess (Deficit)	$ 39,475	($ 15,958)	($ 30,594)	$ 3,153
Ending Fund Balance	**$ 83,483**	**$ 4,104**	**$ 52,889**	**$ 56,042**

411 - SCAG

	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Yr. End Est.	FY 2023/24 Budget
Beginning Fund Balance	**($ 38)**	**-**	**$ 230**	**-**
Revenues / Funding Source				
SCAG	$ 337,939	$ 217,581	$ 163,492	$ 1,607,333
Total Revenues / Funding Source	$ 337,939	$ 217,581	$ 163,492	$ 1,607,333
Expenditures / Expenditure				
Personnel				
Salaries	$ 11,724	$ 9,525	$ 10,572	$ 12,674
Benefits	$ 3,936	$ 2,965	$ 3,299	$ 4,215
Total Personnel	$ 15,660	$ 12,490	$ 13,870	$ 16,889
Non-Personnel				
Office Operations	$ 792	$ 535	$ 607	$ 855
Meeting Attendance Stipends	$ 52	$ 35	$ 59	$ 54
Employee Travel or Training	$ 373	$ 1,228	$ 45	$ 80
Facility Expenses	$ 1,363	$ 454	$ 961	$ 1,258
Professional Services	$ 976	$ 262	$ 534	$ 618
Total Non-Personnel	$ 3,556	$ 2,514	$ 2,206	$ 2,865
Project/Program				
Capital Outlay	-	-	$ 283	$ 721
Consultants/Service Providers	-	-	-	-
Construction/Project Costs	$ 318,456	$ 217,630	$ 163,492	$ 1,586,305
Total Project/Program	$ 318,456	$ 217,630	$ 163,776	$ 1,587,026
Other				
Operating Transfers Out	-	-	-	$ 554
Operating Transfers In	-	($ 15,053)	($ 16,131)	-
Total Other	-	($ 15,053)	($ 16,131)	$ 554
Total Expenditures / Expenditure	$ 337,671	$ 217,581	$ 163,721	$ 1,607,333
Net Excess (Deficit)	$ 267	-	($ 229)	-
Ending Fund Balance	**$ 230**	**-**	**-**	**-**

501 - AB 939

	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Yr. End Est.	FY 2023/24 Budget
Beginning Fund Balance	**$ 43,207**	**$ 23,400**	**$ 12,819**	**$ 44,767**
Revenues / Funding Source				
AB939	$ 7,913	$ 15,404	$ 15,826	$ 15,615
Investment Income	$ 9	$ 739	$ 87	$ 85
Gain (Loss) in Investments	($ 93)	-	-	-
Total Revenues / Funding Source	$ 7,829	$ 16,144	$ 15,913	$ 15,700
Expenditures / Expenditure				
Personnel				
Salaries	$ 6,469	$ 10,331	$ 3,646	$ 4,414
Benefits	$ 2,873	$ 8,301	$ 1,759	$ 2,243
Total Personnel	$ 9,341	$ 18,632	$ 5,405	$ 6,657
Non-Personnel				
Office Operations	$ 325	$ 1,954	$ 209	$ 298
Meeting Attendance Stipends	$ 2,106	$ 3,802	$ 3,554	$ 4,227
Employee Travel or Training	$ 66	$ 907	$ 16	$ 128
Facility Expenses	$ 856	$ 1,728	$ 331	$ 449
Professional Services	$ 336	$ 1,004	$ 184	$ 215
Total Non-Personnel	$ 3,688	$ 9,394	$ 4,294	$ 5,317
Project/Program				
Capital Outlay	-	-	$ 98	$ 251
Construction/Project Costs	-	$ 1,686	-	$ 1,500
Total Project/Program	-	$ 1,686	$ 98	$ 1,751
Other				
Operating Transfers Out	$ 25,188	$ 14,761	-	$ 3,401
Operating Transfers In	-	($ 4,930)	($ 25,832)	-
Total Other	$ 25,188	$ 9,831	($ 25,832)	$ 3,401
Total Expenditures / Expenditure	$ 38,218	$ 39,543	($ 16,035)	$ 17,126
Net Excess (Deficit)	($ 30,389)	($ 23,400)	$ 31,948	($ 1,426)
Ending Fund Balance	**$ 12,819**	**-**	**$ 44,767**	**$ 43,341**

601 - TUMF

	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Yr. End Est.	FY 2023/24 Budget
Beginning Fund Balance	**$ 3,701,109**	**$ 5,966,858**	**$ 10,919,048**	**$ 16,807,707**
Revenues / Funding Source				
Measure "A" - "In-Lieu" TUMF Revenue	$ 83,928	-	$ 23,580	-
TUMF Revenues	$ 10,795,964	$ 6,746,155	$ 7,111,157	$ 7,222,975
Transportation Local Contribution	$ 913,610	-	$ 460,449	$ 1,208,734
Investment Income	$ 71,606	$ 81,811	$ 202,879	$ 191,891
Gain (Loss) in Investments	($ 181,893)	-	-	-
Total Revenues / Funding Source	$ 11,683,215	$ 6,827,966	$ 7,798,065	$ 8,623,600
Expenditures / Expenditure				
Personnel				
Salaries	$ 183,458	$ 324,780	$ 208,958	$ 317,408
Benefits	$ 74,147	$ 118,675	$ 75,355	$ 129,453
Total Personnel	$ 257,605	$ 443,455	$ 284,313	$ 446,861
Non-Personnel				
Office Operations	$ 15,619	$ 28,853	$ 14,139	$ 22,585
Meeting Attendance Stipends	$ 2,552	$ 6,087	$ 4,185	$ 4,539
Employee Travel or Training	$ 3,911	$ 8,693	$ 3,148	$ 3,207
Facility Expenses	$ 21,193	$ 23,440	$ 19,085	$ 31,361
Professional Services	$ 134,435	$ 50,454	$ 123,445	$ 246,489
Total Non-Personnel	$ 177,710	$ 117,528	$ 164,001	$ 308,181
Project/Program				
Capital Outlay	-	-	$ 5,597	$ 18,053
Consultants/Service Providers	$ 95,513	$ 170,000	$ 91,020	-
Construction/Project Costs	$ 3,934,448	$ 6,002,456	$ 1,364,475	$ 7,785,057
Total Project/Program	$ 4,029,960	$ 6,172,456	$ 1,461,092	$ 7,803,110
Other				
Operating Transfers In	-	-	-	-
Total Other	-	-	-	-
Total Expenditures / Expenditure	$ 4,465,276	$ 6,733,439	$ 1,909,407	$ 8,558,151
Net Excess (Deficit)	$ 7,217,939	$ 94,527	$ 5,888,658	$ 65,449
Ending Fund Balance	**$ 10,919,048**	**$ 6,061,385**	**$ 16,807,707**	**$ 16,873,156**

611 - Measure A

	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Yr. End Est.	FY 2023/24 Budget
Beginning Fund Balance	**$ 43,693,813**	**$ 37,506,186**	**$ 49,509,166**	**$ 51,508,211**
Revenues / Funding Source				
Measure "A"	$ 20,594,187	$ 46,729,882	$ 11,569,300	$ 40,688,439
Transportation Local Contribution	$ 2,271,161	$ 601,408	$ 29,157	$ 235,843
Loan Repayments	$ 10,421	$ 10,421	$ 10,421	-
RCTC Admin Reimbursements	$ 1,216,030	$ 927,023	$ 829,503	$ 1,457,500
Investment Income	$ 106,322	$ 827,380	$ 971,021	$ 875,974
Gain (Loss) in Investments	($ 653,891)	-	-	-
Highway Bridge Program Funds	-	-	-	-
Total Revenues / Funding Source	$ 23,544,230	$ 49,096,114	$ 13,409,404	$ 43,257,755
Expenditures / Expenditure				
Personnel				
Salaries	$ 308,536	$ 524,072	$ 325,220	$ 604,194
Benefits	$ 125,113	$ 192,826	$ 118,109	$ 243,887
Total Personnel	$ 433,649	$ 716,898	$ 443,328	$ 848,081
Non-Personnel				
Interest Expense	$ 1,119,087	-	-	-
Office Operations	$ 25,427	$ 51,303	$ 110,260	$ 42,761
Meeting Attendance Stipends	$ 4,594	$ 11,211	$ 7,418	$ 8,492
Employee Travel or Training	$ 6,883	$ 4,570	$ 5,555	$ 6,020
Facility Expenses	$ 36,100	$ 41,849	$ 29,731	$ 59,297
Professional Services	$ 242,248	$ 97,739	$ 224,498	$ 458,484
Total Non-Personnel	$ 1,434,340	$ 206,673	$ 377,462	$ 575,054
Project/Program				
Capital Outlay	-	-	$ 8,712	$ 34,364
Debt Service	$ 1,893,146	$ 3,012,233	-	-
Consultants/Service Providers	$ 903,916	$ 170,000	$ 285,629	$ 1,813,974
Construction/Project Costs	$ 8,287,029	$ 19,934,248	$ 2,511,607	$ 14,957,961
Total Project/Program	$ 11,084,091	$ 23,116,481	$ 2,805,948	$ 16,806,299
Other				
Operating Transfers Out	$ 6,135,079	$ 26,259,900	$ 7,783,619	$ 24,731,348
Operating Transfers In	($ 1,358,281)	-	-	-
Total Other	$ 4,776,798	$ 26,259,900	$ 7,783,619	$ 24,731,348
Total Expenditures / Expenditure	$ 17,728,877	$ 50,299,952	$ 11,410,358	$ 42,960,782
Net Excess (Deficit)	$ 5,815,353	($ 1,203,838)	$ 1,999,046	$ 296,973
Ending Fund Balance	**$ 49,509,166**	**$ 36,302,348**	**$ 51,508,211**	**$ 51,805,184**

612 - LTF / PP&M

	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Yr. End Est.	FY 2023/24 Budget
Beginning Fund Balance	**$ 665**	**$ 4,770**	**-**	**-**
Revenues / Funding Source				
CPUC - LATA Grant	-	-	-	$ 978,460
RCTC - PP & M	$ 419,372	$ 214,500	$ 214,500	$ 95,000
RCTC - LTF	$ 472,500	$ 479,588	$ 585,000	$ 697,500
Investment Income	$ 967	$ 3,454	$ 5,130	$ 5,024
Total Revenues / Funding Source	$ 892,838	$ 697,542	$ 804,630	$ 1,775,984
Expenditures / Expenditure				
Personnel				
Salaries	$ 4,635	$ 11,974	$ 10,783	$ 11,621
Benefits	$ 2,220	$ 4,030	$ 4,673	$ 5,621
Total Personnel	$ 6,856	$ 16,004	$ 15,456	$ 17,242
Non-Personnel				
Office Operations	$ 304	$ 2,884	$ 619	$ 775
Meeting Attendance Stipends	$ 21	$ 133	$ 61	$ 50
Employee Travel or Training	$ 49	$ 103	$ 46	$ 73
Facility Expenses	$ 406	$ 1,693	$ 980	$ 10,153
Professional Services	$ 287	$ 1,433	$ 544	$ 567
Total Non-Personnel	$ 1,067	$ 6,246	$ 2,250	$ 11,618
Project/Program				
Capital Outlay	-	-	$ 289	$ 70,661
Consultants/Service Providers	-	-	-	$ 978,460
Construction/Project Costs	-	$ 177	-	-
Total Project/Program	-	$ 177	$ 289	$ 1,049,121
Other				
Operating Transfers Out	$ 885,580	$ 675,116	$ 786,635	$ 698,557
Operating Transfers In	-	-	-	($ 554)
Total Other	$ 885,580	$ 675,116	$ 786,635	$ 698,003
Total Expenditures / Expenditure	$ 893,503	$ 697,542	$ 804,631	$ 1,775,984
Net Excess (Deficit)	($ 665)	-	-	-
Ending Fund Balance	**-**	**$ 4,770**	**-**	**-**

618 - CV Link

	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Yr. End Est.	FY 2023/24 Budget
Beginning Fund Balance	**($ 4,454)**	**-**	**-**	**-**
Revenues / Funding Source				
Active Transportation Program	$ 2,594,768	-	-	-
AQMD-CV Link	$ 6,510,044	$ 6,039,982	$ 4,388,896	$ 2,096,290
Active Transportation Program (State)	$ 2,945,591	$ 5,332,858	$ 2,011,482	$ 3,238,431
RCTC - PP & M	-	-	-	-
Other Revenues	$ 26,816	-	$ 1,063,044	-
Investment Income	$ 158	-	-	-
STIP Federal	$ 3,312,839	$ 12,941,336	$ 3,529,083	$ 5,681,728
DHCD Desert Health Care District	$ 1,670,000	-	$ 1,670,000	$ 1,670,000
CV Link (CMAQ)	-	-	-	$ 5,057,000
Total Revenues / Funding Source	$ 17,060,216	$ 24,314,176	$ 12,662,505	$ 17,743,449
Expenditures / Expenditure				
Personnel				
Salaries	$ 90,870	$ 133,794	$ 101,852	$ 205,491
Benefits	$ 47,580	$ 106,554	$ 57,442	$ 110,676
Total Personnel	$ 138,450	$ 240,348	$ 159,293	$ 316,167
Non-Personnel				
Office Operations	$ 9,905	$ 32,728	$ 9,061	$ 14,638
Meeting Attendance Stipends	$ 625	$ 2,088	$ 829	$ 877
Employee Travel or Training	$ 1,472	$ 2,660	$ 697	$ 1,299
Facility Expenses	$ 14,773	$ 26,623	$ 14,439	$ 28,136
Professional Services	$ 15,068	$ 894,595	$ 13,563	$ 16,748
Total Non-Personnel	$ 41,844	$ 958,693	$ 38,588	$ 61,697
Project/Program				
Capital Outlay	$ 12,578,175	$ 10,336,315	$ 16,122,977	$ 33,260,149
Consultants/Service Providers	$ 722,047	$ 3,652,000	-	-
Construction/Project Costs	$ 2,404,302	$ 12,545,977	$ 12,326	-
Total Project/Program	$ 15,704,525	$ 26,534,292	$ 16,135,303	$ 33,260,149
Other				
Operating Transfers Out	$ 3,186,687	-	-	-
Operating Transfers In	($ 2,015,743)	($ 3,419,158)	($ 3,670,680)	($ 15,894,563)
Total Other	$ 1,170,944	($ 3,419,158)	($ 3,670,680)	($ 15,894,563)
Total Expenditures / Expenditure	$ 17,055,763	$ 24,314,176	$ 12,662,505	$ 17,743,449
Net Excess (Deficit)	$ 4,454	-	-	-
Ending Fund Balance	**-**	**-**	**-**	**-**

624 - Signal Synchronization

	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Yr. End Est.	FY 2023/24 Budget
Beginning Fund Balance	**($ 121,151)**	**-**	**($ 3,568,999)**	**-**
Revenues / Funding Source				
Signal Synchronization (CMAQ)	$ 4,359,267	$ 13,739,400	$ 10,872,133	$ 16,536,000
Investment Income	$ 560	$ 4,136	$ 5,449	$ 5,336
STIP Federal	-	$ 6,734,000	-	$ 2,204,800
Total Revenues / Funding Source	$ 4,359,827	$ 20,477,536	$ 10,877,581	$ 18,746,136
Expenditures / Expenditure				
Personnel				
Salaries	$ 35,065	$ 64,821	$ 62,453	$ 109,778
Benefits	$ 13,719	$ 100,424	$ 94,954	$ 199,401
Total Personnel	$ 48,784	$ 165,245	$ 157,407	$ 309,180
Non-Personnel				
Office Operations	$ 7,637	$ 12,730	$ 17,194	$ 9,029
Meeting Attendance Stipends	$ 478	$ 847	$ 1,211	$ 468
Employee Travel or Training	$ 1,146	$ 659	$ 926	$ 694
Facility Expenses	$ 10,749	$ 10,803	$ 33,015	$ 67,312
Professional Services	$ 5,632	$ 8,696	$ 10,874	$ 5,357
Total Non-Personnel	$ 25,641	$ 33,736	$ 63,220	$ 82,860
Project/Program				
Capital Outlay	$ 14,566,570	$ 43,778,234	$ 11,971,398	$ 27,889,438
Consultants/Service Providers	-	-	-	-
Construction/Project Costs	$ 2	$ 1,127	-	-
Total Project/Program	$ 14,566,572	$ 43,779,361	$ 11,971,398	$ 27,889,438
Other				
Operating Transfers Out	$ 1,526	-	-	-
Operating Transfers In	($ 6,834,848)	($ 23,500,805)	($ 4,883,443)	($ 9,535,341)
Total Other	($ 6,833,322)	($ 23,500,805)	($ 4,883,443)	($ 9,535,341)
Total Expenditures / Expenditure	$ 7,807,675	$ 20,477,537	$ 7,308,582	$ 18,746,136
Net Excess (Deficit)	($ 3,447,848)	-	$ 3,568,999	-
Ending Fund Balance	**($ 3,568,999)**	**-**	**-**	**-**

631 - Coachella Valley Conservation Commission

	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Yr. End Est.	FY 2023/24 Budget
Beginning Fund Balance	**$ 23,187**	**$ 32,332**	**$ 33,232**	**$ 33,232**
Revenues / Funding Source				
CVCC Administrative Reimbursement	$ 786,605	$ 896,361	$ 899,737	$ 1,236,705
Total Revenues / Funding Source	$ 786,605	$ 896,361	$ 899,737	$ 1,236,705
Expenditures / Expenditure				
Personnel				
Salaries	$ 453,813	$ 535,110	$ 522,110	$ 695,082
Benefits	$ 186,704	$ 200,505	$ 248,113	$ 321,311
Total Personnel	$ 640,517	$ 735,615	$ 770,223	$ 1,016,393
Non-Personnel				
Office Operations	$ 37,881	$ 64,062	$ 35,321	$ 60,216
Meeting Attendance Stipends	$ 2,055	$ 3,768	$ 2,935	$ 2,965
Employee Travel or Training	$ 5,175	$ 11,041	$ 4,293	$ 11,044
Facility Expenses	$ 53,275	$ 48,147	$ 47,955	$ 71,014
Professional Services	$ 37,648	$ 28,540	$ 23,240	$ 34,039
Total Non-Personnel	$ 136,034	$ 155,558	$ 113,744	$ 179,278
Project/Program				
Capital Outlay	-	-	$ 13,986	$ 39,534
Construction/Project Costs	$ 9	$ 5,188	$ 1,784	$ 1,500
Total Project/Program	$ 9	$ 5,188	$ 15,770	$ 41,034
Other				
Operating Transfers Out	$ 32,331	-	-	-
Operating Transfers In	($ 32,331)	-	-	-
Total Other	-	-	-	-
Total Expenditures / Expenditure	$ 776,560	$ 896,361	$ 899,737	$ 1,236,705
Net Excess (Deficit)	$ 10,045	-	-	-
Ending Fund Balance	**$ 33,232**	**$ 32,332**	**$ 33,232**	**$ 33,232**

702 - Regional Street Sweeping

	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Yr. End Est.	FY 2023/24 Budget
Beginning Fund Balance	**$ 65,310**	**$ 67,169**	**$ 75,000**	**$ 75,000**
Revenues / Funding Source				
Air Quality Enhancement/Colmac	$ 300,000	$ 150,000	$ 150,000	$ 150,000
Other Revenues	$ 28,438	$ 24,063	$ 22,250	$ 26,250
Investment Income	$ 367	$ 7,460	$ 3,627	$ 3,552
Gain (Loss) in Investments	($ 207)	-	-	-
AQMD-Street Sweeping	$ 220,000	$ 220,000	$ 220,000	$ 220,000
Total Revenues / Funding Source	$ 548,597	$ 401,523	$ 395,877	$ 399,802
Expenditures / Expenditure				
Personnel				
Salaries	$ 30,702	$ 24,787	$ 20,415	$ 22,591
Benefits	$ 10,943	$ 9,075	$ 6,894	$ 7,424
Total Personnel	$ 41,645	$ 33,862	$ 27,309	$ 30,016
Non-Personnel				
Office Operations	$ 1,872	$ 1,549	$ 1,172	$ 1,512
Meeting Attendance Stipends	$ 139	$ 107	$ 115	$ 96
Employee Travel or Training	$ 317	$ 233	$ 88	$ 143
Facility Expenses	$ 3,525	$ 5,413	$ 1,855	$ 2,238
Professional Services	$ 1,755	$ 791	$ 1,031	$ 1,102
Total Non-Personnel	$ 7,608	$ 8,093	$ 4,261	$ 5,091
Project/Program				
Capital Outlay	-	-	$ 547	$ 1,285
Consultants/Service Providers	$ 11,785	-	-	-
Construction/Project Costs	$ 636,697	$ 659,466	$ 637,361	$ 720,000
Total Project/Program	$ 648,482	$ 659,466	$ 637,907	$ 721,285
Other				
Operating Transfers Out	-	-	-	-
Operating Transfers In	($ 158,827)	($ 299,898)	($ 273,600)	($ 356,590)
Total Other	($ 158,827)	($ 299,898)	($ 273,600)	($ 356,590)
Total Expenditures / Expenditure	$ 538,907	$ 401,523	$ 395,877	$ 399,802
Net Excess (Deficit)	$ 9,690	-	-	-
Ending Fund Balance	**$ 75,000**	**$ 67,169**	**$ 75,000**	**$ 75,000**

711 - Lawn Scalping Program

	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Yr. End Est.	FY 2023/24 Budget
Beginning Fund Balance	**$ 585**	**$ 589**	**$ 589**	**-**
Revenues / Funding Source				
Air Quality Enhancement/Colmac	-	$ 40,000	$ 40,000	$ 40,000
Investment Income	$ 1	-	$ 8	$ 7
Gain (Loss) in Investments	($ 12)	-	-	-
Total Revenues / Funding Source	($ 11)	$ 40,000	$ 40,008	$ 40,007
Expenditures / Expenditure				
Personnel				
Salaries	$ 825	$ 8,405	$ 2,547	$ 2,828
Benefits	$ 225	$ 2,709	$ 1,464	$ 1,492
Total Personnel	$ 1,050	$ 11,115	$ 4,011	$ 4,320
Non-Personnel				
Office Operations	$ 51	$ 415	$ 146	$ 195
Meeting Attendance Stipends	$ 4	$ 28	$ 14	$ 12
Employee Travel or Training	$ 9	$ 22	$ 11	$ 18
Facility Expenses	$ 105	$ 357	$ 231	$ 280
Professional Services	$ 47	$ 208	$ 129	$ 138
Total Non-Personnel	$ 216	$ 1,030	$ 532	$ 642
Project/Program				
Capital Outlay	-	-	$ 68	$ 161
Consultants/Service Providers	-	$ 40,000	$ 40,000	$ 40,000
Construction/Project Costs	-	$ 39	-	-
Total Project/Program	-	$ 40,039	$ 40,068	$ 40,161
Other				
Operating Transfers In	($ 1,281)	($ 12,183)	($ 4,014)	($ 5,116)
Total Other	($ 1,281)	($ 12,183)	($ 4,014)	($ 5,116)
Total Expenditures / Expenditure	($ 15)	$ 40,000	$ 40,597	$ 40,007
Net Excess (Deficit)	$ 4	-	($ 589)	-
Ending Fund Balance	**$ 589**	**$ 589**	**-**	**-**

Acronyms & Abbreviations

AB 2766	Assembly Bill – Motor Vehicle Registration Fee Assessment
AB 939	Assembly Bill – Solid Waste and Recycling
AML	Arts and Music Line
AQMD	Air Quality Management District
ATP	Active Transportation Program
AV	Assessed Valuation
CCA	Community Choice Aggregation
CEQA	California Environmental Quality Act
CIP	Capital Improvement Plan
CMAQ	Congestion Mitigation and Air Quality
CMP/CMS	Congestion Management Program/System
CPI	Consumer Price Index
CPUC	California Public Utilities Commission
CVCC	Coachella Valley Conservation Commission
CVHF	Coachella Valley Housing First
DCE	Desert Community Energy
EA	Environmental Assessment
EIR	Environmental Impact Report
EIS	Environmental Impact Statement
GIS	Geographic Information Systems
HBP	Highway Bridge Program
HBRR	Highway Bridge Replacement and Rehabilitation
HCR	Human and Community Resources
I-REN	Inland Regional Energy Network
LATA	Local Agency Technical Assistance
LTF	Local Transportation Funds
MAC	Mobile Access Center
MSHCP	Multiple Species Habitat Conservation Plan
PACE	Property Assessed Clean Energy
PCI	Pavement Condition Index
PERS	Public Employees Retirement System
PM10	Particulate Matter less than 10 microns
PP&M	Plans, Programming, and Monitoring
RACE	Regional Arterial Cost Estimate
RCTC	Riverside County Transportation Commission
REN	Regional Energy Network
RHNA	Regional Housing Needs Assessment
RTIP	Regional Transportation Improvement Program
RTP	Regional Transportation Plan
SCAG	Southern California Association of Governments
SIP	State Implementation Plan
STIP	State Transportation Improvement Plan
STP	State Transportation Plan
TPPS	Transportation Project Prioritization Study
TUMF	Transportation Uniform Mitigation Fee
WWR	Whitewater River

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ITEM 8C

Coachella Valley Association of Governments
Executive Committee
June 5, 2023

Subject: **Results from the Feasibility Study to Identify a Sustainable Revenue Stream for Affordable Housing and Related Infrastructure**

Contact: Peter Satin, Conservation Program Manager (psatin@cvag.org)

Recommendation: Receive and authorize for distribution to member agencies the Regional Strategic Plan identifying a sustainable revenue stream for affordable housing and related infrastructure

Background: The State's Fiscal Year 2019/2020 budget included funding for the Regional Early Action Planning (REAP) program to address the housing crisis from a planning perspective at the regional level. Through REAP, $47 million was allocated to the Southern California Association of Governments (SCAG) to administer on behalf of the region. Of this, $23 million was set aside for noncompetitive subregional partnerships. As a subregional partner, CVAG was eligible to receive approximately $558,000 to be used toward one or more planning efforts that boost housing production and related supportive infrastructure.

In April 2021, the Executive Committee authorized the Executive Director to execute the agreements necessary to move forward with two projects. One of those projects was to conduct a revenue stream feasibility study for housing and associated infrastructure needs. The study was designed in response to feedback from CVAG's Transportation, Homelessness, and Executive Committees to identify funding alternatives that could support affordable housing and infrastructure. In December 2021, after a competitive procurement process, the Executive Committee authorized the Executive Director to enter into a contract with Kosmont Companies (Kosmont) to conduct the feasibility study. The study involved an evaluation of existing revenue sources both within the Coachella Valley and in other communities, a quantitative analysis of the most promising funding tools, an assessment of potential policy initiatives needed to implement the tools, and stakeholder engagement. The work culminated in a Regional Strategic Plan (RSP or Plan) which is designed to provide a conceptual overview of a particularly promising approach to actuate affordable housing development at a regional scale.

Kosmont completed the survey of existing revenue generation tools in use both within the Coachella Valley as well as other communities in California and presented these findings to the Homelessness Committee in April 2022. Based on the results of the survey and feedback from the Homelessness Committee, Kosmont honed in on tax increment financing (TIF) as a promising avenue for further exploration, since it leverages existing property tax measures to create a novel funding pool but does not in itself create a novel tax burden. Kosmont then conducted a quantitative analysis of the potential revenue that could be generated based on three different conceptual TIF implementation strategies. The initial results suggest that implementation of tax increment financing could generate over its 50-year lifespan between $137 million and $343 million across the CVAG region, depending on local TIF district parameters. This analysis was complemented by an assessment of one-time revenue tools, including grants, housing linkage

and in-lieu fees, and zoning incentives. These findings were presented to the Homelessness Committee at their September 2022 meeting.

As part of the RSP development, CVAG staff, in conjunction with Kosmont, hosted community meetings in June 2022, October 2022, and May 2023 to allow the general public, agency staff, and advocacy groups to provide feedback at each phase of the project. The project team also conducted targeted interviews with staff from CVAG member jurisdictions to better identify how tax increment financing tools at the local level could be aggregated to enhance regional efforts to promote affordable housing. A recurring theme was to utilize Lift to Rise's existing Catalyst Fund as a mechanism to collect and disburse a portion of the funds generated through tax increment financing to affordable housing projects throughout the CVAG region.

The results of the funding mechanism analysis and the stakeholder feedback have been compiled into the RSP, which provides a conceptual framework for streamlining the development of affordable housing and related infrastructure. The RSP operates at both the local and regional level. Locally, it identifies a combination of TIF district designation and pro-housing policies to complement – and increase jurisdictional competitiveness for – grant programs focused on housing. At the regional level, the Plan suggests that local jurisdictions consider allocating a portion of the revenue generated from any TIF district into a regional pool such as an affordable housing trust fund, community land trust, or other repository. Based on stakeholder feedback, and to avoid duplicating existing programs, the RSP proposes utilizing Lift to Rise's affordable housing catalyst fund as this regional pool, which is already disbursing funds for pre-development activities to numerous affordable housing projects across the Coachella Valley. The Lift to Rise Housing Collaborative Action Network (CAN) has indicated their support for such an approach, although additional logistical hurdles will need to be overcome if the catalyst fund is to become a repository for any funds generated through TIF.

CVAG staff has been providing regular updates on this project to the Homelessness Committee, including a presentation of the draft RSP at the April 2023 meeting. Their feedback has been incorporated into the final draft. In order to complete the terms of the REAP grant, CVAG staff is recommending the Executive Committee receive and file the plan. Staff would also recommend that CVAG provide this RSP to member agencies, subject to Executive Committee feedback and authorization, for discussion purposes and to provide a foundation for future, local planning. The implementation of any component of the RSP is at the discretion of each jurisdiction's governing body and will require additional study to determine the Plan's applicability in light of local conditions.

Fiscal Analysis: There is no cost associated with receiving and distributing the RSP.

The State's Fiscal Year 2019/2020 budget included funding for the REAP program to address the housing crisis from a planning perspective at the regional level. Through REAP, $47 million was allocated to the Southern California Association of Governments (SCAG) to administer on behalf of the region. Of this, $23 million was set aside for noncompetitive subregional partnerships. As a subregional partner, CVAG was eligible to receive approximately $558,000 to be used toward one or more planning efforts that boost housing production and related supportive infrastructure.

CVAG's allocation increased to $558,918 after an adjustment was made by SCAG. CVAG allocated $254,000 of the funding to this revenue stream feasibility study, with $214,049 set aside for consultant services. In December 2021, the Executive Committee authorized CVAG to accept an additional 5 percent allocation for CVAG's REAP projects, which equates to $27,946, for a total REAP project budget of $586,864.

Attachments:
Regional Strategic Plan

REGIONAL STRATEGIC PLAN

AFFORDABLE HOUSING REVENUE STREAM STUDY

Prepared For:

Coachella Valley Association of Governments

Prepared By:

kosmont companies

arellano associates

MAY 2023

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1.0 Executive Summary

The ultimate goal of this Regional Strategic Plan ("RSP") is to spur development of affordable housing and associated infrastructure in the Coachella Valley. The RSP is intended to facilitate and bring together the general plans and housing plans of each CVAG member jurisdiction with a focus on workforce and affordable housing, while maintaining each jurisdiction's ability to customize its level and format of participation in RSP implementation.

1.1 The Plan

At a high level, the RSP suggests the following key steps for facilitating the production of housing and related infrastructure at the CVAG regional level with dedicated, sustainable revenues:

1. **Establish ongoing, sustainable revenue with Tax Increment Financing ("TIF") / Enhanced Infrastructure Financing District ("EIFD")**: Each willing jurisdiction, with emphasis on cities and unincorporated communities with property tax revenue receipts, would determine appropriate TIF district / EIFD boundaries within its jurisdiction, ideally encapsulating areas of significant future development potential. Each participating jurisdiction would then identify its preferred level of revenue allocation (e.g., 10%, 25%) of future, incremental property tax from within that district boundary to be dedicated to its EIFD for affordable housing and related infrastructure investment. The jurisdiction would identify its own list of highest priority housing and infrastructure projects within its jurisdiction to receive EIFD funding. Among that list of priorities, this RSP is further suggesting that each jurisdiction identify a subset of funding (e.g., 5% or 10% of its own EIFD revenues) that would be dedicated to a larger, common regional housing-focused trust fund, such as the existing Catalyst Fund administered by Lift to Rise. This analysis estimates that the level of funding that could be generated with such a regional approach could range between $137 million and $343 million for affordable housing and infrastructure on a present-value basis.[1]
2. **Regional project implementation via Community Land Trust, Housing Trust Fund, or Catalyst Fund**: With an ongoing, reliable, and sustainable revenue stream contributed by multiple, jurisdiction-level EIFDs, a singular housing-focused regional trust fund would be funded and empowered to implement housing and related infrastructure projects of communitywide and regional significance in a number of ways, including in the form of acquisition funding, gap financing for affordable housing capital stacks, infrastructure financing, and local funding to increase Low Income Housing Tax Credit ("LIHTC") tie-breaker scores. Further, the fund's own ability to attract and leverage other funding sources, such as private sector and philanthropic contributions, grants, and State budget

[1] 6% discount rate over 50 years

allocations would be significantly amplified. This RSP is additionally suggesting that, as opposed to establishing one or more new regional land trusts or trust funds, CVAG jurisdictions instead leverage the existing infrastructure established by Lift to Rise's Catalyst Fund, an entity that has demonstrated success in recruiting and bundling funding from a variety of sources and currently funding predevelopment of numerous affordable housing projects. It is important to note that the work of the regional trust fund would be in addition to the more local housing and infrastructure investments that individual CVAG jurisdictions would be able to accomplish with the portion of the funding not allocated to the regional trust fund.

3. **Bolster the effectiveness of revenue tools with supportive housing and infrastructure policies**: The increased funding from sustainable EIFD revenues will go much further to produce housing and related infrastructure if jurisdictions are willing to adopt policies that reduce barriers for housing production and also increase the competitiveness of CVAG and its individual member jurisdictions for yet other opportunistic funding sources, such as state housing grants. Adoption of density bonus programs, one-stop-shop permitting, waiver or deferral of impact fees for certain residential developments, and prototype housing plans are all examples of policies that can accelerate the producing of housing while also increasing a jurisdiction's competitiveness for the State Department of Housing and Community ("HCD") Prohousing Designation Program. Jurisdictions that achieve this designation explicitly receive additional points and other preference in the scoring of State housing, community development, and infrastructure programs, such as the highly competitive Infill Infrastructure Grant ("IIG") and Affordable Housing and Sustainable Communities ("AHSC") grant programs.

4. **Improve the funding stack with complementary sources**: To take full advantage of dedicated, sustainable EIFD funding, an established implementation tool like the Catalyst Fund, and any supportive policies that each jurisdiction may be willing to adopt, the RSP further suggests that jurisdictions "take the show on the road" and pursue complementary funding, such as grants and other opportunistic funding sources. State housing grants like those suggested above (IIG and AHSC) deserve consideration, as do other grants such as state transportation, climate resilience, and open space grants, and federal transportation and economic development grants. Additional potential sources that may be available to individual jurisdictions on a case-by-case basis include community benefit or Development Opportunity Reserve (D.O.R.)™ contributions by private sector developers in exchange for incentives such as increased density, public finance liquidity strategies (e.g., refinancing outstanding debt at a lower interest rate when such opportunities arise), or monetization of publicly owned assets through sales or ground

leases.[2] While all such complementary sources would typically make sense for jurisdictions to pursue with or without the other elements of the RSP, the RSP encourages jurisdictions to take advantage of the higher priority for such sources gained by pursuing the other RSP elements. Equivalently, the effectiveness of the other elements of the RSP, particularly EIFDs and regional trust funds, benefit in turn from such complementary funding sources.

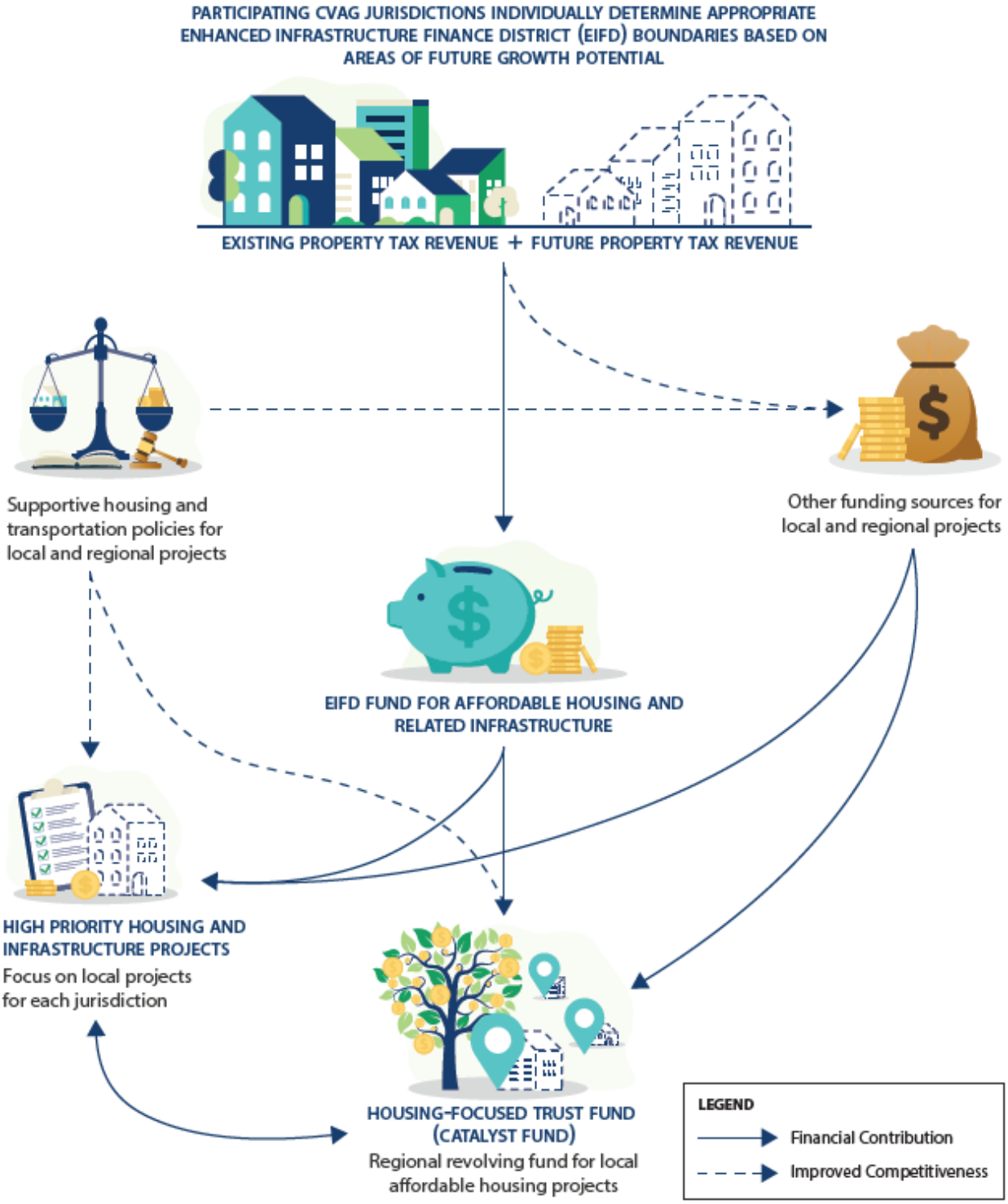
Exhibit 1 on the following page provides a graphical representation of the RSP in action. The following chapters of this RSP provide greater detail on the administrative steps and estimated timing for RSP implementation. Ultimately, each CVAG member jurisdiction would have flexibility on which components (if any) it implements, and the timing and priority assigned to each RSP element.

The interaction of these tools within the RSP reflects the Consultant team's real-world project experience and the acknowledgement of the momentum of state and local policy guidance. State law and the Prohousing Designation program are explicitly encouraging the set of tools that this RSP is emphasizing. State and federal grant dollars are being prioritized for communities that are specifically implementing these tools.

If State and local governments are to have a chance at adequately addressing statewide housing and infrastructure objectives, the convergence of these tools is not only advantageous and synergistic, but also inevitable. The CVAG region has the unique potential of raising the standard and setting the bar against which other regions will be measured.

[2] As Tribes do not typically receive property tax allocations, revenues from sale or lease of properties may be a more feasible mechanism for Tribe participation in the regional trust fund component of this RSP.

Exhibit 1: Illustration of RSP Implementation in Action



The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ from those expressed in this analysis.

1.2 Community Engagement

This RSP has been prepared on the foundation of previous guidance from the CVAG Transportation, Homelessness, and Executive Committees prior to August 2021, and critically informed by community engagement directly related to this RSP, including the following activities:

- **November 17, 2021**: CVAG Homelessness Committee
- **April 20, 2022**: CVAG Homelessness Committee
- **June 22, 2022**: Community Meeting #1
- **September 21, 2022**: CVAG Homelessness Committee
- **October 13, 2022**: Community Meeting #2
- **December 2022 – April 2023**: Individual jurisdiction briefings
- **April 12, 2023 –** Lift to Rise Housing Collaborative Action Network (CAN)
- **April 19, 2023**: CVAG Homelessness Committee
- **May 3, 2023**: Community Meeting #3
- **June 5, 2023 (planned)**: CVAG Executive Committee.

Greater detail on the topics of discussion and feedback from engagement activities is included in Appendix D: Summary of Community Engagement and Meeting Summaries.

2.0 Introduction & Background

2.1 Background & Purpose

In August 2021, the Coachella Valley Association of Governments ("CVAG") released a Request for Proposals ("RFP") for consultants to research and analyze sustainable funding mechanisms for affordable housing and related infrastructure. The end goal expressed in the RFP was a Regional Strategic Plan (RSP) to spur development of affordable housing and associated infrastructure in the Coachella Valley. The RSP is intended to facilitate and bring together the general plans and housing plans of each CVAG member jurisdiction with a focus on workforce and affordable housing, while maintaining each jurisdiction's ability to customize its level and format of participation in RSP implementation.

Kosmont Companies and Arellano Associates ("Consultants") were selected by CVAG through a competitive RFP procurement process to conduct the research, analysis, and community engagement and ultimately prepare this RSP.

This effort is funded by a Regional Early Action Plan ("REAP") grant administered by the Southern California Association of Governments ("SCAG") and allocated to CVAG as a subregional partner to SCAG. A key objective of the REAP grant program is to accelerate housing production and installation of related supportive infrastructure as a means to address the goals of the 6th Cycle Regional Housing Needs Assessment ("RHNA") administered locally by SCAG.

2.2 Contents and Overview of this Regional Strategic Plan (RSP)

This RSP IFP is organized into the following sections:

a) **Analysis of Ongoing, Sustainable Revenues: Tax Increment Financing (TIF)**: Critical to the entire RSP is a reliable, sustainable, and predictable revenue stream that could consolidate funding allocations from any CVAG member jurisdiction that wished to participate on an ongoing basis. Through our iterative and progressive community engagement process, we received early feedback that mechanisms that involved new or increased taxes, such as new parcel taxes, sales taxes, or hotel transiency occupancy tax ("TOT"), were not of interest to CVAG member jurisdictions. Accordingly, the most viable, sustainable revenue mechanism was determined to be a form of tax increment financing (TIF) in the form of Enhanced Infrastructure Financing Districts (EIFD). This section provides an overview of TIF and EIFD mechanics, as well as an analysis of the funding capacity of EIFD under a number of different scenarios.

b) **Implementation Tools: Community Land Trusts, Housing Trust Funds, Catalyst Funds**: A consolidation of available revenues from TIF/EIFD and supporting complementary funding mechanisms would be most effective if "packaged" into an effective implementation tool for affordable and workforce housing and related infrastructure. Across California and elsewhere, Community Land Trusts ("CLTs"), Housing Trust Funds, and similar vehicles are increasing in prevalence as tools to reduce barriers and spur housing development. While possible for CVAG jurisdictions to establish one or more new such mechanisms, this RSP suggests taking advantage of existing successful infrastructure in the innovative realm of "Catalyst Funds", such as the Lift to Rise Coachella Valley Housing Catalyst Fund ("Catalyst Fund"). This section provides an overview of the suggested implementation toolkit.

c) **Supportive Housing and Infrastructure Policies**: In addition to revenue mechanisms and implementation tools, this RSP includes suggestions for policy initiatives that could be implemented at the jurisdiction level to reduce barriers for housing production and also increase the competitiveness of CVAG and its individual member jurisdictions for certain opportunistic funding sources, such as state housing grants, which further bolster the financial viability of RSP implementation. This section describes the types of policies that support housing, infrastructure, and related investment that have been explicitly incorporated in the State of California's own "Prohousing Designation Program" as the most direct and well-codified program linking local housing policy to city and county incentives in the form of additional points and other preference in the scoring of State housing, community development, and infrastructure programs.

d) **Complementary Funding: Grants and Other Opportunistic Sources**: While the primary emphasis of the RSP is sustainable, predictable revenue for housing and related infrastructure, realistic implementation of the RSP will necessitate bundling ongoing TIF/EIFD revenues with other complementary, opportunistic funding sources. This section characterizes such sources, such as grants, zoning incentive contributions from the private sector, public finance liquidity strategies, and monetization of public agency assets. While such potential complementary funding sources can be significant (in the range of tens of millions of dollars), it is important to note that such sources are not guaranteed, and often require competitive applications, negotiations, planning, and/or due diligence activities as discussed herein.

e) **Implementation Plan for CVAG Communities**: This section is intended to outline how all the singular components of the RSP (letters (a) through (d) above) come together in a realistically implementable manner with suggested targeted timing and immediate next steps.

f) **Appendices**: This section includes various reference materials, such as "Summary of Existing Tools Within the CVAG Region and Elsewhere" shared with various stakeholders in April 2022 and the "Summary of Potential Revenue Tools and Supporting Policies"

presented to various stakeholders in September 2022. Additionally included are Community Meeting summaries and sample "Case Study Analyses" to illustrate TIF/EIFD mechanics and potential funding capacity for individual CVAG member jurisdictions, based on engagement directly with CVAG city and county planning, finance, community and economic development, public works, and executive administrative staff.

Exhibit 2: Overview of RSP Components

3.0 Analysis of Ongoing, Sustainable Revenues: Tax Increment Financing (TIF)

Critical to the entire RSP is a reliable, sustainable, and predictable revenue stream that could consolidate funding allocations from any CVAG member jurisdiction that wished to participate on an ongoing basis. Through our iterative and progressive community engagement process, we received early feedback that mechanisms that involved new or increased taxes, such as new parcel taxes, sales taxes, or hotel transiency occupancy tax (TOT), were not of interest to CVAG member jurisdictions. Accordingly, the most viable, sustainable revenue mechanism was determined to be a form of tax increment financing (TIF) in the form of Enhanced Infrastructure Financing Districts (EIFD).

This section provides an overview of TIF and EIFD mechanics, as well as an analysis of the funding capacity of EIFD under a number of different scenarios.

3.1 Tax Increment Financing (TIF) Defined

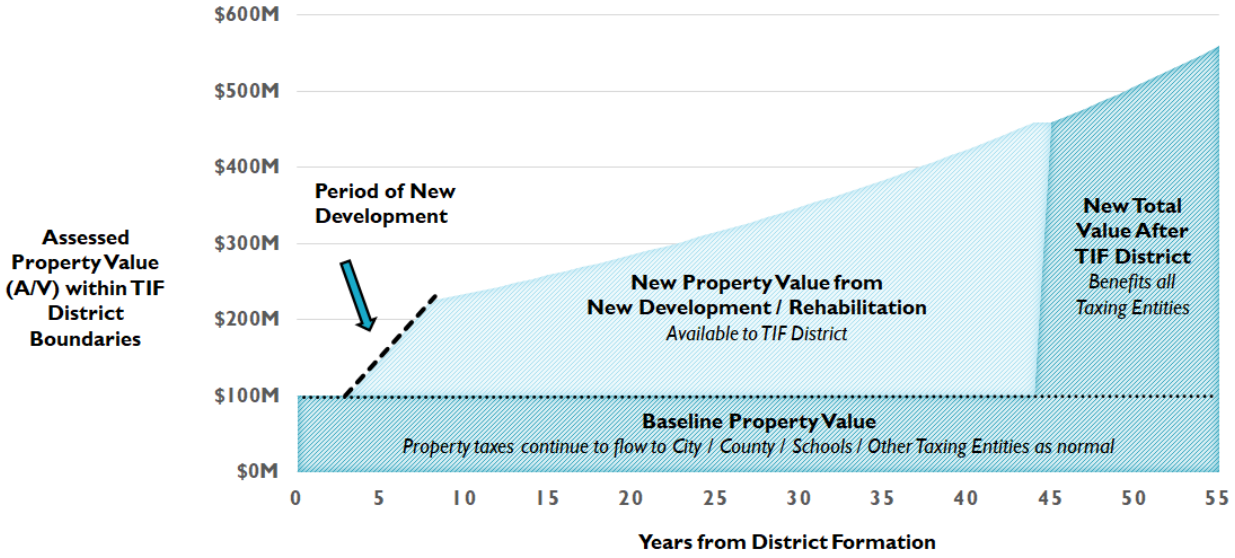
Tax Increment Financing (TIF) is a public agency financing mechanism, whereby a lead agency, such as a city or a county, designates a specific boundary around parcels positioned for new development or rehabilitation. The assessed property value within the district is "frozen" at the time of formation as the "baseline" of assessed value for the district. Over time, as new development or rehabilitation occurs and new property value is added to parcels within the district, participating taxing entities can dedicate all or a portion of the new incremental property tax from values above the baseline ("property tax increment") to the TIF district with designated purpose consistent with the relevant TIF statute (generally to fund infrastructure and affordable housing).[3]

TIF districts do not create a new tax, nor do they encumber any existing agency revenues or resources. TIF districts allow taxing entities like cities, counties, and special districts to set aside, similar to a retirement account, a portion of future property tax revenues for special purposes, such as affordable housing and infrastructure. When these districts are delineated and utilized appropriately, the argument is that the new assessed property value growth from new development and rehabilitation would not have otherwise occurred as quickly, as intensely, or otherwise in the same manner but for the creation of the TIF district and the dedication of revenues to solve for critical housing and infrastructure needs. This long-term encumbrance of local revenues has historically been well-recognized by private sector development partners as well as third-party grant sources, which often rely on the property tax increment dedication as complementary and local match funding, respectively. TIF districts in La Verne, Placentia,

[3] EIFD statute as the primary example, California Government Code Sections 53398.50-53398.88

Unincorporated West Carson, Sacramento, San Diego, and elsewhere have shown the ability to spur private sector investment due to a clear and financially meaningful local agency commitment of revenues for critical infrastructure.

Exhibit 3: Illustration of TIF Mechanics



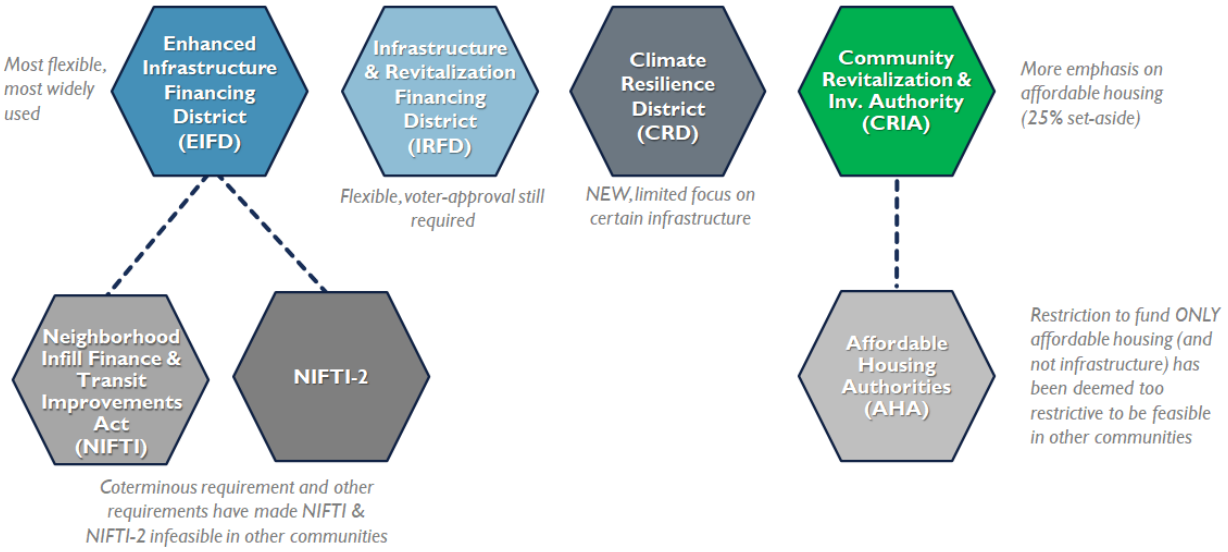
TIF funding may be used on a pay-as-you-go basis or leveraged in the form of bonded indebtedness (i.e., issuance of municipal bonds).

TIF has been utilized in California since approximately 1952 in the form of Redevelopment Agencies. In 2011 (effective 2012), Redevelopment Agencies were dissolved by state legislative action for multiple reasons. Beginning in 2014, alternatives for TIF have been introduced through various new legislation, including the following:

a) Enhanced Infrastructure Financing Districts ("EIFD")
b) Community Revitalization and Investment Authorities ("CRIA")
c) Infrastructure and Revitalization Financing Districts ("IRFD")
d) Affordable Housing Authorities ("AHA")
e) Neighborhood Infill Finance and Transit Improvements ("NIFTI")
f) Second Neighborhood Infill Finance and Transit Improvements ("NIFTI 2")
g) Climate Resilience Districts ("CRD").

Appendix A includes a detailed comparison of the most widely considered TIF alternatives. For purposes of flexibility of boundary definition, versatility of eligible uses of funding, capacity to facilitate multi-jurisdictional partnerships, and other measures of realistic implementation feasibility, this evaluation focuses on EIFD as the most viable form of TIF for potential RSP implementation.

Exhibit 4: TIF Alternatives in California



3.2 Enhanced Infrastructure Financing Districts (EIFD) as a Preferred Tool

EIFDs are the most prevalent form of TIF districts in California as of the time this RSP is being drafted. EIFDs were introduced in 2014 via Senate Bill 628. Since that time, several legislative measures have passed that have revised the EIFD statute:

- Assembly Bill 313 (2015) clarified the roles of the lead agency legislative body (city council or county board of supervisors) versus the EIFD governing Public Financing Authority ("PFA") and made various other "clean-ups"
- Assembly Bill 733 (2017) allowed EIFDs to fund climate change adaptation projects, including but not limited to projects that address conditions that impact public health (such as decreased air and water quality, temperatures higher than average, etc.) and extreme weather events (such as sea level rise, heat waves, wildfires, etc.)
- Assembly Bill 1568 (2017) authorized the Neighborhood Infill Finance and Transit Improvements (NIFTI) Act, which granted cities and counties permission to allow EIFDs to bundle sales and use tax revenues toward affordable housing and supportive transit infrastructure projects in cases where jurisdictions made the EIFD boundary coterminous with city/county boundaries along with other requirements
- Senate Bill 961 (2018) authorized the Second Neighborhood Infill Finance and Transit Improvements Act (NIFTI-2), with similar provisions as NIFTIs
- Senate Bill 1145 (2018) allowed EIFDs to also fund infrastructure maintenance costs
- Assembly Bill 116 (2019) allowed EIFDs to issue bonds without public vote, however, it does increase the public engagement requirements and a majority protest opportunity

- Assembly Bill 464 (2021) enabled EIFDs to fund the acquisition, construction, or repair of commercial structures used by small businesses, and facilities in which nonprofit community organizations provide health, youth, homeless, and social services
- Senate Bill 780 (2021) provided multiple administrative enhancements to EIFD, including the ability for PFA board members to appoint alternates to their seats, simplification of the amendment process for certain Infrastructure Financing Plan ("IFP") changes, and allows the creation of distinct project areas within EIFDs.

With these modifications, current state law includes a lengthy definition of infrastructure projects eligible to be funded by EIFDs, including transportation, affordable housing (to 120% of area median income, or "AMI"), utilities, parks and open space, parking, remediation, broadband internet infrastructure, and numerous other categories, preceded by the phrase "including, but not limited to", demonstrating the legislative intent for the tool to be flexible. EIFDs can also fund improvements outside of the district boundary, so long as the improvements benefit the properties within the district boundary. EIFDs can additionally fund maintenance costs, so long as the assets being maintained were initially installed at least partially utilizing EIFD funding.

Exhibit 5: Examples of Projects Eligible for EIFD Funding

Water / Sewer / Storm / Flood

Roadway / Transportation

Parks / Open Space / Recreation

Childcare Facilities & Libraries

Brownfield Remediation

Affordable Housing

Broadband

Wildfire Prevention / Other Climate Change Response

Small Business / Nonprofit Facilities

There is no public vote required to form an EIFD or to issue EIFD debt; however, the formation process includes a series of public meetings and hearings that allow the community to comment on the proposed Infrastructure Financing Plan ("IFP") that would govern EIFD activities. The final public hearing includes an opportunity for landowners and residents within the district boundary to protest formation of the district. If more than 50% of the combined number of landowners and residents within the EIFD protest formation, the process must halt for at least one year. If no protest occurs, the EIFD is authorized for both formation and future debt issuance.[4]

The EIFD is governed by an entity called the Public Financing Authority ("PFA"). The composition of the PFA varies, depending on which taxing entities are committing property tax increment to the EIFD. In a scenario where the lead agency (such as a city) is the only entity contributing property tax increment, the PFA is comprised of five members, including three members of the city council and two members of the public, who are appointed by the city council. If two or more taxing entities are contributing property tax increment, such as a city and a county, the PFA is comprised of at least five members (could be more), where the majority (e.g., three out of five) are either members of the city council or members of the county board of supervisors, and at least two public members appointed by elected officials of the participating taxing entities. For the EIFDs established so far in California where a city and a county are both contributing property tax increment, the "template" for PFA composition has been two members of the city council, one member of the county board of supervisors, one member of the public appointed by the city council, and one member of the public appointed by the county board of supervisors, for a total of five members.

Additional important notes related to EIFD implementation:

- These districts do not increase property taxes.
- Special districts need to voluntarily agree to contribute funds (in addition to the County and City).
- An EIFD cannot collect tax increment from K-12 school districts, community college districts and county offices of education (i.e., EIFDs cannot divert property taxes from school entities).
- EIFDs are not required to set aside a specific percentage of affordable housing, but all housing that is directly developed using EIFD funding must be affordable.
- The maximum duration of an EIFD is 45 years from the date on which the issuance of bonds or a loan is approved by the governing PFA Board.
- Costs eligible for EIFD financing include construction, acquisition and rehabilitation costs, as well as planning and design expenses.
- An EIFD can pay for maintenance, but not operations.

[4] In the case of a protest by between 25% and 50% of the combined number of landowners and registered voters, a special election would be called (e.g., via mail-in ballot) to determine whether the EIFD could proceed with formation.

- An EIFD cannot use eminent domain.

There are over 20 EIFDs established in California as of the time of this report, and there are more than 20 additional EIFDs currently in the formation process. Some examples of EIFDs in the Inland Empire and larger Southern California region include:

- County of Riverside ("County") Unincorporated Temecula Valley Wine Country EIFD (formed November 2021)
- County Unincorporated Highway 74 EIFD (formed November 2022)
- County Unincorporated Eastern Coachella Valley EIFD (currently in progress – Resolution of Intention adopted January 2023)
- City of Rancho Cucamonga EIFD (formed August 2022)
- City of La Verne + County of Los Angeles TOD EIFD (formed 2017, County joined 2020)
- City of Placentia + County of Orange TOD EIFD (formed July 2019)
- City of Palmdale + County of Los Angeles EIFD (formed November 2021)

3.3 EIFD Analysis Approach and Methodology

The basic methodology employed for EIFD revenue analysis was as follows:

a) Define potential district boundary parameters for each CVAG community based on scenarios that have functioned well for other jurisdictions statewide, balancing TIF funding capacity and general fund solvency;
b) Estimate future growth of assessed value within EIFD boundaries based on historical growth within the CVAG region and Kosmont staff experience with property tax revenue projections; [5,6]
c) Identify primary eligible public agencies that receive property tax increment within the district (e.g., local City, County), and identify each entity's respective share of future property tax increment;
d) Evaluate scenarios of tax increment allocation percentages based on factors above, also balancing need to reserve future property tax revenues for general fund solvency / day-to-day municipal services.

Boundary Delineation within CVAG Communities

Each incorporated city and the County would, in practice, have flexibility to delineate a district boundary encompassing specific parcels within each jurisdiction, typically comprised of parcels

[5] 5-year historical assessed value growth in the CVAG region averages 5.60% annually. 10-year historical assessed value growth in the CVAG region averages 4.99% annually.
[6] This "mathematical" method of assessed value projection is a proxy for detailed development and rehabilitation projections for all CVAG jurisdictions, which is outside the scope of this RSP preparation.

positioned for new development or significant rehabilitation. In order to illustrate realistic funding capacity without pre-determining the specific area within each community that could be included within an EIFD, this analysis assumed three (3) sample boundary alternatives that represent mathematical parameters that have functioned well in previously established districts statewide.

Two primary factors were varied in the three analysis scenarios utilized (Scenarios A, B, and C):

a) Percentage of the community in the district (50% versus 25% versus 10%): this factor represents how much of a city or unincorporated community, in terms of existing assessed value, would be placed into an EIFD;

b) Percentage allocation (5% versus 25% versus 50%): this factor reflects the percentage of future property tax increment revenue within the EIFD boundary that would be allocated to the EIFD as a special fund (as opposed to the jurisdiction's general fund).

While a community is authorized by State law to include up to 100% of its jurisdiction within a special district (i.e., a citywide district), more common practice is to include a smaller portion of city within a special district, so as not to over-encumber future general fund property tax revenues.

Exhibit 6: CVAG Cities Receiving Property Tax

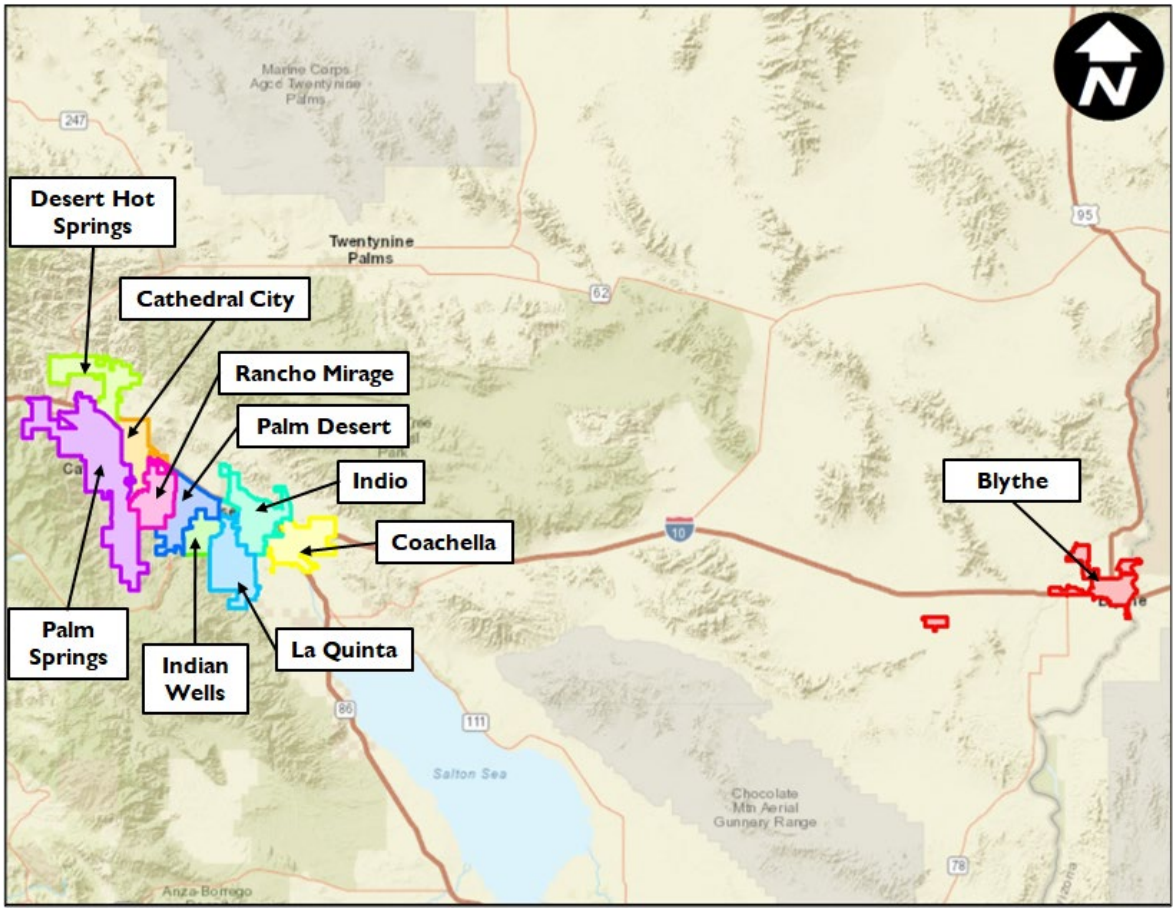
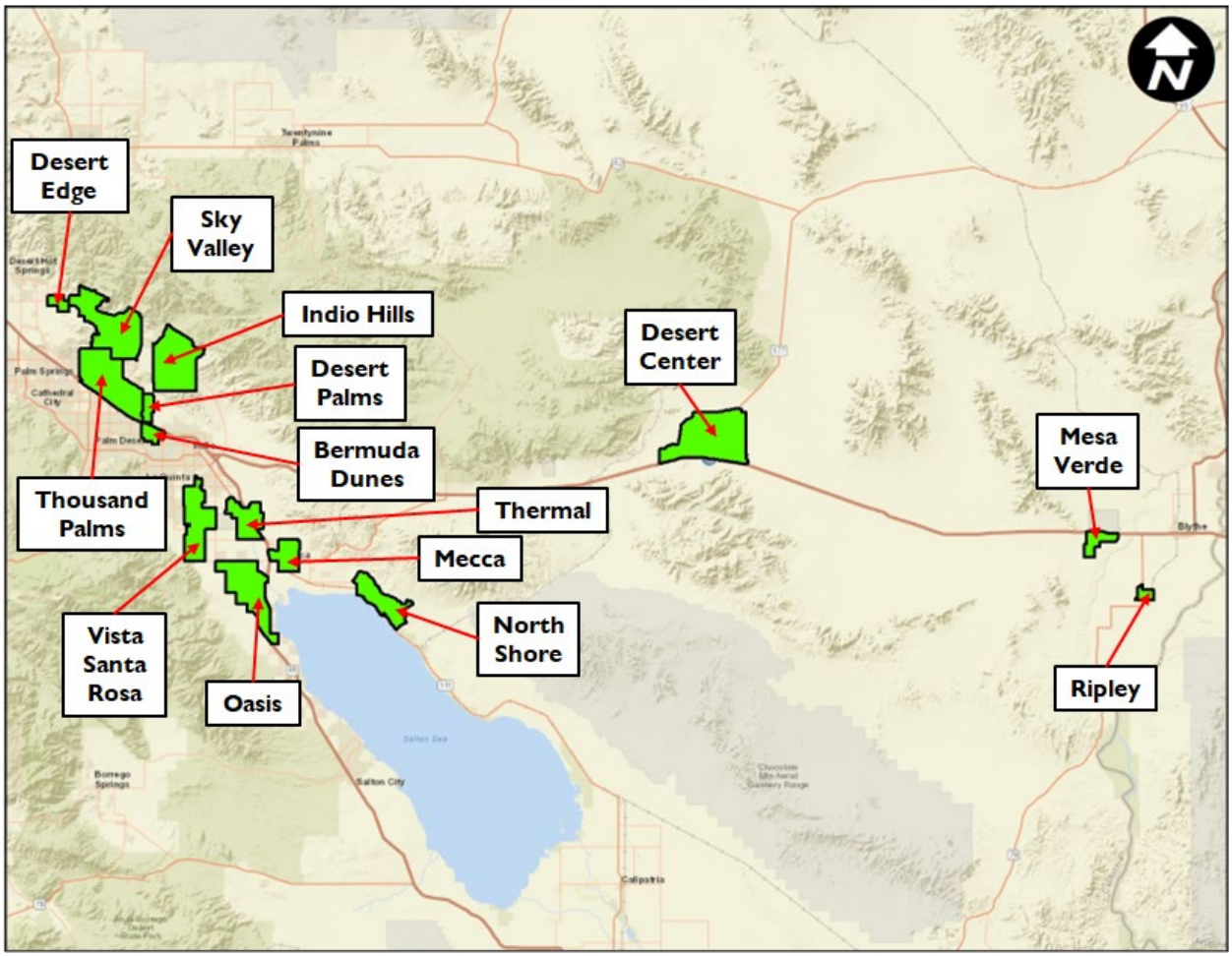


Exhibit 7: CVAG Unincorporated Communities Evaluated (County as Primary Taxing Entity)



As an example, in Scenario A (50% of community / 5% allocation), each community is assumed to define a district boundary that encompasses 50% of the community in terms of existing assessed value, and the community would allocate 5% of its future tax increment generated within that district boundary to the EIFD. It is the experience of this Consultant team that the larger the district boundary is drawn within a community, the smaller the percentage allocation that can be fiscally supported by the general fund over the long term.

Single Versus Multiple CVAG EIFDs

In the experience of this Consultant team, it is difficult to coordinate a single TIF district across more than two jurisdictions, for reasons including the definition of projects of common benefit, mutually agreeable financial terms, and various administrative factors, such as establishing meeting schedules that work for all relevant representatives.

A more realistic approach for communities within the CVAG region may be to have multiple EIFDs, so that each community could customize boundaries, revenue allocation scenarios, and targeted projects that meet the local community's needs, but also having a common dedication of funding specifically for housing and infrastructure, such as the proposed common percentage allocation (e.g., 10%) of total EIFD funding into a singular funding vehicle such as a Catalyst Fund.

The singular funding vehicle could be specifically charged to implement eligible housing and infrastructure that would be deemed of common benefit to all CVAG communities participating (e.g., regional rail extension, regional navigation center, North Lake / Salton Sea related infrastructure), and/or given flexibility to focus on affordable and workforce housing projects on a more targeted basis as needed. Such funding could be amplified with other complementary revenues and tools, as described in the following chapters of this RSP. To restate a key point, in reality, each jurisdiction could individually determine whether to participate in EIFD implementation at all, and if so, at what level.

Property Tax Increment Available to CVAG Communities

The share of property tax that each CVAG taxing entity (city or county) receives out of each dollar of property tax varies highly from jurisdiction to jurisdiction, and even varies within each jurisdiction. The share of property tax that the County receives within each city similarly varies.

Table 1 provides an overview of the existing assessed value within each CVAG jurisdiction that receives property, as well as the estimated share of property tax that each entity receives on average within each jurisdiction.

School districts, community college districts, and all other educational taxing entities make up the majority of the 1% property tax general levy, and these entities are explicitly prohibited from allocating property tax increment to a TIF district under current State law. Other taxing entities, such as flood control districts, mosquito abatement districts, and utility agencies receive a relatively small share of property tax revenues and have not traditionally been willing to partner in TIF districts (nor would their contribution improve funding capacity substantially).

Table 1: Existing Assessed Value (A/V) and Estimated Property Tax Allocation by Jurisdiction

Jurisdiction	Estimated Total Existing Assessed Value (A/V)	City Share of 1% Property Tax Levy	City Equivalent Share of Property Tax in-lieu of MVLF	Total City Property Tax Available to EIFD	County Share of 1% Property Tax Levy
Blythe	$814,110,455	22.3%	16.4%	38.6%	9.9%
Cathedral City*	$5,345,023,091	7.1%	9.6%	22.6%	12.9%
Coachella	$2,220,955,238	3.6%	23.7%	27.3%	9.8%
Desert Hot Springs	$2,238,383,572	11.0%	12.1%	23.1%	11.3%
Indian Wells	$6,599,612,415	4.6%	0.8%	5.4%	15.1%
Indio	$9,740,238,046	14.9%	11.2%	26.1%	12.1%
La Quinta	$15,209,866,340	4.6%	3.0%	7.6%	11.6%
Palm Desert	$16,755,218,136	5.4%	2.8%	8.2%	11.0%
Palm Springs	$15,524,959,794	22.7%	3.9%	26.6%	13.0%
Rancho Mirage	$9,765,384,821	7.8%	1.7%	9.6%	12.9%
Unincorporated Communities	$3,924,357,809	N/A	N/A	N/A	9.8%

**Includes 6.0% City Fire*
MVLF = Motor Vehicle License Fees (property tax in-lieu of MVLF is eligible for cities and county for allocation to EIFD)
Post-Education Revenue Augmentation Fund (ERAF) distributions. Where portions of this boundary overlap with former RDA project areas, property tax is subject to separate project-area-wide distribution schedule until expiration / maturation of outstanding Successor Agency enforceable obligations.
Tribes are not affected taxing entities for property tax purposes.
Source: County Auditor Controller (2021-2022 Assessed Values)

3.4 Estimates of TIF Funding Capacity

The analysis in this RSP assumes that within each city, the County would at most be willing to match the local city's contribution at the lesser of (a) a dollar allocation match or (b) a percentage allocation match. These assumptions are based on precedent from EIFD implementation elsewhere across the State.

EIFD funding capacity was estimated on an annual basis for up to 50 years, based on legal authority and typical practice (45-year max district lifetime beginning from hypothetical debt issuance in year 5 after district formation). The EIFD would be required to demonstrate a stabilized, reliable revenue stream to the bond investor community prior to being table to issue debt, and Year 5 is an estimate of when this would happen, although an issuance could happen sooner or later, and additional issuances would be possible in the future in any case, as assessed value increases and new development occurs over time.

This analysis estimates that between approximately $137 million and $343 million (in present value terms) would be available for affordable housing and related housing and supportive infrastructure across the CVAG region under the scenarios of EIFD implementation evaluated. Table 2 provides a summary by boundary and allocation scenario.

Table 2: Estimated TIF Funding Capacity CVAG Region Wide

Scenario	Present Value of Available Revenues *(6% Discount Rate)*
A) 50% of Each Community / 5% Allocation	$137M
B) 25% of Each Community / 25% Allocation	$343M
C) 10% of Each Community / 50% Allocation	$274M

To provide a more granular perspective by jurisdiction and with timing, Tables 3 through 5 illustrate potentially EIFD funding capacity in a few different ways:

a) How much funding would be accumulated in the EIFD "account" by year 5 after district formation, plus the amount in net proceeds that could be generated by a TIF bond issuance in year 5;
b) Same structure as letter (a) above, except extending to year 10 after district formation;
c) Total funding capacity over a 50-year district lifetime, expressed in present-value dollars (accounts for inflation / time value of value);
d) Total funding capacity over the 50-year district lifetime in nominal dollars (not accounting for inflation /time value of money).

Table 3: EIFD Scenario A Detail – 50% Community in District / 5% Tax Increment Allocation

Jurisdiction	Year 5 Accumulated Revenue + Bonding Capacity*	Year 10 Accumulated Revenue + Bonding Capacity*	50-Year Present Value @ 6%	50-Year Nominal Total
Blythe*	$79,200	$316,600	$2,502,400	$6,274,800
Cathedral City*	$744,800	$3,086,200	$10,012,000	$25,105,600
Coachella*	$165,300	$1,293,900	$5,224,800	$13,101,300
Desert Hot Springs*	$154,400	$1,164,900	$4,880,300	$12,237,600
Indian Wells*	$141,600	$1,013,200	$4,475,100	$11,221,400
Indio	$2,652,300	$8,167,900	$23,585,000	$59,140,300
La Quinta	$1,392,800	$4,812,400	$14,622,700	$36,667,100
Palm Desert	$1,799,300	$5,895,500	$17,515,500	$43,920,900
Palm Springs	$4,812,400	$13,922,600	$38,955,600	$97,682,800
Rancho Mirage*	$1,001,400	$3,769,800	$11,837,800	$29,683,700
Unincorporated Communities*	$114,200	$689,500	$3,610,400	$9,053,100
Total CVAG Region	**$18,115,000**	**$49,361,200**	**$137,221,600**	**$344,088,600**

City contribution includes contribution from both "standard" (AB8) property tax plus property tax in-lieu of MVLF. County contribution includes contribution from AB8 property tax only. Where County share of 1% Property Tax is lower than City, a percentage match contribution is expected, as opposed to a dollar match (a County would typically match the lesser of a dollar match or a percentage match in Consultant team's experience).

** Where Accumulated Revenue + Bonding Capacity is not feasible for bonding purposes, only accumulated revenue is shown. Bonding capacity assumes Year 5 is first bond issuance for EIFD. Year 5 means fifth year of revenue following district formation. Net proceeds shown. Bondable revenue assumes $25,000 admin charge, 150% debt service coverage. 6.0% interest rate; 30-year term. Proceeds net of 2% underwriter's discount, estimated reserve fund (maximum annual debt service), costs of issuance estimated at $350,000.*

Source: Kosmont Financial Services (KFS), registered Municipal Advisor.

Table 4: EIFD Scenario B Detail – 25% Community in District / 25% Tax Increment Allocation

Jurisdiction	Year 5 Accumulated Revenue + Bonding Capacity*	Year 10 Accumulated Revenue + Bonding Capacity*	50-Year Present Value @ 6%	50-Year Nominal Total
Blythe*	$216,900	$1,679,900	$6,255,900	$15,686,900
Cathedral City*	$2,855,400	$8,708,900	$25,030,100	$62,764,000
Coachella*	$1,173,400	$4,228,100	$13,061,900	$32,753,300
Desert Hot Springs*	$1,052,400	$3,905,700	$12,200,800	$30,594,100
Indian Wells*	$910,000	$3,526,400	$11,187,600	$28,053,500
Indio	$7,624,100	$21,413,100	$58,962,500	$147,850,900
La Quinta	$4,475,300	$13,024,500	$36,556,800	$91,667,700
Palm Desert	$5,491,700	$15,732,100	$43,788,800	$109,802,300
Palm Springs	$13,024,400	$35,799,800	$97,389,000	$244,206,900
Rancho Mirage*	$3,496,900	$10,417,800	$29,594,500	$74,209,300
Unincorporated Communities*	$606,200	$2,717,000	$9,025,900	$22,632,900
Total CVAG Region	**$46,280,800**	**$124,396,500**	**$343,053,800**	**$860,221,800**

City contribution includes contribution from both "standard" (AB8) property tax plus property tax in-lieu of MVLF. County contribution includes contribution from AB8 property tax only. Where County share of 1% Property Tax is lower than City, a percentage match contribution is expected, as opposed to a dollar match (a County would typically match the lesser of a dollar match or a percentage match in Consultant team's experience).

** Where Accumulated Revenue + Bonding Capacity is not feasible for bonding purposes, only accumulated revenue is shown. Bonding capacity assumes Year 5 is first bond issuance for EIFD. Year 5 means fifth year of revenue following district formation. Net proceeds shown. Bondable revenue assumes $25,000 admin charge, 150% debt service coverage. 6.0% interest rate; 30-year term. Proceeds net of 2% underwriter's discount, estimated reserve fund (maximum annual debt service), costs of issuance estimated at $350,000.*

Source: Kosmont Financial Services (KFS), registered Municipal Advisor.

Table 5: EIFD Scenario C Detail – 10% Community in District / 50% Tax Increment Allocation

Jurisdiction	Year 5 Accumulated Revenue + Bonding Capacity*	Year 10 Accumulated Revenue + Bonding Capacity*	50-Year Present Value @ 6%	50-Year Nominal Total
Blythe*	$158,300	$1,211,500	$5,004,700	$12,549,500
Cathedral City*	$2,151,900	$6,834,700	$20,024,100	$50,211,200
Coachella*	$806,300	$3,250,000	$10,449,500	$26,202,700
Desert Hot Springs*	$709,500	$2,992,100	$9,760,700	$24,475,300
Indian Wells*	$595,600	$2,688,600	$8,950,100	$22,442,800
Indio	$5,966,900	$16,998,000	$47,170,000	$118,280,700
La Quinta	$3,447,800	$10,287,100	$29,245,400	$73,334,100
Palm Desert	$4,260,900	$12,453,200	$35,031,100	$87,841,800
Palm Springs	$10,287,100	$28,507,400	$77,911,200	$195,365,500
Rancho Mirage*	$2,665,000	$8,201,800	$23,675,600	$59,367,400
Unincorporated Communities*	$352,500	$2,041,200	$7,220,700	$18,106,300
Total CVAG Region	**$36,892,200**	**$99,384,700**	**$274,443,100**	**$688,177,300**

City contribution includes contribution from both "standard" (AB8) property tax plus property tax in-lieu of MVLF. County contribution includes contribution from AB8 property tax only. Where County share of 1% Property Tax is lower than City, a percentage match contribution is expected, as opposed to a dollar match (a County would typically match the lesser of a dollar match or a percentage match in Consultant team's experience).
** Where Accumulated Revenue + Bonding Capacity is not feasible for bonding purposes, only accumulated revenue is shown. Bonding capacity assumes Year 5 is first bond issuance for EIFD. Year 5 means fifth year of revenue following district formation. Net proceeds shown. Bondable revenue assumes $25,000 admin charge, 150% debt service coverage. 6.0% interest rate; 30-year term. Proceeds net of 2% underwriter's discount, estimated reserve fund (maximum annual debt service), costs of issuance estimated at $350,000.*
Source: Kosmont Financial Services (KFS), registered Municipal Advisor.

As mentioned earlier in this chapter, EIFD revenues may be used on a pay-as-you-go basis, leveraged to issue bonds, and/or pledged as reimbursement for funding advanced by other public or private entities.

Bonding scenarios shown in Tables 3 through 5 assume "level debt service", meaning that a Year 5 bond assumes that only Year 5 level of annual EIFD revenue will be available for bond debt service (as opposed to "escalating debt service", which assumes growth beyond Year 5 levels).

The “present value” figures shown are a helpful reflection of the value of future EIFD revenues if used as a pledge of reimbursement for funding advanced by other public or private partners. A 6% discount rate is utilized as a benchmark only.

To fully illustrate an example under Scenario C (Table 5), if the City of La Quinta were to form an EIFD and allocate 50% of its future property tax increment generated from within an EIFD boundary that encompassed 10% of the City’s existing assessed value, and successfully achieve a partnership with the County whereby the County matches the City contribution over the district lifetime, the present value of future EIFD revenues would be approximately $29.2 million. These future revenues could be pledged as a reimbursement mechanism for a private sector or nonprofit advance of funds, leverage for a debt issuance, used as a local match for grant funding, or utilized on a pay-as-you-go basis via a regional Catalyst Fund as infrastructure and affordable housing needs arise over time, as some examples.

As TIF districts such as EIFDs can be quite modest in their immediate funding capacity potential, particularly in lower property tax cities, grants and other complementary sources can be a crucial “kick-start” for housing and infrastructure funding potential. These sources are discussed in section 6.

Section 7 of this RSP provides a potential roadmap related to district formation, potential utilization via a regional trust fund or Catalyst Fund, debt issuance, private sector and nonprofit partnerships, and leverage of the TIF/EIFD platform for third party grants and other complementary tools.

4.0 Implementation Tools: Community Land Trusts, Housing Trust Funds, Catalyst Funds

A consolidation of available revenues from TIF/EIFD and supporting complementary funding mechanisms would be most effective if "packaged" into an effective implementation tool for affordable and workforce housing and related infrastructure. Across California and elsewhere, community land trusts (CLTs), housing trust funds, and similar vehicles are increasing prevalence as tools to reduce barriers and spur housing development.

While possible for CVAG jurisdictions to establish one or more new such mechanisms, this RSP suggests taking advantage of existing successful infrastructure in the innovative realm of "Catalyst Funds", such as the Lift to Rise Coachella Valley Housing Catalyst Fund. This section provides an overview of the suggested implementation toolkit.

4.1 Community Land Trusts (CLTs)

A community land trust (CLT) is typically a nonprofit organization that develops and manages affordable housing and/or other community assets on land that is owned and controlled by the trust. CLTs often receive money from cities, counties, and philanthropic entities in the form of grants and then purchase real estate and secure mortgages on the open market. A CLT could develop and then sell affordable housing units to low-income households while retaining ownership of the land (i.e., CLT owns the land, buyer owns the house on the land). The CLT would additionally lease the land to the homebuyer for a low monthly rate over a long period of time (e.g., 99 years).

If the homebuyer wants to sell the house, they would typically agree to sell to individuals who need CLT assistance. In doing so, the homebuyer could receive a portion of the profit, while the CLT retains equity in the land. By retaining ownership of the land, the CLT can continue to impose restrictions on its use and resale. Thus, a CLT creates an affordable housing option that can last in perpetuity, while enabling homebuyers to amass enough wealth upon a sale to potentially enter the market-rate housing market.

CLTs are often formed by community members who are concerned about the high cost of housing and the displacement of low-income residents. CLTs can help to preserve affordable housing, prevent gentrification, and promote community development by providing a stable source of land for community-based initiatives. CLTs are typically governed by a board of directors, which can include representatives from the local community.

There are numerous examples of CLTs in California, including the following:

- San Francisco CLT (SFCLT): Founded in 2003, focuses on acquiring and rehabilitating buildings that are in danger with losing their affordability; recently acquired 285 Turk St. (40-unit building) for $9.4M using two private lenders;
- Northern California Land Trust: Founded in 1973, 15 projects, 78 housing units, and one community center; operates in San Francisco, Berkeley, Oakland, and Palo Alto;
- Irvine CLT: Founded in 2006, 6 projects, 475 housing units;
- Oakland CLT: Founded 2009, 6 projects, 35 housing units, along with commercial space and community centers.

4.2 Regional Housing Trust Funds and Catalyst Funds

Housing trust funds, regional housing trusts, and catalyst funds are all similar mechanisms with differing definitions on a case-by-case basis.

A housing trust fund is a dedicated pool of funding typically used to support the development and preservation of affordable housing. It is typically created and managed by local or state governments, although private organizations can also establish housing trust funds. Housing trust funds can receive funding from a variety of sources, such as government appropriations, developer fees, and philanthropic contributions. The funds can be used to support a range of activities, including the construction or rehabilitation of affordable housing, down payment assistance for homebuyers, rental subsidies, and housing-related services like counseling and education.

A regional housing trust is a type of housing trust fund that is created and managed by a group of neighboring local governments in a region. The purpose is typically to pool resources and coordinate efforts to address regional housing needs. Regional housing trusts can also provide greater funding capacity than a single housing trust fund, which can allow for larger-scale investments in affordable housing and related infrastructure or other programs. In addition, by bringing together multiple stakeholders and partners, a regional housing trust can create opportunities for shared learning and best practices, and can help to foster stronger partnerships and collaborations among local governments, housing developers, and other stakeholders.

In the experience of this Consultant team, the term “catalyst fund” is a branded and often more targeted form of housing trust fund, where dollars are prioritized for projects that require start-up funding, gap financing, or other forms of catalytic assistance to get “over the finish line” of project implementation. The most prominent catalyst fund local to the CVAG region, and perhaps even statewide, is the Coachella Valley Housing Catalyst Fund (referred to in this report as the “Catalyst Fund”).

The Catalyst Fund was initiated in 2014 by nonprofit organization Lift to Rise, headquartered in Palm Desert. Since that time, the Catalyst Fund has demonstrated ability to consolidate a diverse set of funding streams with the purpose of moving affordable housing pipeline projects to development. A illustration of Catalyst Fund implementation is outlined on the Lift to Rise website:

1. The Catalyst Fund collects a pool of investment capital from public sources, private investors, and non-profit lenders;
2. Lift to Rise and community partners maintain a pipeline of proposed affordable housing projects in the Coachella Valley;
3. Catalyst Fund underwrites loans and distributes capital to qualifying pipeline projects;
4. Projects pay back loans the Catalyst Fund;
5. Catalyst Fund issues new loans to additional pipeline projects.[7]

4.3 Catalyst Fund as a Priority Implementation Tool

Formation and implementation of successful land trusts and trust funds are extremely involved and resource-intensive endeavors. Marketing and outreach, advocacy, community engagement, establishment of a diverse set of revenue streams, consolidation of a realistic pipeline of housing and related development projects, underwriting and capital deployment, project tracking, and payment collections are only a subset of activities involved in the effective implementation of these tools.

This RSP encourages CVAG jurisdictions to not "reinvent the wheel", but to instead consider leveraging, at least partially, the existing infrastructure and demonstrated success of the locally-based and locally-focused Catalyst Fund.

After having met with Catalyst Fund representatives multiple times under the scope of this RSP, the Consultant team feels as though there is a feasible alignment of targeted investment (i.e., affordable and workforce housing, infrastructure to support housing) and a viable operational path for RSP implementation to be supported by Catalyst Fund infrastructure. Through operating covenants, sub-fund accounting, and/or other similar measures, there would likely be a way for ongoing, sustainable EIFD revenues to leverage the Catalyst Fund to fulfill RSP objectives while conforming to state EIFD law.

Section 7 of this RSP provides a potential implementation roadmap accordingly.

[7] Source: https://lifttorise.org/we-lift/#:~:text=As%20part%20of%20our%20Housing,developers%20in%20accessing%20permanent%20financing.

5.0 Supportive Housing and Infrastructure Policies

In addition to revenue mechanisms and implementation tools, this RSP includes suggestions for policy initiatives that could be implemented at the jurisdiction level to reduce barriers for housing production and also increase the competitiveness of CVAG and its individual member jurisdictions for certain opportunistic funding sources, such as state housing grants, which further bolster the financial viability of RSP implementation.

This section describes the types of policies that support housing, infrastructure, and related investment that have been explicitly incorporated in the State of California's own Prohousing Designation Program as the most direct and well-codified program linking local housing policy to city and county incentives in the form of additional points and other preference in the scoring of State housing, community development, and infrastructure programs.

Such State programs include several, very competitive, well-funded grant programs (e.g., Infill Infrastructure Grant [IIG], Affordable Housing and Sustainable Communities [AHSC] program, Transformative Climate Communities [TCC], and Transportation Agency Transit and Intercity Rail Capital Program [TIRCP]) that explicitly prioritize grant applications from communities that achieve the Prohousing Designation from the State Department of Housing and Community Development (HCD) department. More detail on these programs is available in Section 6.

The Prohousing Designation offers a particularly insightful example of how supportive policy can amplify the effectiveness of ongoing or one-time revenue tools for housing and infrastructure. Example policies discussed on following pages include (1) favorable zoning and land use policies, (2) policies to accelerate housing production timeframes, (3) policies to reduce construction and development costs, and (4) policies that provide financial subsidies to housing development.

It is important to note that several CVAG jurisdictions have already implemented several of these policies or are currently evaluating adoption of such policies. Appendix E includes a matrix outlining the existing policies already adopted among CVAG communities based on research and observation by the Consulting team. As one example, in February 2023, the City of Indio City Council convened a Study Session specifically to discuss a potential application for the State's Prohousing Designation.

Examples of current and previous implementation of such policies within the CVAG region are highlighted in blue text throughout this Section.

5.1 Favorable Zoning and Land Use Policies

Examples of favorable zoning and land use policies include the following:

a) Rezoning to accommodate more than (e.g., 125-150%) RHNA target allocation by total units or by income category;

b) Permitting missing middle housing uses (e.g., duplexes, triplexes and fourplexes) by right in existing low-density, single-family residential zones;

c) Density bonus programs which exceed statutory requirements by 10% or more;

d) Increasing allowable density in low-density, single-family residential areas beyond the requirements of state Accessory Dwelling Unit ("ADU") law (e.g., permitting more than one ADU or junior ADU per single family lot);

e) Reducing or eliminating parking requirements for residential development, or adopting maximum parking requirements;

f) Zoning to allow for residential or mixed uses in one or more non-residential zones (e.g., commercial, light industrial);

g) Modification of development standards and other applicable zoning provisions to promote greater development intensity; potential areas of focus include floor area ratio; height limits; minimum lot or unit sizes; setbacks; and allowable dwelling units per acre;

h) Establishment of a Workforce Housing Opportunity Zone (WHOZ) or a Housing Sustainability District (HSD) to streamline housing production.

5.2 Policies to Accelerate Housing Production Timeframes

Examples of policies to accelerate housing production timeframes include the following:

a) Establishment of ministerial approval processes for a variety of housing types, including single family and multifamily housing;

b) Establishment of streamlined, program-level California Environmental Quality Act (CEQA) analysis and certification of general plans, community plans, specific plans with accompanying Environmental Impact Reports (EIR) (similar to Coachella Valley Multiple Species Habitat Conservation Plan or CVMSHCP);

c) Documented practice of streamlining housing development at the project level, such as by enabling a by-right approval process or by utilizing statutory and categorical exemptions as authorized by applicable law;

d) Establishment of permit processes that take less than four months to issuance of building permits (e.g., Desert Hot Springs);

e) Absence or elimination of public hearings for projects consistent with zoning and the general plan;

f) Absence, elimination, or replacement of subjective development and design standards with objective development and design standards that simplify zoning clearance and improve approval certainty and timing;

g) Establishment of one-stop-shop permitting processes or a single point of contact where entitlements are coordinated across city approval functions (e.g., planning, public works, building) from entitlement to occupancy;

h) Priority permit processing or reduced plan check times for ADUs/JADUs, multifamily housing, or affordable units;

i) Establishment of a standardized application form for all entitlement applications;

j) Practice of publicly posting status updates on project permit approvals on the internet;

k) Limitation on the total number of hearings for any project to three or fewer.

5.3 Policies to Reduce Construction and Development Costs

Examples of policies to reduce construction and development costs include the following:

a) Waiver or significant reduction of development impact fees (DIF) for residential development;

b) Adoption of ordinances or implementation of other mechanisms that reduce barriers for property owners to create ADUs/JADUs (e.g., development standards improvements, permit processing improvements, dedicated ADU/JADU staff, technical assistance programs, and pre-approved ADU/JADU design packages);

c) Adoption of other fee reduction strategies, including fee deferrals and reduced fees for housing for persons with special needs;

d) Promoting innovative housing types (e.g., manufactured homes, recreational vehicles, park models) that reduce costs;

e) Measures that reduce costs for transportation-related infrastructure or programs that encourage active modes of transportation or other alternatives to automobiles (e.g., publicly funded programs to expand sidewalks or protect bike/micro-mobility lanes; creation of on-street parking for bikes; transit-related improvements; establishment of carshare programs);

f) Adoption of universal design ordinances;

g) Establishment of pre-approved or prototype plans for missing middle housing types (e.g., duplexes, triplexes, and fourplexes) in low-density, single-family residential areas (example in unincorporated County – Employee Housing Act).

5.4 Policies that Provide Financial Subsidies to Housing Development

Examples of policies that provide financial subsidies to housing development include the following:

a) Establishment of local housing trust funds or collaboration on a regional housing trust fund;

b) Provide grants or low-interest loans for ADU/JADU construction affordable to lower- and moderate-income households;

c) Comprehensive program that complies with the Surplus Land Act and makes publicly owned land available for affordable housing, or for multifamily housing projects with the highest feasible percentage of units affordable to lower income households (e.g., including land donations, land sales with significant write-downs, or below-market land leases);

d) Establishment of an Enhanced Infrastructure Financing District (EIFD) or similar local financing tool that, to the extent feasible, directly supports housing developments in an

area where at least 20 percent of the residences will be affordable to lower income households;

e) Directed residual Redevelopment funds to affordable housing;

f) Development and regular (at least biennial) use of a housing subsidy pool, local or regional trust fund, or other similar funding source (e.g., Catalyst Fund);

g) Prioritization of local general funds for affordable housing.

5.5 Potential Policies with Greatest Relevance to this RSP

While there are many policy examples in the preceding subsections, this Consultant team has had the opportunity to work directly various CVAG jurisdictions in the past, and we have additionally had the opportunity to engage in stakeholder briefings with staff from several CVAG jurisdictions in the scope of this RSP.

To this end, we are offering the followed refined list of potential housing and supportive policies with greatest potential relevance and acceptability for CVAG communities:

a) Density bonus programs which exceed statutory requirements by 10 percent or more;

b) Establishment of one-stop-shop permitting processes or a single point of contact from entitlement to occupancy;

c) Waiver or significant reduction of development impact fees for residential development;

d) Adoption of other fee reduction strategies, including fee deferrals and reduced fees for housing for targeted households;

e) Establishment of pre-approved or prototype plans for missing middle housing types (e.g., duplexes, triplexes, and fourplexes) in low-density, single-family residential areas;

f) Establishment of local housing trust funds or collaboration on a regional housing trust fund;

g) Establishment of an Enhanced Infrastructure Financing District (EIFD) or similar local financing tool;

h) Development and regular (at least biennial) use of a housing subsidy pool, local or regional trust fund, or other similar funding source (e.g., Catalyst Fund).

6.0 Complementary Funding: Grants and Other Opportunistic Sources

While the primary emphasis of the RSP is sustainable, predictable revenue for housing and related infrastructure, realistic implementation of the RSP will necessitate bundling ongoing TIF/EIFD revenues with other complementary, opportunistic funding sources. As TIF districts such as EIFDs can be quite modest in their immediate funding capacity potential, particularly in lower property tax cities, grants and other complementary sources can be a crucial "kick-start" for housing and infrastructure funding potential.

It is important to recognize that, if a CVAG jurisdiction did indeed pursue a TIF district such as an EIFD, it would be able to leverage the TIF platform and its local funding commitment and its potential involvement in a reginal trust fund for increased priority / higher ranking for grant funding for related projects. As outlined in Section 5, these tools have been recognized explicitly by organizations such as the State Housing and Community Development (HCD) department as strong indications of a jurisdiction's pro-housing and pro-infrastructure policy, exhibiting a local match for grant funds with long-term commitment via a special purpose entity (that can only fund housing and infrastructure by statute) and, in the ideal scenario, a partnership between multiple taxing entities with potential facilitation by a regional association of governments in CVAG.

These types of commitments are interpreted by grant providers (and by potential private sector and nonprofit investment partners) as much stronger and "safer" than simple general fund budget allocations, which can change as municipal administrations turnover, as has been evidenced time and time again.

This section characterizes such sources, such as grants, zoning incentive contributions from the private sector, public finance liquidity strategies, and monetization of public agency assets. While such potential complementary funding sources can be significant (in the range of tens of millions of dollars), it is important to note that such sources are not guaranteed, and often require competitive applications, negotiations, planning, and/or due diligence activities as discussed herein. Examples of previous use of such tools within the CVAG region are highlighted in blue text throughout this Section.

6.1 Grants

The following paragraphs characterize numerous grant programs that are particularly well-suited as complementary funding for housing and infrastructure investment in the context of RSP implementation.

A. Local Housing Trust Fund (LHTF) Program

California HCD announced in March 2023 the release of the current Local Housing Trust Fund (LHTF) Program Notice of Funding Availability (NOFA) for approximately $53 million. This funding provides matching grants to local housing trust funds established by cities and counties, Native American tribes, and incorporated 501(c)(3) nonprofit organizations. Eligible activities include loans for acquisition, predevelopment expenses, and development of affordable rental housing projects, transitional housing projects, emergency shelters and homeownership projects, including down payment assistance to qualified first-time homebuyers, and for rehabilitation of homes owned by income-eligible homeowners. No more than 20 percent of each allocation may assist moderate-income households, and at least 30 percent of each allocation is required to assist extremely low-income households.

Program funds awarded under the current NOFA are targeted for the construction loans and/or permanent financing loans at simple interest rates of no higher than 3 percent per annum, for payment of predevelopment costs, acquisition, construction, or rehabilitation, as well as to construct, convert, reconstruct, rehabilitate, and/or repair Accessory Dwelling Units (ADUs) or Junior Accessory Dwelling Units (JADUs). The application submittal portal will be available beginning April 19, 2023, and applications must be submitted by 4:00 p.m. on May 17, 2023.

B. California Infill Infrastructure Grant (IIG)

The IIG program is also administered by State HCD. The purpose of the program is to provide grants as gap funding for infrastructure improvements required for specific residential or mixed-use infill development. Funds are allocated through a competitive process for jurisdictions such as cities and counties, based on the merits of the individual infill projects and areas. Application selection criteria include housing density, project readiness, access to transit, proximity to amenities, and housing affordability. Historically, projects awarded have funded parks and open space, water, sewer, utilities, roadway, parking, transit linkages, sidewalks, streetscape and other related improvements. The City of Coachella was previously awarded.

Individual grants under this program can range up to $30 million in one application; however, a single project or area may receive up to $60 million over multiple cycles of the life of the IIG program. Eligible applicants for IIG funding can include a city or a non-profit or for-profit developer applying jointly with a city. This program is included in the Multifamily “Super NOFA” (Notice of Funding Availability) by California HCD with the most recent application deadline of July 12, 2022.

New this year was a separate but related Infill Infrastructure Grant Catalytic (IIGC) program, which is anticipated to provide $105 Million (approximately $90 million for large jurisdictions, $15 million for small jurisdictions) to promote infill housing, including adaptive reuse of existing structures and sites. HCD accepted “Concept Proposals” from December 29, 2022 through January 31, 2023.

The Super NOFA also includes the Multifamily Housing Program ("MHP") program by HCD, which offers low-interest, long-term deferred-payment loans for new construction, rehabilitation, and preservation of permanent and transitional rental housing for lower-income households.

C. California Affordable Housing and Sustainable Communities (AHSC) Grant

The AHSC grant program is administered by the California Strategic Growth Council (SGC) and implemented by HCD (similar to IIG). AHSC funds land-use, housing, transportation, and land preservation projects to support infill and compact development that reduce greenhouse gas (GHG) emissions. Funding for the AHSC Program is provided from the Greenhouse Gas Reduction Fund (GGRF), an account established to receive Cap-and-Trade auction proceeds.

Projects eligible for funding include affordable housing developments, housing-related infrastructure, sustainable transportation infrastructure, transportation-related amenities, and certain program costs (e.g., transit ridership, workforce development partnerships).

AHSC provides grants and loans through a competitive application process, and no grant/loan award may exceed $30 million. Eligible applicants include any of the following:

- A locality, public housing authority, redevelopment successor agency, transit agency or transit operator, Regional Transportation Planning Agency (RTPA), local Transportation Commissions, Congestion Management Agencies, Joint Powers Authority (JPA), school district, facilities district, university or community college district
- A developer or program operator
- A Federally Recognized Indian Tribe.

If a public agency has a financial or real property interest in the proposed project, the application must either include the public agency as a co-applicant or otherwise include a commitment to enter into a contractual agreement to develop the project, if it is awarded. The Round 7 NOFA was released January 30, 2023 and applications are due April 4, 2023.

D. California Department of Transportation (CalTrans) – Active Transportation Program (ATP) Grants

- Eligible expenditures include biking and walking infrastructure and programs – community wide plans, active transportation projects with GHG reduction, safety enhancements, reduce childhood obesity, Safe Routes to Schools Program
- Eligible applicants include cities, counties, transportation commissions, regional transportation planning agencies, metropolitan planning organizations (MPOs), school districts, and transit districts
- $250,000+ grants, no local match required, disadvantaged community preference (most recent Cycle awards ranged from less than $1 million to over $60 million)

- The most recent round (Cycle 6) Call for Project closed in June 2022 with awards announced in October 2022. Cycle 6 awards included the CVAG Coachella Valley Arts & Music Line project. Subsequent rounds of funding are expected.

E. CA State Transportation Agency (CalSTA) / Caltrans – Highway Safety Improvement Program (HSIP) Grants

- Federal aid program under FAST (2015) to reduce fatalities and serious injuries on all public roads – any public road or publicly owned bicycle or pedestrian pathway or trail
- Local HSIP projects must be identified on the basis of crash experience, crash potential, crash rate, or other data-supported means
- Eligible applicants include cities and counties that can receive federal-aid highway funds
- Awards of $100,000 to $10 million; 10% match requirement
- HSIP Cycle 11 Call-for-Projects closed in May 2022. 434 applications were received, and 282 projects were awarded as announced on March 9, 2023. Cathedral City, Desert Hot Springs, and Palm Springs were among Cycle 11 awardees. Subsequent rounds of funding are expected.

F. CA State Transportation Agency (CalSTA) – The Transit and Intercity Rail Capital Program (TIRCP)

- Grants from the Greenhouse Gas Reduction Fund (GGRF) to fund transformative capital improvements that will modernize California's intercity, commuter, and urban rail systems, and bus and ferry transit systems, to significantly reduce emissions of greenhouse gases, vehicle miles traveled, and congestion
- 25 percent of available funding to projects that provide a direct, meaningful, and assured benefit to disadvantaged communities
- Awards have range from $1 to $50 million
- TIRCP funds available for this General Fund cycle are already available for award, encumbrance and liquidation, and are expected to be fully encumbered and liquidated by June 30, 2027.
- Cycle 6 Guidelines and Call for Projects was released November 2022 with project applications due February 10, 2023. Announcement of awards is anticipated for April 24, 2023.

G. CA Department of Parks and Recreation (DPR) – Prop 68 Grants

- Various funding programs, including the Statewide Park Program (SPP) and Regional Park Program (RPP), for acquisition, development, expansion, or renovation of parks and open space
- Depending on the specific program, eligible applicants include cities, counties, district, joint powers authorities (JPAs), and nonprofits

- Award amounts depend on the program, but as an example, SPP grants range from $200,000 to $8.5 million per application (average award ~$4.1 million)
- Most recent application deadlines by program:
    - Statewide Park Program (SPP) – The Round 5 application cycle is postponed. An update may be available in Summer 2023.
    - Outdoor Equity Grants Program - The Round 2 Draft Application Guide is available for a 30-day comment period until April 14, 2023.
    - Land and Water Conservation Fund - June 1, 2023 application deadline
    - Recreational Trails Program – June 15, 2023 application deadline
    - Habitat Conservation Fund – June 15, 2023 application deadline
    - Outdoor Recreation Legacy Partnership (ORLP) Program – application deadline was December 15, 2022
    - Regional Parks Program - application deadline was January 20, 2022
    - Rural Recreation and Tourism Program (RRT) - application deadline was January 20, 2022.

H. U.S. Economic Development Administration (EDA) CARES Act Economic Adjustment Assistance (EAA) Grant

The EDA published an addendum to its fiscal year 2020 Public Works and Economic Adjustment Assistance (EAA) Notice of Funding Opportunity ("NOFO") making $1.467 billion in Coronavirus Aid, Relief, and Economic Security (CARES) Act funding available to eligible grantees in communities impacted by the coronavirus pandemic.

Awards range from $100,000 to $30 million. Eligible projects to be funded include the construction of infrastructure, public works, or other facilities that will support economic recovery. Other eligible activities less relevant to the Project include, but are not limited to:

- Economic recovery planning
- Preparing technical assistance strategies to address economic dislocations caused by the pandemic
- Preparing, developing, or updating pandemic recovery and resilience strategies, including industry supply chain, cluster analyses, econometric analyses, diversification efforts, and travel and tourism-related marketing campaigns
- Implementing entrepreneurial support programs to diversify economies, including through Revolving Loan Funds or innovation grants

Eligible applicants include state and local governmental entities, institutions of higher education, not for-profit entities, and federally recognized tribes. While not technically a deadline, EDA previously advised eligible applicants to submit complete applications no later than March 31, 2022 so that EDA can review and process the application in time to get a potential award in place prior to deadlines imposed by Congress. Future funding allocations for this program are expected.

I. U.S. Department of Transportation (DOT) Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant

RAISE discretionary grants help project sponsors at the State and local levels, including municipalities, Tribal governments, counties, and others complete critical freight and passenger transportation infrastructure projects. Recent examples of funded projects include a critical bridge replacement in Tucson, new berth construction at Port Tampa Bay, a new pontoon bridge in Lafourche Parish, Louisiana, and a new snowmelt system in Berlin, New Hampshire.

Half of the $1.5 billion in funding will go to projects in rural areas, and half of the funding will go to projects in urban areas. At least $15 million in funding is guaranteed to go towards projects located in Areas of Persistent Poverty or Historically Disadvantaged Communities, and projects located in these areas will be eligible for up to 100 percent federal cost share, as directed by Congress in the Bipartisan Infrastructure Law.

Eligible Applicants for RAISE grants include states, any territory or possession of the United States, a unit of local government, a public agency or publicly chartered authority established by one or more states, a special purpose district or public authority with a transportation function, including a port authority, a federally recognized Indian Tribe or a consortium of such Indian Tribes, a transit agency, and a multi-State or multijurisdictional group of entities that are separately eligible.

2022 RAISE awards in California ranged from $1.6 to $25 million. Deadline for 2023 applications was February 28, 2023.

Table 6 provides a high-level overview key characteristics for the grant programs identified with particular relevance to this RSP.

The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ from those expressed in this analysis.

Table 6: Overview of Grants with Particular Relevance to this RSP

Tool	Estimated Funding Capacity	Estimated Timing of Funding	Process for Implementation
A. LHTF	$500K to $1M+	Pre-construction (ideally shovel-ready)	Competitive application (state level)
B. IIG	$2 to $30 million	Pre-construction (ideally shovel-ready)	Competitive application (state level)
C. AHSC Grant	$12 to $30 million	Pre-construction (ideally shovel-ready)	Competitive application (state level)
D. ATP	$250K +	Pre-construction (ideally shovel-ready)	Competitive application (state level)
E. HSIP	$100K to $10 million	Pre-construction (ideally shovel-ready)	Competitive application (state level)
F. TIRCP	$1 to $50 million	Pre-construction (ideally shovel-ready)	Competitive application (state level)
G. Prop 68	$200K to $8.5 million +	Pre-construction (ideally shovel-ready)	Competitive application (state level)
H. EDA	$100K to $30 million	Pre-construction (ideally shovel-ready)	Competitive application (federal level)
I. RAISE	$1 to $250 million	Pre-construction (ideally shovel-ready)	Competitive application (federal level)

6.2 Zoning Incentive Programs

Beyond State density bonus law, several CVAG communities have local density bonus provisions and other incentives for developments that include affordability restrictions (e.g., Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, Rancho Mirage). Other jurisdictions across the state that expanded this approach to further take advantage of zoning and entitlements as "currency" to generate housing and community benefits.

Zoning changes that are needed for new development can provide significant economic benefits to property owners, who in some cases are not real estate developers. In these cases, prematurely up-zoning land can increase land values (i.e., increase the "for sale" price on the sign), and actually limit the possibility of development and housing affordability. In this Consultant team's experience, specific plans sometimes "give away" density with entitlements without linking density to projects that actually deliver community benefits and public amenities.

By reserving new housing density, or building height, or reduced parking, or reduced setbacks, or other incentives in a "reserve" bucket, such as a Development Opportunity Reserve (D.O.R.)™

mechanism, jurisdictions can allocation housing and related incentives to sites, while also retaining some control over new development. The reserve concept lets a community allocate density for specific projects that comply with a benefit agreement – ensuring projects come with amenities and other community benefits. A local example of this type of program is the Thermal Beach Club Community Benefit Program.

6.3 Public Finance Liquidity Strategies

At the time this RSP is being drafted, interest rates are at elevated levels. However, previous and likely future low interest rate environments present an opportunity to cities and counties to generate savings and create general fund resources for community reinvestment, such as with housing- and transit-supportive infrastructure.

Similar to a homeowner refinancing an outstanding mortgage, public agencies are able to avail themselves to refinancing structures can generate savings in the form of reduced debt payments, which can create capacity not only to increase reserve funding, but also to invest in the pursuit of housing and infrastructure programs that can reset a local economy, which can also feed into value capture mechanisms such as EIFD.

While refinancing outstanding debt to generate cost savings is not a new strategy for public agency by any means, this RSP merely encourages CVAG jurisdictions to consider strategic investment of cost savings and cash flow into housing and related infrastructure.

6.4 Monetization of Public Agency Assets

Similar to public financing liquidity strategies discussed in Section 6.3, monetization of public agency assets is a historically common approach for many communities. Just as they have been able to in the past, CVAG jurisdictions can use a variety of strategies to leverage the value of their properties, including:

- Performance-based leases / ground leases
- Monetizing assets operationally, such as with parking garages
- Selling property to the private sector for redevelopment into new uses, or sometimes including lease-back strategies, where public agency existing uses are continued under a lease agreement (i.e., public agency becomes a tenant).

In the past, if an agency wanted to sell publicly-owned property, it could offer directly via a developer request for qualifications and/or proposals (RFQ/P). Currently, on the other hand, the state Surplus Land Act (SLA) requires a process of cities and counties offering property to first to affordable housing developers before pursuing other opportunities. The process at a high level is as follows:

- Declare property “surplus” and provide notice to affordable housing developers;
- Notice must be circulated for 60 days;
- Affordable housing developer responds, City to negotiate in good faith – 90 days;
- If no responses to notice (or City / affordable housing developer do not reach agreement), City could proceed with other developer selection process;
- Site will likely have a 55-year restrictive covenant to require 15% of units in residential development be restricted for low-income households.

Within the context of this RSP, affordable housing development could be encouraged in the SLA process with the revenue tools outlined herein. If however, the SLA process did not reveal any responsive affordable housing developers for a surplus site, a CVAG community could still utilize the tools discussed in this RSP as a resource to assist the financial feasibility of a mixed-income or blended-use development project that met the resulting 15% inclusionary threshold.

In any case, the sale proceeds or lease revenues to the public agency resulting from such a transaction would generate resources available to CVAG jurisdictions to pursue housing and related infrastructure investment.

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7.0 Implementation Plan for CVAG Communities

This section is intended to outline how all the singular components of the RSP (letters (a) through (d) above) come together in a realistically implementable manner with suggested targeted timing and immediate next steps.

At a high level, this RSP suggests the following key steps for facilitating the production of housing and related infrastructure at the CVAG regional level with dedicated, sustainable revenues:

1. **Establish ongoing, sustainable revenue with TIF/EIFD**: Each willing jurisdiction with property tax revenue receipts would determine the most appropriate TIF district / EIFD boundaries within its jurisdiction, ideally encapsulating areas of significant future development potential. Each participating jurisdiction would then identify its preferred level of allocation (e.g., 10%, 25%, 50%) of future, incremental property tax from within that district boundary to be dedicated to its EIFD for affordable housing and related infrastructure investment. The jurisdiction would identify its own list of highest priority housing and infrastructure projects within its jurisdiction to receive EIFD funding. Among that list of priorities, this RSP is further suggesting that each jurisdiction identify a subset of funding (e.g., 5% or 10% of its own EIFD revenues) that would be dedicated to a larger, common regional housing-focused trust fund, such as the existing Catalyst Fund administered by Lift to Rise.
2. **Regional project implementation via Community Land Trust, Housing Trust Fund, or Catalyst Fund**: With an ongoing, reliable, and sustainable revenue stream contributed by multiple, jurisdiction-level EIFDs, a singular housing-focused regional trust fund would be funded and empowered to implement housing and related infrastructure projects of communitywide and regional significance in a number of ways, including in the form of acquisition funding, gap financing for affordable housing capital stacks, infrastructure financing, and local funding to increase Low Income Housing Tax Credit (LIHTC) tie-breaker scores. Further, the fund's own ability to attract and leverage other funding sources, such as private sector and philanthropic contributions, grants, and State budget allocations would be significantly amplified. This RSP is additionally suggesting that, as opposed to endeavoring to establish one or more new regional land trusts or trust funds, CVAG jurisdictions instead leverage the existing infrastructure established by Lift to Rise's Catalyst Fund, an entity that has demonstrated success in recruiting and bundling funding from a variety of sources and currently funding predevelopment of numerous affordable housing projects. It is important to note that the work of the regional trust fund would be in addition to the more local housing and infrastructure investments that individual CVAG

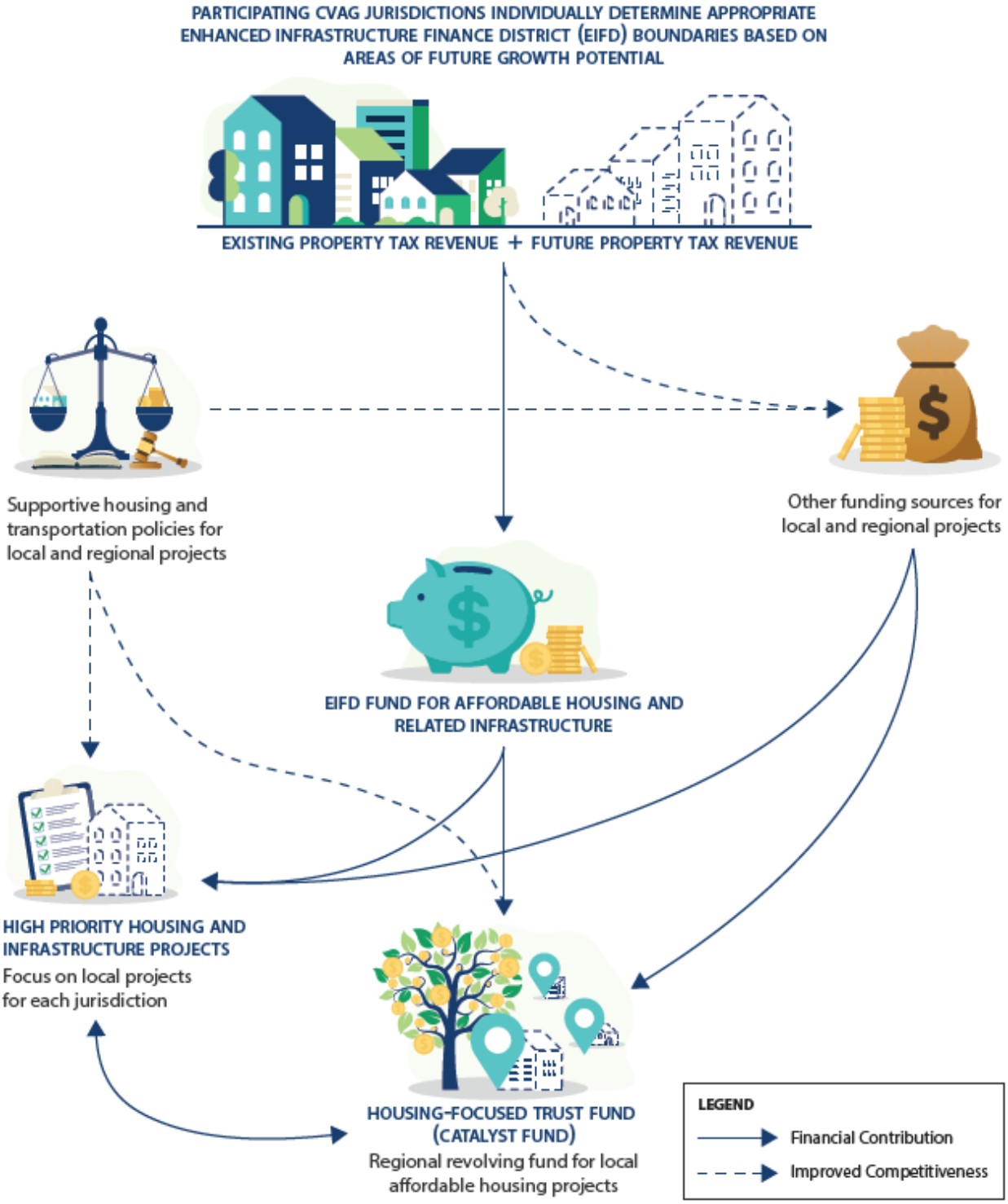
jurisdictions would be able to accomplish with the portion of the funding not allocated to the regional trust fund.

3. **Bolster the effectiveness of revenue tools with supportive housing and infrastructure policies**: The increased funding from sustainable EIFD revenues will go much further to produce housing and related infrastructure if jurisdictions are willing to adopt policies that reduce barriers for housing production and also increase the competitiveness of CVAG and its individual member jurisdictions for yet other opportunistic funding sources, such as state housing grants. Adoption of one-stop-shop permitting, prototype housing plans, and other examples listed in Section 5 can accelerate the producing of housing while also increasing a jurisdiction's competitiveness for the HCD Prohousing Designation Program. Jurisdictions that achieve this designation explicitly receive additional points and other preference in the scoring of State housing, community development, and infrastructure programs, such as the highly competitive IIG and AHSC grant programs.
4. **Improve the funding stack with complementary sources**: To take full advantage of dedicated, sustainable EIFD funding, an established implementation tool like the Catalyst Fund, and any supportive policies that each jurisdiction may be willing to adopt, the RSP further suggests that jurisdictions additionally pursue complementary funding, such as grants and other opportunistic funding sources. State housing grants like those suggested above (IIG and AHSC) deserve consideration, as do other grants such as state transportation, climate resilience, and open space grants, and federal transportation and economic development grants. Additional potential sources that may be available to individual jurisdictions on a case-by-case basis include community benefit contributions by private sector developers in exchange for incentives such as increased density, public finance liquidity strategies (e.g., refinancing outstanding debt at a lower interest rates), or monetization of publicly owned assets through sales or ground leases.[8] While all such complementary sources would typically make sense for jurisdictions to pursue with or without the other elements of the RSP, the RSP encourages jurisdictions to take advantage of the higher priority for such sources gained by pursuing the other RSP elements. Equivalently, the effectiveness of the other elements of the RSP, particularly EIFDs and regional trust funds, benefit in turn from such complementary funding sources.

Exhibit 8 provides a graphical representation of the RSP in action. The following paragraphs within this section provide greater detail on the administrative steps and estimated timing for RSP implementation. Ultimately, each CVAG member jurisdiction would have flexibility on which components (if any) it implements, and the timing and priority assigned to each RSP element.

[8] As Tribes do not typically receive property tax allocations, revenues from sale or lease of properties may be a more feasible mechanism for Tribe participation in the regional trust fund component of this RSP.

Exhibit 8: Illustration of RSP Implementation in Action



7.1 TIF District / EIFD Formation

Table 7 provides an illustrative schedule of EIFD formation milestones.

Table 7: Illustrative EIFD Formation Milestone Schedule

Target Date	Task
Q3-Q4 2023	a) Conduct outreach / discussion among individual CVAG jurisdiction staff and elected officials
Q1 2024	b) Final determination of EIFD boundaries, tax increment allocations, targeted projects, governing Public Financing Authority (PFA) Board composition
Q1 2024	c) Participating taxing agencies adopt Resolution(s) of Intention (ROI) to form one or more EIFDs and establish the PFA Board(s)
Q1-Q2 2024	d) Infrastructure Financing Plan (IFP) documentation is prepared
Q2 2024	e) Distribute draft IFP documentation to property owners, affected taxing entities, elected bodies, planning commission(s) with corresponding project-related CEQA documentation
Q2 2024	f) PFA holds an initial public meeting to present draft IFP to the public and property owners
Q3 2024	g) PFA holds first of three public hearings to hear written and oral comments but take no action (noticing must occur at least 30 days after "f")
Q3 2024	h) PFA holds second public hearing to hear additional comments and take action to modify or reject IFP (at least 30 days after "g")
Q3-Q4 2024	i) Elected bodies of participating taxing entities contributing increment adopt resolution(s) approving IFP documentation
Q4 2024	j) PFA holds third public hearing to consider oral and written protests and take action to terminate proceedings or adopt IFP by resolution (at least 30 days after "h")

Timing is an important consideration. Formation of an EIFD would ideally occur prior to significant new development being completed and assessed for property value and property tax purposes, so that the value could indeed be "captured" by the EIFD, creating near-term funding capacity to fund targeted infrastructure and public improvement projects. Based on jurisdiction-specific outreach conducted as part of this RSP, the following areas of potential growth may be worth further exploring:

1. Unincorporated communities: Oasis, Thermal, Mecca, Thousand Palms, North Shore
2. City of Coachella: Potential rail station area (Zona Central), KPC, La Entrada, Vista del Agua
3. City of La Quinta: Southern La Quinta, Coral Mountain area

4. City of Desert Hot Springs: Various utility expansion areas, southeastern highway commercial areas
5. City of Cathedral City: North City and North City Extended Plan areas

As discussed in Section 3, CVAG jurisdictions would have the option to pursue EIFD implementation separately, or together in a multi-jurisdictional partnership (if at all). Each option has advantages and disadvantages as outlined in Table 8.

Table 8: Alternative EIFD Implementation Approaches

Implementation Approach	Advantages	Disadvantages
A) As individual Jurisdictions	• Ease of administration (e.g., coordinating governing PFA hearings, mailing notices to property owners and residents within the district) • More transparent nexus between funding generated within a community and improvements paid for to benefit that jurisdiction	• Less overall funding and financing flexibility and efficiency (e.g., ability to utilize revenues generated in one area to pay for improvements in another area, fixed costs of future debt issuance could be spread across multiple jurisdictions) • Potential lower feasibility to achieve County partnership and funding "match" in the EIFD
B) Multi-Agency Partnership	• More overall funding and financing flexibility and efficiency (e.g., ability to utilize revenues generated in one area to pay for improvements in another area, fixed costs of future debt issuance could be spread across jurisdictions) • Potential higher feasibility to achieve County partnership and funding "match" in the EIFD	• More difficult administration (e.g., coordinating governing PFA hearings, mailing notices to property owners and residents within the district) • Less transparent nexus between funding generated within a community and improvements paid for to benefit that jurisdiction

7.2 Potential EIFD Debt Issuance Approaches

As stated in Section 3, for any CVAG jurisdiction that participated in an EIFD, it would be expected to have the majority of EIFD funding available for local projects outside of any contribution to a regional trust fund. These revenues could be pledged as a reimbursement mechanism for a private sector or nonprofit advance of funds, leverage for a debt issuance, used as a local match for grant funding, or utilized otherwise on a pay-as-you-go basis as dollars become available.

As it pertains to potential debt issuance, for EIFDs that have already been formed in California, underwriters of municipal securities have proposed several approaches for the leverage of tax increment for debt issuances, for example:

a) Leverage of tax increment only, without any additional general fund pledge or land security;

b) Overlapping EIFD and Community Facilities District ("CFD") – Owners/developers in the EIFD must be willing to pay CFD special taxes in the short term (e.g., 5-10 years) until tax increment reaches a level to cover debt service;

c) Tax increment with City or County general fund backstop (i.e., utilizing public agency credit, revenues, and/or assets to improve access to capital, at the expense of greater general fund risk exposure).

There are advantages and disadvantages with each approach (e.g., upfront proceeds available, public agency risk, cost of capital), and any potential TIF/CFD debt structuring would necessitate close collaboration with City and/or County finance staff and advisors.

As with most special district financings, the process for an EIFD to issue debt (if debt is issued at all) is a separate undertaking, comprised of several major steps, which may vary based on specific financing structure:

1. Assemble financing team (e.g., municipal advisor, bond counsel, underwriter);
2. Identify financing structure, key terms, gather information for credit package;
3. Prepare bond documents, authorizing resolutions, other documents as appropriate (e.g., certifications, preliminary official statement – documentation may vary based on structure);
4. PFA Board adopts resolution approving bond documents, bond purchase contract, official statement, continuing disclosure agreements, etc.;
5. Bond sale (negotiate pricing, finalize terms and official statement);
6. Bond closing (agreements executed and delivered, bond proceeds wired to PFA for projects, bonds released to purchaser(s).

It is estimated that the timing for such a debt issuance would be in the range of six (6) to nine (9) months.

7.3 Integration of EIFD and a Regional Trust Fund

While the legislative intent of EIFDs and the practical effectiveness of regional trust funds such as the Catalyst Fund are extremely well-aligned, the proposed approach has not fully been tested in California yet. However, this RSP reflects the Consultant team's extensive experience implementing EIFDs across the State, implementation of regional housing trust funds across the State (separate from EIFDs), and the team's direct discussion with current Catalyst Fund administrators.

EIFDs have already been made to conform to the rules of other structures in the realm of economic development and public finance, such as in development agreements, tax increment allocation debt issuances, lease revenue debt issuances, and other mechanisms. Similar to what has been done in these other structures, it is anticipated that integration of EIFD and a regional trust fund would necessitate careful revenue tracking and accounting in order to ensure conformance with state EIFD law.

As one example, if a trust fund were to consider funding ongoing operations of a homeless shelter, EIFD revenues would likely need to be segregated in a separate fund of the trust not to be used for such purposes, as EIFD revenues are not authorized for operational expenses (only for capital and maintenance expenditures).

There are most likely additional legal and accounting issues that could arise if and when implementation of this RSP actually moves forward. This Consultant team could envision legal counsel becoming involved in issues such as the potential limitation of EIFD revenues being used in a revolving loan manner (i.e., fund get paid back by a borrower for a project, then redeployed for another project), as opposed to direct injection into projects, similar to disbursement of grant funds.

While all the details of potential EIFD / trust fund agreement documentation are not yet fully identified, this RSP reflects the Consultant team's real-world acknowledgement of the momentum of state and local policy guidance. State law and the Prohousing Designation program are explicitly encouraging the set of tools that this RSP is emphasizing. State and federal grant dollars are being prioritized for communities that are specifically implementing these tools.

If State and local governments are to have a chance at adequately addressing statewide housing and infrastructure objectives, the convergence of these tools is not only advantageous and synergistic, but also inevitable. The CVAG region has the unique potential of raising the standard and setting the bar against which other regions will be measured.

7.4 Immediate Potential Next Steps

Following adoption of this RSP by the CVAG Executive Committee, it is expected that each individual CVAG jurisdiction would need to further carefully consider the elements of the plan in light of jurisdiction-specific conditions, constraints, and objectives. As stated several times, this RSP is intended to facilitate and bring together the general plans and housing plans of each CVAG member jurisdiction with a focus on workforce and affordable housing, while maintaining each jurisdiction's ability to customize its level and format of participation in RSP implementation.

A first step for each jurisdiction could be to prioritize the tools that are feasible and acceptable to each community. Based on such prioritization, a "business plan" could be prepared for each component, stipulating the strategic parameters that would be applied (e.g., district boundaries, district duration, revenue allocation percentages), potential partners to be engaged (e.g., trust fund partners, County, specific grant providers, housing developers), and the specific housing- and transit-supportive infrastructure projects to be targeted for funding.

Finally, if/when ready for implementation, the first administrative action to be taken by each jurisdiction for tools such as EIFDs would likely be a non-binding resolution of intention (ROI). In parallel, Memorandum of Understanding (MOU) documentation could be drafted and standardized to outline the terms of the mechanics and interactions of EIFDs and trust funds.

If there is support among the individual jurisdictions, an organization such as CVAG could continue to play a key role in intergovernmental and cross-sector coordination, as well as potential technical advisory.

As with most local and regional economic development initiatives that also address state policy objectives such as housing and infrastructure, it is expected that additional funding resources would be available to assist CVAG jurisdictions that wished to pursue the RSP in some form, such as HCD/SCAG Regional Early Action Plan 2.0 (REAP 2.0) and the Integrated Climate Adaptation and Resiliency Program (ICARP) Adaptation Planning Grant Program (APGP).

8.0 Appendices

Appendix A: TIF District Comparison Matrix
Appendix B: Case Study Analysis – City of Coachella
Appendix C: Case Study Analysis – City of Desert Hot Springs
Appendix D: Summary of Community Engagement and Meeting Summaries
Appendix E: Summary of Existing Tools Within the CVAG Region and Elsewhere (April 2022)
Appendix F: Summary of Potential Revenue Tools and Supporting Policies (September 2022)

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Comparison of Tax Increment Financing (TIF) Mechanisms
March 2023

	Enhanced Infrastructure Financing District (EIFD)	Community Revitalization & Investment Authority (CRIA)	Infrastructure & Revitalization Financing District (IRFD)	Climate Resilience District (CRD)
1) Authorizing Legislation	• **SB 628 (2014)** – enabling legislation revamping IFD to EIFD • **AB 313 (2015)** – clarified role of PFA, other clean ups • **AB 733 (2017)** – added climate change adaptation and public health projects • **AB 1568 (2017)** – created NIFTI; sales tax inclusion for EIFD encompassing entire city/county boundary • **SB 961 (2018)** – created NIFTI-2, similar to NIFTI • **SB 1145 (2018)** – added funding of infrastructure maintenance costs • **AB 116 (2019)** – removed public vote for bond issuance; added 3 public hearings and majority protest at formation • **AB 464 (2021)** – added facilities utilized by small business and non-profits • **SB 780 (2021)** – administrative enhancements, clarifications for	• **AB 2 (2015)** – established CRIA • **AB 2492 (2016)** – added flexibility to qualification metrics • **SB 780 (2021)** – administrative enhancements, clarifications for amendments, further flexibility on qualification metrics, ability to designate project areas within CRIA, revises 10-year protest clause to 15-year revisit for future activities	• **AB 229 (2014)** – established IRFD	• **SB 852 (2022)** – established CRD, based on EIFD law

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Comparison of Tax Increment Financing (TIF) Mechanisms
March 2023

	Enhanced Infrastructure Financing District (EIFD)	Community Revitalization & Investment Authority (CRIA)	Infrastructure & Revitalization Financing District (IRFD)	Climate Resilience District (CRD)
	amendments, ability to designate project areas within EIFD			
2) Eligibility	• **Taxing Entities** – any local taxing entity except schools / education entities • No geographic qualification required	• **Taxing Entities** – any local taxing entity except schools / education entities • **Geographic Criteria** – 70% of property must be (1) <80% area median income; and (2) three of four conditions related to high unemployment, crime rates, deteriorated or inadequate infrastructure/commercial/residential structures; alternatively if census tracts are Disadvantaged Community (DAC) census tracts; former military bases; sites identified in City/County housing element inventory of sites suitable for residential development	• **Taxing Entities** – any local taxing entity except schools / education entities • No geographic qualification required	• **Taxing Entities** – any local taxing entity except schools / education entities • No geographic qualification required
3) Governance	• **Oversight** – separate Public Financing Authority (elected officials of forming entities + community members) • **Documentation** – Infrastructure Financing Plan • **Land Assembly Powers** – no eminent domain authority, but can acquire property for eligible	• **Oversight** – separate governing board (CRIA Board) • **Documentation** – Revitalization Investment Plan • **Land Assembly Powers** – eminent domain for first 12 years, can acquire and dispose of property for economic development purposes	• **Oversight** – sponsoring community legislative body (e.g., City Council or County Board of Supervisors) • **Documentation** – Infrastructure Financing Plan • **Land Assembly Powers** – no eminent domain authority, but can acquire property for	• **Oversight** – separate Public Financing Authority (elected officials of forming entities + community members) • **Documentation** – Infrastructure Financing Plan • **Land Assembly Powers** – no eminent domain authority, but can acquire property for eligible

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Comparison of Tax Increment Financing (TIF) Mechanisms
March 2023

	Enhanced Infrastructure Financing District (EIFD)	Community Revitalization & Investment Authority (CRIA)	Infrastructure & Revitalization Financing District (IRFD)	Climate Resilience District (CRD)
	uses such as parks and other infrastructure		eligible uses such as parks and other infrastructure	uses such as parks and other infrastructure
4) Approvals and Formation Process	• **Voter Approval** – no, but incudes majority protest opportunity • **Public Hearings** – 3 public hearings required at least 30 days apart • **Debt Issuance** – no election	• **Voter Approval** – no, but incudes majority protest opportunity • **Public Hearings** – 3 public hearings required at least 30 days apart; public hearing every 15 years on plan amendments • **Debt Issuance** – no election	• **Voter Approval** – yes, 2/3 of voters or landowners • **Public Hearings** – 1 public hearing required at least 60 days after distributing Infrastructure Financing Plan • **Debt Issuance** – 2/3 of voters or landowners	• **Voter Approval** – no, but incudes majority protest opportunity • **Public Hearings** – 3 public hearings required at least 30 days apart • **Debt Issuance** – no election
5) Primary Revenues Available	• Property tax increment • Property tax in lieu of Motor Vehicle License Fees (MVLF) • Redevelopment Property Tax Trust Fund (RPTTF) residential revenues	• Property tax increment • Property tax in lieu of Motor Vehicle License Fees (MVLF) • Redevelopment Property Tax Trust Fund (RPTTF) residential revenues	• Property tax increment • Redevelopment Property Tax Trust Fund (RPTTF) residential revenues	• Property tax increment • Property tax in lieu of Motor Vehicle License Fees (MVLF) • Redevelopment Property Tax Trust Fund (RPTTF) residential revenues • May levy additional benefit assessment or special tax (similar to CFD)
6) Use of Funds	• **Eligible Activities** – Any property with useful life of 15+ years & of communitywide significance; purchase, construction, expansion, improvement, seismic retrofit, rehabilitation, and maintenance	• **Eligible Activities** –infrastructure, affordable housing, remediation, property acquisition/transfer, issue bonds, make loans or grants • **Projects Outside Boundaries** – No	• **Eligible Activities** – Any property with useful life of 15+ years & of communitywide significance; purchase, construction, expansion, improvement, seismic retrofit,	• **Eligible Activities** – capital projects designed and implemented to address climate change mitigation, adaptation, or resilien2ce; operations and maintenance

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Comparison of Tax Increment Financing (TIF) Mechanisms
March 2023

	Enhanced Infrastructure Financing District (EIFD)	Community Revitalization & Investment Authority (CRIA)	Infrastructure & Revitalization Financing District (IRFD)	Climate Resilience District (CRD)
	• **Projects Outside Boundaries** – Yes if "tangible connection" to District	•	rehabilitation, and maintenance **Projects Outside Boundaries** – yes if "tangible connection" to District	• **Projects Outside Boundaries** – Yes if "tangible connection" to District
7) Affordable Housing	• 100% of units constructed or rehabilitated by District units must be affordable • Housing replacement obligations for any units displaced	• 25% of funds must be used for affordable housing • 30% of units constructed or rehabilitated by CRIA must be low/mod, and 50% very low • 15% of units constructed or rehabilitated by other entity within CRIA must be low/mod, and 40% of which at very low	• 20% of units constructed or rehabilitated by District units must be low/mod	• Not eligible
8) Time Limits and Reporting	• **Time Limits** – terminates 45 years after first debt issuance approval • **Reporting** – annual report and annual independent financial audit	• **Time Limits** – 30 years to issue debt; 45 years to repay debt; 45 years to complete activities • **Reporting** – annual report and annual independent financial audit	• **Time Limits** – terminates 40 years after adoption or later date if specified by ordinance, 30 years to repay debt • **Reporting** – annual report	• **Time Limits** – terminates 45 years after first debt issuance approval • **Reporting** – annual report and annual independent financial audit

CVAG REAP Revenue Study
Regional Strategic Plan (RSP)
City of Coachella Case Study Analysis

May 2023

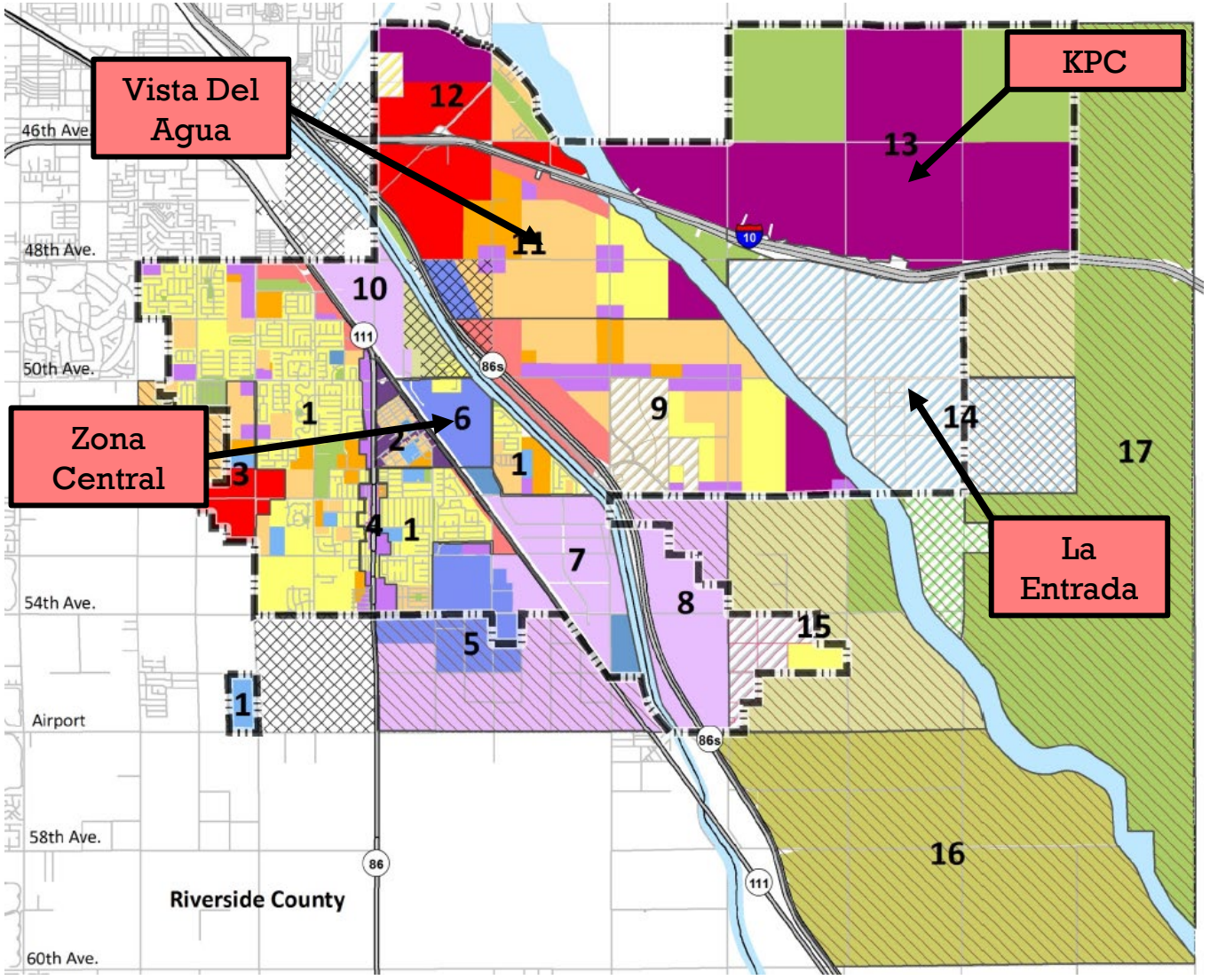
Prepared by:
Kosmont Companies

CVAG

arellano associates

Example of Potential Financing District Areas

- Areas with significant growth and value capture potential:
  - Zona Central
  - La Entrada Specific Plan
  - KPC Coachella Specific Plan
  - Vista del Agua Specific Plan



Source: City of Coachella Planning Department

Property Tax Revenues Available to an Enhanced Infrastructure Financing District (EIFD)

- Primary potential participants are **City of Coachella** and **County of Riverside**
- City receives approx. **3%** of every $1 collected in property taxes within the EIFD Study Area
  - City additionally receives equivalent of approx. **24%** of property tax in lieu of MVLF, also available to EIFD
- County receives approx. **10%** of every $1
- School-related entities cannot participate

	2021-22
Basic City and County Levy	
County General	0.103065
County Free Library	0.013314
City of Coachella Anx	0.031011
Coachella Valley Unified	0.432209
Desert Community College	0.069757
RIV. CO. Office of Education	0.037951
RIV CO Reg Papr & Open Space	0.002544
Coachella Valley Pub Cemetery	0.002131
Coachella Fire Protection District	0.036493
CV Mosq & Vector Control	0.009059
Coachella Valley Rec & Park	0.010968
Coachella Valley CO Water	0.025363
Coachella Valley Res Concer	0.000325
CVC Wtr Imp Dist 1 Devt Srvc	0.011835
Coach Valley CO Wtr Sorm Water Unit	0.032107
ERAF	0.181867
TOTAL	1.000000

Source: City of Coachella Annual Comprehensive Financial Report (2022)

Example Future Development Assumptions
Absorption Assumed over 20 Years

Assumed Future Development within District Boundaries	# SF or Units	Estimated Assessed Value (AV) Factor	Estimated Total AV at Buildout
75% of City 6th Cycle (2021-2029) RHNA Allocation for Market-Rate Residential	3,365 units	$400,000 per unit	$1.346 billion
Affordable units assumed as property tax-exempt			
Not including supportive commercial / retail / industrial			
Total New Development Assumed within EIFD Study Area			**$1.346 billion**

Note: Intentionally assuming 2021-2029 (8-year) allocations to be absorbed over 20 years to be conservative. Total above-moderate income allocation is 4,487 units.
AV at buildout values in current 2023 dollars.
Source: SCAG 6th Cycle Final RHNA Allocations

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Illustrative Revenue and Bonding Capacity Scenarios

EIFD Revenue Allocation Scenario	Year 5 Accumulated Revenue + Bonding Capacity*	Year 10 Accumulated Revenue + Bonding Capacity*	50-Year Present Value @ 3%	50-Year Nominal Total
A) City 25%	$2,098,000	$6,685,000	$28,095,000	$69,388,000
B) City 50%	$4,842,000	$14,016,000	$56,189,000	$138,777,000
C) City 25% + County 25%	$3,152,000	$9,500,000	$38,882,000	$96,032,000
D) City 50% + County 50%	$6,949,000	$19,645,000	$77,765,000	$192,064,000

Consistent with Regional Strategic Plan recommendations, an example 10% dedication of above scenarios to Regional Trust Fund amount to ~$2.8M to $7.8M over 50 years (present-value basis)

City allocation includes allocation from AB8 property tax and property tax in lieu of MVLF, County allocation includes AB8 property tax but not property tax in lieu of MVLF

** Bonding capacity assumes Year 5 is first bond issuance for EIFD. "Year 5 means fifth year of revenue following district formation. Net proceeds shown. Bondable revenue assumes $25,000 admin charge, 150% debt service coverage. 6.5% interest rate; 30-year term. Proceeds net of 2% underwriter's discount, estimated reserve fund (maximum annual debt service), costs of issuance estimated at $350,000.*

Source: Kosmont Financial Services (KFS), registered municipal advisor

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Sample Potential Projects for EIFD Funding

a) Utility capacity enhancements (water, sewer, storm drain, flood control)

b) Roadway improvements

c) Parks and open space, other public amenities

d) Libraries

e) Affordable housing, and other housing supportive infrastructure

f) Allocation to Regional Housing Trust Fund

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CVAG REAP Revenue Study
Regional Strategic Plan (RSP)
City of Desert Hot Springs Case Study Analysis

May 2023

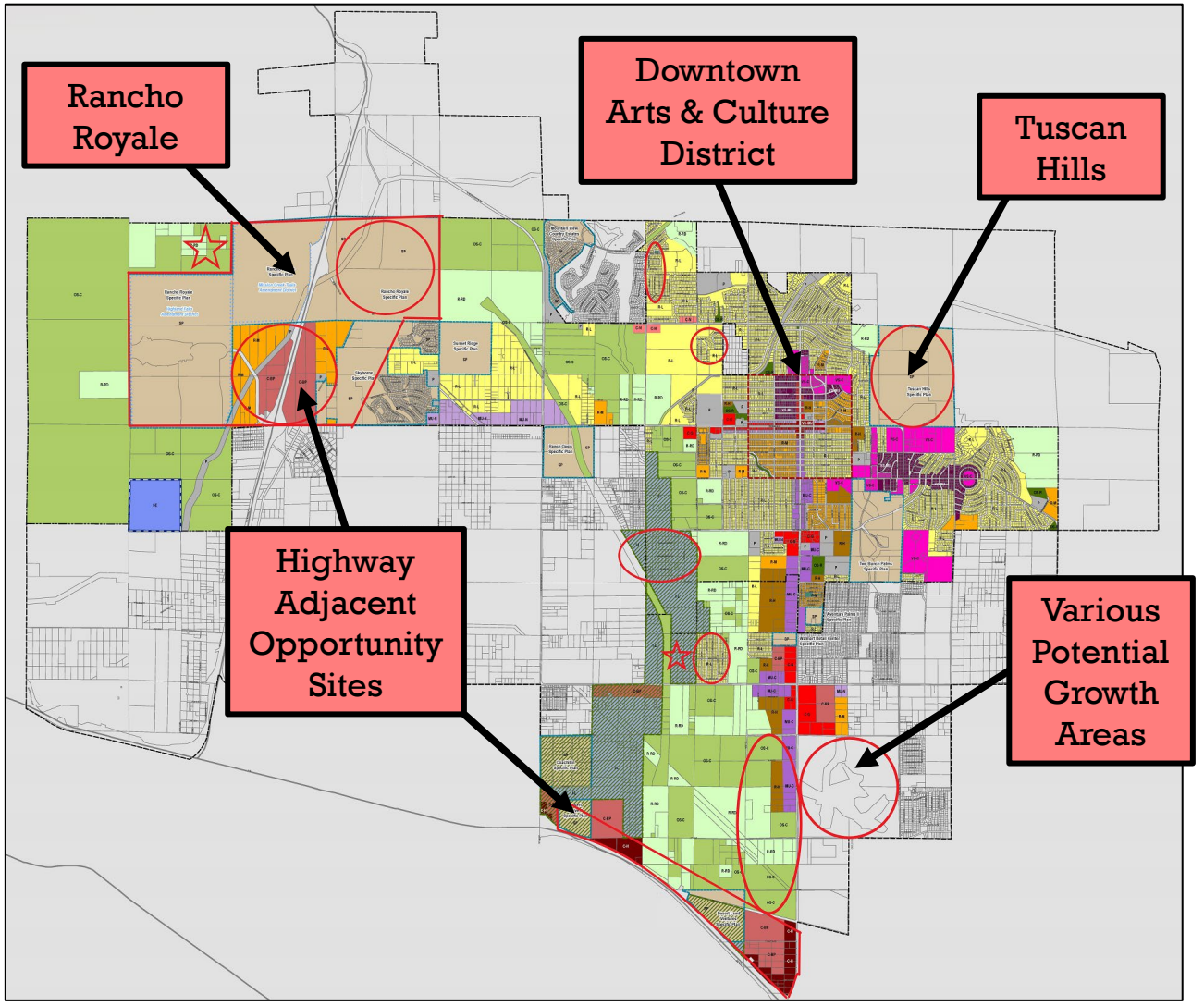
Prepared by:
Kosmont Companies

CVAG

arellano associates

Example of Potential Financing District Areas

- Areas with significant growth and value capture potential:
  - Various specific plan areas (Rancho Royale, Tuscan Hills)
  - Highway adjacent opportunity sites and other potential growth areas
  - Downtown Arts & Culture District



Source: City of Desert Hot Springs Planning Department

Property Tax Revenues Available to an Enhanced Infrastructure Financing District (EIFD)

- Primary potential participants are **City of Desert Hot Springs** and **County of Riverside**
- City receives approx. **10-13%** of every $1 collected in property taxes within the EIFD Study Area
  - City additionally receives equivalent of approx. **12%** of property tax in lieu of MVLF, also available to EIFD
- County receives approx. **10-13%** of every $1 (not including County Fire)
- School-related entities <u>cannot</u> participate

TAG: 014-000 DESERT HOT SPRINGS

Tax Authority	Post-ERAF
01-1001 GENERAL FUND	0.1304889696
01-1121 COUNTY FREE LIBRARY	0.0133159602
01-1123 COUNTY STRUCTURE FIRE PROTECTION	0.0544338401
02-2321 CITY OF DESERT HOT SPRINGS	0.1264668251
03-5101 PALM SPRINGS UNIFIED SCHOOL	0.2444320000
03-9001 DESERT COMMUNITY COLLEGE	0.0697687900
03-9896 RIV. CO. OFFICE OF EDUCATION	0.0379578000
04-1110 RIV CO REGIONAL PARK & OPEN SP	0.0032208889
04-1351 FLOOD CONTROL ADMIN	0.0021782628
04-1366 FLOOD CONTROL ZN 6	0.0339384904
04-4031 PALM SPRINGS PUBLIC CEMETERY	0.0008696880
04-4365 DESERT HOSPITAL	0.0185093800
04-4555 CV MOSQUITO & VECTOR CONTROL	0.0090608953
04-4821 CV WATER DISTRICT STATE WTR PROJ	0.0253669500
04-5121 DESERT WATER AGENCY	0.0094038998
28-4705 COACHELLA VALLEY RESOURCE CONSER	0.0003252200
88-7109 ERAF Fund	0.2202621398
TOTAL:	1.0000000000

Source: County of Riverside Auditor-Controller's Office (2023)

Example Future Development Assumptions
Absorption Assumed over 20 Years

Assumed Future Development within District Boundaries	# SF or Units	Estimated Assessed Value (AV) Factor	Estimated Total AV at Buildout
100% of City 6th Cycle (2021-2029) RHNA Allocation for Market-Rate Residential	2,081 units	$400,000 per unit	$832 million
Affordable units assumed as property tax-exempt			
Not including supportive commercial / retail / industrial			
Total New Development Assumed within EIFD Study Area			**$832 million**

Note: Intentionally assuming 2021-2029 (8-year) allocations to be absorbed over 20 years to be conservative. Total above-moderate income allocation is 2,081 units.
AV at buildout values in current 2023 dollars.
Source: SCAG 6th Cycle Final RHNA Allocations

kosmont companies

Illustrative Revenue and Bonding Capacity Scenarios

EIFD Revenue Allocation Scenario	Year 5 Accumulated Revenue + Bonding Capacity*	Year 10 Accumulated Revenue + Bonding Capacity*	50-Year Present Value @ 3%	50-Year Nominal Total
A) City 25%	$922,000	$3,542,000	$16,046,000	$39,629,000
B) City 50%	$2,489,000	$7,728,000	$32,091,000	$79,259,000
C) City 25% + County 25%	$1,747,000	$5,746,000	$24,492,000	$60,491,000
D) City 50% + County 50%	$4,138,000	$12,136,000	$48,985,000	$120,982,000

Consistent with Regional Strategic Plan recommendations, an example 10% dedication of above scenarios to Regional Trust Fund amount to ~$1.6M to $4.9M over 50 years (present-value basis)

City allocation includes allocation from AB8 property tax and property tax in lieu of MVLF, County allocation includes AB8 property tax but not property tax in lieu of MVLF

** Bonding capacity assumes Year 5 is first bond issuance for EIFD. "Year 5 means fifth year of revenue following district formation. Net proceeds shown. Bondable revenue assumes $25,000 admin charge, 150% debt service coverage. 6.5% interest rate; 30-year term. Proceeds net of 2% underwriter's discount, estimated reserve fund (maximum annual debt service), costs of issuance estimated at $350,000.*

Source: Kosmont Financial Services (KFS), registered municipal advisor

kosmont companies

Complementary Funding Sources

- City staff is currently targeting various sources of complementary funding that would be well-aligned with implementation of this Regional Strategic Plan:
  - State Housing and Community Development (HCD) Department grants (e.g., Infill Infrastructure Grant ~$2-30M, Affordable Housing and Sustainable Communities Grant ~$12-30M)
  - Potential revenue-generating programs (e.g., mountain bike parks)

Source: Discussions with City Planning staff

Sample Potential Projects for EIFD Funding

a) Utility capacity enhancements (water, sewer, storm drain, flood control)

b) Sunline Bus Transit hub

c) Arts and Culture improvements (e.g., Art in Public Places)

d) Roadway improvements

e) Parks and open space, other public amenities

f) Libraries

g) Affordable housing, and other housing supportive infrastructure

h) Allocation to Regional Housing Trust Fund

Source: Discussions with City Planning and Economic Development staff

CVAG Housing and Revenue Infrastructure Study
Summary of Community Engagement

The Reginal Strategic Plan has been prepared on the foundation of previous guidance from the CVAG Transportation, Homelessness, and Executive Committees prior to August 2021, and critically informed by community engagement directly related to this RSP, including the following activities:

- **November 17, 2021**: CVAG Homelessness Committee – Committee provided guidance to CVAG staff for what types of revenue tools on which the Consultants should focus effort (e.g., no new or increased taxes), prior to Consultants initiating work in January 2022.
- **April 20, 2022**: CVAG Homelessness Committee – Consultants provided a summary of existing revenue tools and housing policies in use within the CVAG and elsewhere, the proposed Community Engagement Plan moving forward, and preliminary thoughts on which revenue tools would be evaluated further quantitatively as the primary source of ongoing, sustainable revenue (TIF/EIFD). The Committee asked questions and provided critical feedback and direction.
- **June 22, 2022**: Community Meeting #1 – Similar in content to the April 20 CVAG Homelessness Committee presentation, the Consultants provided a summary of existing tools and policies, the proposed Engagement Plan, and preliminary suggestions on revenue tools to be further evaluated. Stakeholders asked questions and provided helpful feedback. Additionally, stakeholders responded to several poll questions regarding their respective levels of familiarity with various tools, to what extent they had previously evaluated such tools, their interest in specific tools being further evaluated by the Consultants, and other topics (see Community Meeting #1 Meeting Summary on following pages for additional detail).
- **September 21, 2022**: CVAG Homelessness Committee – Consultants presented an overview of the key components that would eventually comprise the RSP. The presentation included draft findings from quantitative analysis of various scenarios of TIF/EIFD implementation, grants and other complementary funding sources with highest potential viability, potential supportive housing policies with greatest relevance to and potential acceptance by CVAG jurisdictions, and the implementation toolkit, including Trust Funds, Land Trusts, and Catalyst Funds. Feedback from Community Meeting #1 was also shared. The Committee asked questions, expressed general concurrence with the primary components of the RSP, and provided guidance for further study.
- **October 13, 2022**: Community Meeting #2 – Consultants presented similar content to the September 21 Homelessness Committee presentation. Given that attendance included many planning and other department staff from CVAG member jurisdictions, the Consultants provided greater detail and example scenario analysis and asked stakeholders about any previous experience with these specific tools (e.g., successes, lessons learned, reasons for not pursuing further). Stakeholders asked questions and provided perspective for further evaluation (see Appendix D: Community Meeting Summaries). The Consultants additionally let stakeholders know that Consultants were willing to meet with city, county, and tribe staff on an individual, jurisdiction-specific basis in the coming months to provide dedicated briefings and solicit “real

life", local input on how RSP tools could work in each jurisdiction (see Community Meeting #2 Meeting Summary on following pages for additional detail).

- **December 2022 – April 2023**: Individual jurisdiction briefings – Consultants met individually with city, county, and tribe staff and other stakeholders (e.g., local Housing Collaborative Action Network, or "CAN") who expressed interest in dedicated briefings. Consultants and staff discussed how TIF/EIFD boundaries could be drawn in each jurisdiction to capture future potential development and rehabilitation, how and where dollars could be spent to catalyze housing production, and how each jurisdiction could balance local needs and projects with the greater CVAG regional needs and projects in the context of RSP implementation.
- **April 12, 2023**: Lift to Rise Housing Collaborative Action Network (CAN) – CVAG staff and consultants presented a high-level summary of the draft RSP for feedback and questions. Feedback was high-level and positive. Due to the absence of many typical Housing CAN participants, the CAN plans to convene a separate discussion of this specific topic to generate further discussion.
- **April 19, 2023**: CVAG Homelessness Committee – Consultants presented a draft of the full RSP for Committee feedback. Feedback from Community Meeting #2 and other stakeholder engagement was also shared. Feedback was positive overall, but several important points were emphasized by Committee members, including the need to balance funding capacity for housing and infrastructure on one hand with ongoing funding for "day-to-day" operations of each agency (e.g., public safety, community services) on other the hand. The Committee raised the point that the feasibility and incentive for regional collaboration on housing would be vastly increased if there was a regulatory way to "share" Regional Housing Needs Assessment (RHNA) credit for housing units funded by an agency outside of its own jurisdiction (a legislative advocacy item that CVAG may be in position to pursue). It was mentioned that funding for transportation infrastructure should be incorporated, such as support for the SunLine on-demand transportation program. An important practical clarification was additionally discussed, which is that some CVAG agencies may already be evaluating or implementing these financing districts independently, in which case it should be noted that only one EIFD can encumber any parcel of land within a jurisdiction. An agency may have multiple EIFDs within its jurisdiction, but these EIFDs must not overlap.
- **May 3, 2023**: Community Meeting #3 – Consultants presented similar content to the April 19 CVAG Homelessness Committee presentation. The Consultant team additionally walked through a hypothetical case study analysis to illustrate the key RSP elements in action. Stakeholders from local jurisdictions (e.g., City staff) and other community stakeholders asked clarifying questions and provided insightful feedback via written and oral comments, as well as quantitative responses to questions posed by the Consultant team via the interactive Mentimeter tool. Feedback was positive overall with varying objectives for the use of funding generated through the RSP components (e.g., affordable housing versus infrastructure), varying levels of perceived feasibility for utilization of the RSP for each agency represented (e.g., highly likely to implements versus

unlikely to implement), and diverse opinions on potential barriers for implementation (e.g., lack of capacity, political will). See Community Meeting #3 Meeting Summary on following pages for additional detail.

- **June 5, 2023 (planned)**: CVAG Executive Committee – Consultants will present the final draft of the RSP, subject to refinement based on Executive Committee feedback. Upon receipt by the Executive Committee, the RSP will be distributed to CVAG member agencies for further action.

CVAG Housing and Revenue Infrastructure Study – Community Workshop
Zoom Webinar
June 22, 2022, 11:00AM-12:30PM

Meeting Statistics	
Attendance	23 attendees
Q&A	4 Questions/Comments

Attendees			
#	Organization	Name	Title
Agency			
1	Agua Caliente Band of Cahuilla Indians	Dan Malcolm	Director of Planning
2	City of Desert Hot Springs	Melissa Purcell	Administrative Assistant
3	City of La Quinta	Gil Villalpando	City Manager
4	City of La Quinta	Doug Kinley	Management Analyst
5	City of Palm Desert	Celina Cabrera	Management Analyst
6	City of Palm Desert	Jessica Gonzales	Senior Management Analyst
7	City of Palm Springs	Flinn Fagg	Director of Planning Services
8	City of Palm Springs	David Newell	Assistant Director of Planning
9	City of Palm Springs	Grace Garner	Councilmember District 1
10	City of Rancho Mirage	Ben Torres	Planning Manager
11	City of Rancho Mirage	Marcus Aleman	Housing Manager
Other Organizations			
12	California State University San Bernardino - Palm Desert Campus	Diane Vines	Executive Director
13	Coachella Valley Rescue Mission	Darla Burkett	Eastern Coachella Valley Lead Community Organizer
14	Communities for New California Education Fund	Anna Vargas	SoCal Regional Director
15	Community Housing Opportunities Corporation	Joy Silver	Chief Strategy Officer
16	Desert Sands Unified - Student Assistance Program; Safe Schools Desert Cities	Tori StJohns	Student Assistant Program Counselor
17	Leadership Counsel for Justice and Accountability	Omar Gastelum	Senior Implementation Manager
18	Lift to Rise	Agustin Arreola	Director of Data, Policy and Planning
19	Lift to Rise	Ian Gabriel	Deputy Market Director
20	Low Income Investment Fund	Kenny Rodgers	Executive Director
General Public/Unknown			
21	-	Dorian Whitney	-
22	-	Sandra Tolento	-
23	-	Sergio Duran	-

Poll Results

Question #1 Which type of organization do you primarily represent? (Single Choice)

City/County/Tribe/other agency	7/19(37%)
Developer/other private sector*	2/19 (11%)
Nonprofit/advocacy	8/19(42%)
General Stakeholder/resident	1/19 (5%)
Other	1/19 (5%)

*nonprofit real estate developers were tabulated in the developer category

Question #2 Which of the following potential revenue tools have you or your organization previously implemented/evaluated/researched? (Multiple Choice)

Impact Fees	10/16 (63%)
Inclusionary housing politics	8/16 (50%)
Housing and sustainability districts	4/16 (25%)
Housing-related grants	10/16 (63%)
Zoning incentives	9/16 (56%)
Housing linkage fees and in-lieu fees	5/16 (31%)
Community land Trusts	3/16 (19%)
Public finance/liquidity strategies	7/16 (43%)

Question #3 What topics are you most interested in learning about? (Single Choice)

Housing production	11/18 (61%)
Community enhancement/economic opportunities	6/18 (33%)
Traffic congestion and other roadway infrastructure	0/18 (0%)
Public transit and multimodal transportation	1/18 (6%)
Protection of natural resources	0/18 (0%)
Other?	0/18 (0%)

Question #4 Which of the following potential revenue tools are of most interest to you for further evaluation? (Please pick up to 3) (Multiple Choice)

Impact Fees	3/18 (17%)
Inclusionary housing policies	14/18 (78%)
Housing and sustainability districts	8/18 (44%)
Housing-related grants	10/18 (56%)
Zoning incentives	4/18 (22%)
Housing linkage fees and in-lieu fees	3/18 (17%)
Community land Trusts	5/18 (28%)
Public finance/liquidity strategies	7/18 (39%)

Q&A/Comments Received

Grace Garner – City of Palm Springs City Council

- It is good to see that there is 78% interest in inclusionary zoning. I am not sure what the breakdown is of participants across the valley, but inclusionary zoning will work best if the entire region is on board

Kenny Rodgers – Low Income Investment Fund

- With regards to Housing Linkage Fees, are there models where jurisdictions or districts levy fees on various industries? For instance, the Coachella Valley is notorious for a new hotel every month--is it possible to say if you are building a new hotel, you should also support housing therefore paying a fee?

Ian Gabriel – Lift to Rise

- In Kosmont's view, which tool(s) would work best to complement or augment initiatives already ongoing in the region (i.e. Lift to Rise Catalyst Fund, Housing CAN strategies)? I would encourage solutions to build off of momentum instead of starting from scratch

Joy Silver – Community Housing Opportunities Corporation

- Can you give an example of a successful inclusionary housing community?

CVAG Housing and Revenue Infrastructure Study – Community Meeting #2
Zoom Meeting
October 13, 2022, 11:00AM-12:30PM

Meeting Statistics	
Attendance	33 attendees
Q&A	15 Questions/Comments

Attendees			
#	Organization	Name	Title
	Agency		
1	Agua Caliente Band of Cahuilla Indians	Robert Tucker	Tax Director
2	Agua Caliente Band of Cahuilla Indians	Margaret Park	Chief Planning Officer
3	City of Coachella	Gabriel Perez	Development Services Director
4	City of Desert Hot Springs	Sean Smith	Economic Development Director
5	City of Indian Wells	Jamie Rodny	Housing Manager
6	City of La Quinta	Cheri Flores	Planning Manager
7	City of La Quinta	Jeremy Griffin	Management Specialist
8	City of La Quinta	Doug Kinley	Management Analyst
9	City of La Quinta	Reyna Camarena	Management Assistant
10	City of Palm Desert	Richard Cannone	Deputy Director, Development Services
11	City of Palm Desert	Celina Cabrera	Management Analyst
12	City of Palm Springs	Christopher Hadwin	Planning Director
13	City of Rancho Mirage	Marcus Aleman	Housing Manager
14	Riverside County Department of Housing and Workforce Solutions	Greg Rodriguez	Deputy Director of Government Affairs and Community Engagement
15	Torres Martinez Cahuilla Indians	Robert Powell	Planning Director
16	Twenty-Nine Palms Band of Mission Indians	George Nicholas	Tribal Chief Administrative Officer
	Other Organizations		
17	Alianza Coachella Valley	Nilda Ruiz	Environmental Justice Project Manager
18	Boys and Girls Club of Palm Springs	Stone Neilon	
19	Building Industry Association of Southern California	Kaitlin Radcliff	Director of Membership
20	Coachella Valley Recuse Mission	Darla Burkett	Executive Director
21	Community Housing Opportunities Corporation	Joy Silver	Chief Strategy Officer
22	Desert Valley Builders Association	James Brownyard	Vice President of Legislative Affairs
23	Leadership Council for Justice and Accountability	Omar Gastelum	Senior Implementation Manager
24	Lift to Rise	Melisa Dolores	Affordable Housing Planning and Pipeline Coordinator
25	Lift to Rise	Augustin Arreola	Senior Implementation Manager
26	Lift to Rise	Ian Gabriel	Senior Policy Data Analyst
27	Low Income Investment Fund	Kenny Rodgers	Executive Director
29	National Community Renaissance	Taylor Libolt Varner	Planning and Acquisition Project Manager
30	Pueblo Unido CDC	Sergio Carranza	Executive Director

31	Shelter from the Storm, Inc	Angelina Coe	Executive Director
32	Sunline	Rohan Kuruppu	Chief Planning Officer
General Public/Unknown			
33	-	Dorian Whitney	-

Q&A/Comments Received

Question 1: Have you previously evaluated TIF? If so, why haven't your jurisdiction implemented?

Doug Kinley – City of La Quinta

- My understanding is the taxation is not desirable for our residents and therefore has not been fully explored as it is not a popular option to the local community.

Marcus Aleman – City of Rancho Mirage

- We have not evaluated the TIF.

Question 2: Have you previously evaluated any of these complementary tools or grants? If so, why hasn't your jurisdiction implemented?

Doug Kinley – City of La Quinta

- If this were to be a Bond Financing TIF approach, can you advise what the realities are of the risk of repayment, should the incredibly large district you mapped earlier not get built out in any realistic capacity? The region is immense and while the incentivization to get the land developed may encourage builders to come, the realities are we're about to head into a probably deep recession and an investment such as this will feel especially risky, pending the next few decades of growth/recovery.

Rohan Kuruppu – Sunline

- A couple of comments on the district policies. All the grants that you mentioned have transit requirements. So, I think that transit should be part of the discussion and not an afterthought, so I would really appreciate it if you could add transit to the discussion. Almost all the grants require a transit element especially parking reduction or HSC or PCC all of those require them, so I just wanted to add that.
- I also want to make one more point, Sunline about a year ago completely restructured their transit network, streamlined all the routes based on land use patterns and supporting density and intensive activity. I think as you plan your housing elements and projects you need to make sure that you try to fit into that network. If every time there is a new development we are asked to restructure the routes or reroute a bus route, it becomes really inefficient. I think we need to match both of those interests.

Doug Kinley – City of La Quinta

- In support of Rohan, we need the TOD criteria to be applicable to all of the Coachella Valley, Sunline is a big key for critical grant funding

Question 3: What are your largest funding needs in this context? And if funding remained available, would you leverage such findings to implement affordable housing and transportation infrastructure?

Kenny Rodgers – Low Income Investment Fund

- Local funds to increase LIHTC tie-breaker scores; gap financing for affordable housing capital stacks. Infrastructure financing.

Melisa Dolores – Lift to Rise

- Infrastructure funding in the ECV would unlock more AH projects
- Water, sewage, and broadband
- Also electric

Doug Kinley – City of La Quinta

- Kenny is spot-on. LQ Would support that, as well as utilize like we did for LEAP, when it comes to Studies that support up-zoning, Housing Stock/Inventory Surveying efforts, and Smart Infrastructure for Affordable Housing Communities in LQ that could provide free broadband if possible.

Other Questions/Comments

Doug Kinley – City of La Quinta

- When would this growth area [map] be due? I'll coordinate with our planning team

Dorian Whitney – Unknown

- We've been talking about affordable housing for years, when is it coming? For too long, CVAG has catered to the auto-industry and not pedestrian facilities, this has caused deaths throughout the years.

Nilda Ruiz— Alianza Coachella Valley

- Where can we find the recordings for these workshops?

CVAG Housing and Revenue Infrastructure Study – Community Meeting #3
Zoom Meeting
May 3, 2023, 11:00AM-12:30PM

Meeting Statistics	
Attendance	23 attendees
Q&A	10 Questions/Comments

Attendees			
#	Organization	Name	Title
	Agency		
1	City of Desert Hot Springs	Erick Becerril	Housing & Community Program Manager
2	City of Indian Wells	Jamie Rodny	Housing Manager
3	City of Indio	Jesus Gomez	Housing Program Manager
4	City of La Qunita	Doug Kinley	Management Analyst
5	City if La Quinta	Reyna Camarena	Management Assistant
6	City of Palm Desert	Martin Alvarez	Director of Public Works
7	City of Palm Desert	Veronica Chavez	Director of Finance
8	City of Palm Springs	Grace Garner	Mayor
9	City of Palm Springs, Planning Department	David Newell	Assistant Director
10	City of Rancho Mirage	Marcus Aleman	Housing Manager
11	Riverside County, Planning Department	Andrew Svitek	Urban Regional Planner IV
12	Riverside County, TLMA	Charissa Leach	Director
	Other Organizations		
13	Agua Caliente Band of Cahuilla Indians	Ernie Bracamonte	Assistant Planner
14	Alianza	Silvia Paz	Executive Director
15	Communities for a New California Education Fund	Anna Lisa Vargas	Lead Community Organizer
16	Desert Valley Builder's Association	Gretchen Gutierrez	Chief Executive Officer
17	Desert Valley Builder's Association	James Brownyard	Vice President, Legislative Affairs
18	Desert Water Agency	Melinda Weinrich	Outreach and Conservation Manager
19	Hanson House Foundation	Ivonne Moreno	Executive Director
20	Joslyn Center	Jack Newby	Executive Director
21	Leadership Counsel for Justice and Accountability	Rebecca Zaragoza	Regional Policy Manager
22	Lift to Rise	Jessika Pollard	Senior Policy Analyst

23	National Core	Taylor Libolt	Planning and Acquisitions Project Manager

Menitmeter Results

Question 1: Which type of organization do you primarily represent?

70%	City/County/Tribe/Other Government Agency
15%	Nonprofit/Private Developer
15%	Nonprofit/Advocacy
0%	Other Private Organization
0%	General Stakeholder/Resident

Question 2: Have you participated in previous workshops?

71%	No
29%	Yes

Question 3: Which of these tools are you most interested in using?

53%	Established Lift to Rise Coachella Valley Housing Catalyst Fund
47%	Regional Housing Trust Fund
0%	Community Land Trust

Question 4: What would you most likely use these tools for?

64%	Affordable Housing
64%	Water/Sewer/Other Utility Infrastructure
36%	Climate Resilience Infrastructure
36%	Roadway Infrastructure
29%	Public Transit/Multimodal Transportation
21%	Natural Resources Protection
21%	Parks & Open Space
21%	Library/Child Care
14%	Other • Affordable housing for seniors with services on-site or adjacent • Universal income; and sustainable economy

**allowed for multiple selection*

Question 5: Does the Plan seem feasible for your agency?

40%	Yes
40%	No
20%	Not applicable

Question 6: What types of barriers, if any, do you foresee with implementing this RSP?

44%	Insufficient revenue generation
44%	Lack of resources to implement
33%	Complexity
33%	Public opposition to building housing
11%	Lack of political will
11%	Lack of available sites to build housing
11%	Already doing portions of this Plan
11%	Conflicting tools already in place

**allowed for multiple selection*

Question 7: How likely is it that your jurisdiction will participate in this Plan on a regional level?

25%	Very likely
25%	Somewhat likely
25%	Somewhat unlikely
25%	Unlikely
0%	Not applicable
0%	Unsure

Questions/Comments Received

Jamie Rodny – City of Indian Wells

- Regarding implementation tools: How about the Local Housing Trust Fund from CA Dept of Housing and Community Development?

Doug Kinley – City of La Quinta

- The fund should not be prioritizing "Affordable Housing" only. It should not be used for things like "Climate Resilience" and "Natural Resource Protection", a separate fund could be developed for something like this. It should be restricted to critical infrastructure and paving the path forward for future housing projects to be built. We flesh out the infrastructure, the right developers come and build it. We don't want a project built that makes zero sense for that jurisdiction or has no foresight for property management and quality of life for the residents once built.

Charissa Leach – Riverside County, TLMA

- Can the full report be shared? Is it ready to be shared?

Anna Lisa Vargas – Communities for a New California Education Fund

- DHS example- Can you provide an example of this partnership?

Jack Newby – Joslyn Center

- Are the bonds payable through property tax for the district or the general community?

Erik Becerril – City of Desert Hot Springs

- I think you did a great job of explaining it.

Erik Becerril – City of Desert Hot Springs

- I think you did a great job simplifying the process. I know we have been talking about this for a while but hearing it from a third party was very helpful. I just want to say thank you for putting this together and I look forward to seeing some emails from Peter on how our city can receive some of the funding.

Anna Lisa Vargas – Communities for a New California Education Fund

- Thank you. I appreciated the Desert Hot Springs example, and the way you explained the process and what it would entail. Let's say this was a successful model and it had some of those outcomes in the City of Desert Hot Springs. Would that be something the county could duplicate for unincorporated communities in the eastern region of the Coachella Valley such as Mecca, Thermal, Oasis, North Shore?

Doug Kinley – City of La Quinta

- What are the estimated per door costs at this time for each jurisdiction? Can we quantify the cost per jurisdiction to achieve their RHNA numbers, as well as estimates for infrastructure improvements? Further, would there be a mechanism to dedicate these items strictly for housing preservation? Those 55-year covenants are expensive and so difficult for operators such as LINC housing to get financed. Just getting it built doesn't solve our issue with how crazy costs will be to preserve it over half a century.

Jesus Gomez – City of Indio

- What are other possible SCAG-funded opportunities?

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS (CVAG)

REAP REVENUE STUDY TASK 2 – REVIEW OF EXISTING TOOLS

April 2022

1230 Rosecrans Ave., Suite 630
Manhattan Beach, CA 90266
TEL: 424-297-1070 | URL: www.kosmont.com

EXECUTIVE SUMMARY

- Kosmont and Arellano Associates ("Consultant Team") were retained by CVAG in accordance with Regional Early Action Plan (REAP) guidelines for the evaluation of revenue tools for the funding of housing and associated transportation needs in the CVAG region
- Evaluation includes a variety of potential one-time and ongoing / sustainable revenue tools, along with potential policy initiatives that would support such funding tools
- Scope of Work includes stakeholder engagement and formulation of a roadmap for implementation
- This report is intended to summarize Consultant Team Scope of Work Tasks 2.1 and 2.2, focused on identification of existing revenue tools in use within the CVAG region, and existing revenue tools in other communities
- Immediate next steps include more detailed, quantitative evaluation of preferred potential revenue tools (subject to stakeholder feedback), in parallel with initial stakeholder engagement activities

OUTLINE AND SCOPE OF WORK

1. **Data Gathering & Existing Conditions**
   a. Evaluation of Existing Revenue Sources within the CVAG region
   b. Evaluation of Revenue Sources in Use in Other Communities

2. **Next steps**
   a. Quantitative Evaluation of Preferred Potential Funding Tools
   b. Analysis of Potential Policy Initiatives and Public Support
   c. Stakeholder Engagement
   d. Regional Strategic Plan

1.A.
EVALUATION OF EXISTING REVENUE SOURCES WITHIN CVAG REGION

CVAG – REAP REVENUE STUDY

OVERVIEW OF TOOLS IN USE WITHIN CVAG REGION

a. **Impact fees** for housing-related infrastructure – common among CVAG communities (e.g., TUMF)

b. **Inclusionary housing policies** – not common among CVAG communities, though under study in several jurisdictions (e.g., Cathedral City, Indio, Palm Springs)

c. **Housing and sustainability districts**, such as tax increment financing (TIF) / enhanced infrastructure financing districts (EIFD) – none formed, but several under study and discussion in several communities (e.g., Salton Sea, Indian Wells)

d. **Housing-related Grants** – Limited awards so far (e.g., Coachella Infill Infrastructure Grant), but competitive positioning in several jurisdictions with Disadvantaged Community (DAC) census tracts (e.g., Blythe, Coachella, Indio)

OVERVIEW OF TOOLS IN USE WITHIN CVAG REGION

e. **Zoning Incentives** – beyond state density bonus law, several communities have local density bonus provisions and other incentives for developments that include affordability restrictions (e.g., Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, Rancho Mirage)

f. **Other Relevant Programs**:

- Self-help development and funding assistance (e.g., Blythe, Cathedral City, Palm Desert)
- Lift-to-Rise Catalyst Fund / pre-development loans (e.g., Desert Hot Springs, La Quinta)
- Habitat for Humanity funding assistance (e.g., Palm Desert)
- Community Benefit Program (e.g., Thermal Beach Club)

SUMMARY MATRIX: HOUSING TOOLS WITHIN CVAG

Programs in Place or under Study	Fee Programs	Inclusionary Housing Req.	Special Districts	State Housing Grants	Zoning Incentives	Other Assistance
Blythe	X					X
Cathedral City	X	X			X	X
Coachella	X			X	X	X
Desert Hot Springs	X				X	X
Indian Wells	X		X		X	X
Indio	X	X			X	X
La Quinta	X				X	X
Palm Desert	X				X	X
Palm Springs	X	X			X	X
Rancho Mirage	X				X	X
Uninc. Communities	X		X		X	X
Agua Caliente Tribe	X					
Cabazon Tribe						
Torres Martinez Tribe						
29 Palms Tribe						

A. IMPACT FEES / RELATED PROGRAMS

Blythe	Cathedral City	Coachella	Desert Hot Springs	Indian Wells	Indio	La Quinta	Palm Desert	Palm Springs	Rancho Mirage
• Designated fees include $500 per dwelling unit for residential and $500 for first 5,000 SF of commercial space with $0.10 PSF thereafter • **No housing linkage fees** • **City Council sets specific amount for development impact fee** (established on all permits for development)	• **Cathedral City's impact fees are considerably less** compared to surrounding jurisdictions • Estimated development impact fee per Housing Element is $1,850 for a single or multi-family residential building. • **Development impact fees represent 90% of development fees** • 22% increase from 2007-2017	• City imposes development impact fees on a variety of projects. $297 per dwelling unit, per room, or PSF for residential, hotel, and office, respectively; $371 per 1,000 SF for commercial • Per Housing Element, total impact fees for a single family unit is $17,400 and $8,500 for a multifamily unit • Development impact fees are 80% of total developer fees • **33% increase in fees from 2007-2017**	• City imposes development impact fees on residential developments • Single-family detached dwellings ($9,100 per unit); single-family attached dwellings ($10,000 per unit); multi-family units ($10,000 per unit) • Development impact fees are 80% of total developer fees • 19% increase from 2007-2017	• City charges impact fees to finance new or expanded infrastructure and public facilities required to serve residents • City charges fees to offset impacts to public streets, drainage facilities, water quality, and parks • Development impact fees are 85% of developer fees • 19% fee increase from 2007-2017	• Development impact fees are imposed on the issuance of development approvals for projects within the City to finance the cost of public facilities and improvements related to the project • Development impact fees are 85% of developer fees • **30% fee increase from 2007-2017**	• Development impact fees are imposed • Costs per unit are $6,113 for multifamily and $9,380 for single-family development projects • Development impact fees are 90% of developer fees • **36% fee increase from 2007-2017**	• Development impact fees are applied to new residential projects • Typical impact fees for a 32-unit subdivision and multifamily complex are $11,900 and $7,600, respectively • Development impact fees are 85% of developer fees • **57% fee increase from 2007-2017**	• City does charge development impact fees on residential developments. Fees are typically on a per unit basis • Some fees are eligible for reduction if affordable housing is built • Development impact fees are 85% of developer fees • 14% fee increase from 2007-2017	• City issues development impact fees for residential and non-residential development • For a typical single-family residential building, the total development impact fee is $8,800 per unit. • For a multi-family residential building it is $6,300 per unit • **Development impact fees make up 90% of developer fees** • 25% fee increase from 2007-2017

B. INCLUSIONARY HOUSING POLICIES

Blythe	Cathedral City	Coachella	Desert Hot Springs	Indian Wells	Indio	La Quinta	Palm Desert	Palm Springs	Rancho Mirage
• While there do not seem to be any housing in-lieu fees, there are parking in-lieu fees in cases where parking requirements of a new development may not be satisfied • Neither General Plan nor Zoning Ordinance exclusively reserve land for multifamily and none for affordable housing • No min. figure in terms of density	• No inclusionary housing has been required on any project to date within the 5th cycle RHNA • **City Council has directed staff to prepare an inclusionary housing ordinance for the City** • City has an Accessory Dwelling Unit ("ADU") ordinance • There have been 10 ADUs permitted, 3 constructed from 2018-2020	• The City's Zoning Ordinance does not have an inclusionary housing policy or ordinance • City has ADU language in Municipal Code • 0 ADUs permitted and constructed between 2018-2020	• City currently has no local ordinances that directly impact cost and supply of residential development, including inclusionary ordinances, short-term rental units, or moratoriums on development types • City has adopted an ADU ordinance in 2020 • 0 ADUs permitted or constructed between 2018-2020	• City does not have any requirements that obligate developers to provide or fund housing at specific affordability levels • City has ADU language in Municipal Code • 1 ADU constructed between 2018-2020	• Currently, there are no inclusionary housing policies • **City is evaluating the feasibility of a local inclusionary housing ordinance** • City adopted an ADU ordinance in 2017 • 0 ADUs permitted or constructed between 2018-2020	• Currently, there are no inclusionary housing policies in the City • **City is exploring other avenues** to include affordable housing in new developments besides reducing development fees and offering density bonuses • City adopted an ADU ordinance in 2019 • 2 ADUs permitted between 2018-2020	• Currently, the City does not have inclusionary housing policies • City has ADU language in Municipal Code • 0 ADUs permitted or constructed between 2018-2020	• City currently does not have inclusionary housing, **but is exploring the feasibility and effectiveness of an inclusionary housing ordinance (IHO) on production of affordable housing** • City adopted an ADU ordinance in 2019 • 23 ADUs constructed and 39 permitted between 2018-2020	• The City does not appear to have inclusionary housing policies • City adopted an ADU ordinance in 2019 • 3 ADU permitted from 2018-2020

C. SPECIAL DISTRICTS & D. PRIORITY FOR GRANTS

Blythe	Cathedral City	Coachella	Desert Hot Springs	Indian Wells	Indio	La Quinta	Palm Desert	Palm Springs	Rancho Mirage
• **Two Federal Opportunity Zone census tracts** are located within Blythe; • **One of the two OZ tracts is also considered a SB 535 Disadvantaged Community census tract**	• Cathedral city contains **three Federal Opportunity Zones;** • City also contains **several New Market Tax Credit Qualified census tracts**; • City does not contain any SB 535 Disadvantaged Community census tracts	• **City has considered EIFD at a high-level**; • City contains **4 federal OZ census tracts;** • City contains **3 SB 535 Disadvantaged Community census tracts;** • Coachella was **awarded $2.9M in Infill Infrastructure Grants** in 2019-2020	• **City has considered EIFD at a high-level**; • City contains **3 federal OZ census tracts**	• **City has initiated an EIFD study**	• City **contains 2 federal OZ census tracts and 4 SB 535 Disadvantaged Community tracts**	• City contains a small portion of a federal OZ census tract in the southern portion of the City	• None identified	• Small portion of a federal OZ census tract located on the southeast corner of Palm Springs Int'l Airport	• None identified

E. ZONING INCENTIVES

Blythe	Cathedral City	Coachella	Desert Hot Springs	Indian Wells	Indio	La Quinta	Palm Desert	Palm Springs	Rancho Mirage	Uninc. Communities
• No zoning incentive programs listed	• Per Housing Element, **City plans to develop incentives for subdividing large lots** (>10 acres) to make the development of affordable housing more feasible • **Affordable housing projects will be allowed by-right** and City will consider fee waivers, flexible development standards, and expedited processing in its incentive program	• **Density bonuses are available** depending on # of units allocated for lower income groups • Maximum density bonus is 35% • Two incentives can be available for projects that include at least 20% low-income units; • Other available concessions include reduction in site devt standards, approval of mixed use with housing, priority processing, and other regulatory incentives	• City has a **density bonus ordinance** that allows a 15% increase in the maximum permitted density, with further increases of up to 15% based on additional criteria • Developer shall guarantee rental units be continually used and available to low and moderate income HH for 55 years and initial occupants for for-sale housing are very low, low, and moderate income	• 1996 - City updated Zoning Code to **establish an Affordable Housing Overlay Zone and Senior Housing Overlay Zone that allow for density bonuses** for both types of projects in accordance with State Density Bonus Law. • Sect. 21.12.040 of zoning code also allows for **development incentives** such as fast track processing, land acquisition and subsidization, and waiver of city fees	• City has a **Density Bonus Program Ordinance** that allows for a density increase of at least 25% over the maximum allowable residential density for low income or senior housing devts • City to include provision of a bonus for 100% affordable and student affordable projects	• City has an **Affordable Housing Overlay** in its zoning code that offers increased opportunities for affordable housing devt by allowing higher densities within commercial zones and residential site • Sect. 9.60.260 of **City Code allows for up to 35% density bonus.**	• **In March 2020, City adopted Housing Overlay District** that applies to properties owned by the City, Housing Authority, and those identified in Housing Element. • **Overlay zone provides incentives to developers** building affordable housing, such as devt fee waivers, devt standard reductions, parking reductions, and **density bonuses** (in accordance with State Code)	• City offers **Density Bonus Ordinance** that offers concessions for construction of affordable housing	• City offers a **Density Bonus Ordinance** (per State Code)	• Thermal Community Benefit Program example: In Oct. 2020, Riverside County Board of Supervisors approved Thermal Beach Club, a privately funded development for a resort plus 326 dwelling units. The developer agreed to be conditioned a fee of up to $2,300 per unit to provide money to a community benefit fund. Ultimately, ~$750,000 was paid by the developer and can be used for community needs (e.g., clean water, park development, affordable housing, etc.)

F. OTHER MECHANISMS

Blythe	Cathedral City	Coachella	Desert Hot Springs	Indian Wells	Indio	La Quinta	Palm Desert	Palm Springs	Rancho Mirage	Uninc. Communities
• 2004 Housing Element: Riverside County Home Improvement Program offers policies such as single-family **self-help home development and funding assistance for low/very low-income families** to encourage affordable housing	• Local / Regional policies include: **Self-Help Housing (Coachella Valley Housing Coalition** and partners provide down payment assistance earned by homeowner helping in construction of home); • City allows **rent-control for mobile homes** and allows mobile homes in parks, subdivisions, and res. lots)	• City Devt Services Dept to **remove barriers to production of a variety of housing** types to minimize housing devt costs • Amend zoning code to eliminate req for minimum dwelling size by unit type • **Amend zoning to increase max density bonus to up to 50% (per State law)** • City to continue to participate in CVAG housing discussions	• **City to consider additional land use policies** and standards to allow for a range of residential densities and products for housing of all types • City to continue encouraging the utilization of federal, state, and county subsidies to meet needs of lower income HH • City is a CDBG/HOME cooperating city • **City Council approved Lift to Rise Pledge in March 2021**	• City's Housing Authority **will commit up to $4M in assistance through its Low Moderate Income Housing Asset Fund** to ensure Indian Wells Villas units are preserved for affordable housing • City to continue to provide incentives and flexibility in devt standards to encourage affordable housing	• **City contracts with Inland Fair Housing and Mediation Board** to provide fair housing services for its residents • City plans to **continue to work with Riverside County Housing Authority** to monitor affordable housing units as being at risk of conversion to market rate housing	• City coordinates regularly with affordable housing partners such **as Lift to Rise and assists affordable housing** developers in securing third party financing • **City has also worked with Coachella Valley Housing Coalition** in development of sweat equity homes (self-help housing)	• **City continues to implement the Self-Help Housing Program** • **City works with agencies such as Habitat for Humanity and Coachella Valley Housing Coalition** to identify and fund housing for low income HH • **City's Housing Authority owns and operates over 1,100 affordable housing units in 15 buildings**	• **City has an Affordable and Multifamily Housing Incentive Program** to reduce, defer, and/or waive application and impact fees for affordable and multifamily housing • City continues to allocate CDBG and other funds to support housing and community development	• City to consider and implement fee reductions or subsidies whenever deemed feasible and necessary • **City Housing Authority previously had a Home Improvement Program** that provided financial assistance to lower income households	• Other Countywide programs include: Section 8 Assistance; Permanent Local Housing Allocation (PLHA) – provides grant funds for down payment assistance programs and gap financing for new construction of affordable units; Housing Authority of County of Riverside offers down payment and closing cost assistance for qualified first time home buyers through First Time Home Buyer Down Payment Assistance Program (FTHB)

RHNA ALLOCATIONS & GENERAL PLAN STATUS

Blythe	Cathedral City	Coachella	Desert Hot Springs	Indian Wells	Indio	La Quinta	Palm Desert	Palm Springs	Rancho Mirage	Uninc. Communities
• Per RHNA 2021-2029: 494 units - 82 very low, 71 low, 96 moderate, and 245 above moderate; • Last Housing Element was revised and adopted in 2014 • Proposals to prepare the next Housing Element were due Jan. 20, 2022 • General Plan was last updated in 2007 (for 2025)	• Per RHNA 2021-2029: 2,549 units - 270 extremely low, 270 very low, 353 low, 457 moderate, and 1,199 above moderate • General Plan last amended in Nov. 2009 • Housing Element last updated Oct. 2021 • Planned Unit Development ordinance allows flexibility in devt standards to encourage housing construction	• Per RHNA 2021-2029: **7,886 units** - 516 extremely low, 517 very low, 999 low, 1,367 moderate, 4,487 above moderate • Housing Element draft updated Sept. 2021 • 2035 General Plan approved in Apr. 2015	• Per RHNA 2021-2029: 3,873 units - 284 extremely low, 285 very low, 535 low, 688 moderate, 2,081 above moderate • GP adopted May 2020 • Housing Element adopted Nov. 2021	• Per RHNA 2021-2029: 382 units - 117 extremely / very low, 81 low, 91 moderate, 83 above moderate • General Plan is currently being updated - Existing Conditions and Infrastructure Background Reports have been produced (Oct. 2020 and Jan. 2021, respectively) • Public draft of Housing Element produced in Nov. 2021	• Per RHNA 2021-2029: **7,812 units** - 1,793 extremely / very low, 1,170 low, 1,315 moderate, 3,534 above moderate • 2040 General Plan adopted in Sept. 2019 • Draft Housing Element produced Aug. 2021	• Per RHNA 2021-2029: 1,530 units - 210 extremely low, 210 very low, 269 low, 297 moderate, 544 above moderate • 2035 GP Update last amended Nov. 2013 • 2021-2029 Housing Element Draft completed in Oct. 2021	• Per RHNA 2021-2029: 2,790 units - 675 extremely / very low, 460 low, 461 moderate, 1,194 above moderate • General Plan adopted in Nov. 2016 • 2021-2029 Housing Element Draft submitted in Nov. 2021	• Per RHNA 2021-2029: 2,557 units - 272 extremely low, 273 very low, 408 low, 461 moderate, 1,143 above moderate • Currently undergoing 2040 General Plan update • 2021-2029 Housing Element draft submitted Nov. 2021	• Per RHNA 2021-2029: 1,746 units - 215 extremely low, 215 very low, 318 low, 328 moderate, 670 above moderate • General Plan update adopted Nov. 2017 • 2021-2029 Housing Element update completed in Jan. 2022	• Per RHNA 2021-2029: 40,647 units – 10,371 very low, 6,627 low, 7,347 moderate, 16,302 above moderate units

NATIVE AMERICAN TRIBES IN CVAG REGION

	Impact Fees / Related Programs	Inclusionary Housing Policies	Special Districts / Priorities for Grants	Zoning Incentives
Agua Caliente Band of Cahuilla Indians	• Development fees shall be applicable to allotted trust lands and may be imposed and collected by each local govt within its city limits	• Tribe does not have inclusionary housing policies in their Tribal Code	• None identified	• Section 14 and Section 24 Specific Plans allow higher density residential and mixed-use • No density bonus measures are stated in their Tribal Code
Cabazon Band of Mission Indians **(Note: Complete text Code not available online)**	• None identified	• None identified	• Some pieces of tribal land fall within a Disadvantaged Community census tract located in Indio and Coachella • Another section of tribal land falls within both a Disadvantaged Community and Opportunity Zone census tract (located outside of the CVAG cities	• High density residential is allowed per their Zoning Code, however, density level is uncertain
Torres Martinez Desert Cahuilla Indians **(Note: Complete text Code not available online)**	• None identified	• None identified	• Much of their tribal land is located outside of the CVAG cities and fall within either both Disadvantaged Community and Opportunity Zone census tracts or solely Opportunity Zone tracts	• None identified
Twentynine Palms Band of Mission Indians **(Note: Complete text Code not available online)**	• None identified	• None identified	• Tribal land is located within a Disadvantaged Community census tract located in Coachella	• None identified

1.B.
EVALUATION OF EXISTING REVENUE SOURCES IN OTHER COMMUNITIES

CVAG – REAP REVENUE STUDY

OVERVIEW OF TOOLS IN USE IN OTHER COMMUNITIES

a. **Housing linkage fees and in-lieu fees** – common as an alternative for on-site inclusionary requirements (e.g., City of Los Angeles Housing Linkage Fee, City of Pasadena Housing In-lieu Fee)

b. **Inclusionary housing policies** – increasingly common, typically ranging from 10% to 20% (e.g., former Redevelopment Agency requirement of 15% inclusionary – in addition to 20% set-aside requirement)

c. **Housing and sustainability districts**, such as tax increment financing (TIF) / enhanced infrastructure financing districts (EIFD) – 15 formed statewide, closest in Unincorporated Riverside County Wine Country, some with inclusionary and set-aside requirements (e.g., County of Los Angeles Participation Policy), ongoing and sustainable funding vs. one-time funding

d. **Housing-related Grants** – Competitive but extremely well-funded programs for housing, housing-supportive infrastructure, and transit-supportive infrastructure (e.g., Infill Infrastructure Grant, Affordable Housing and Sustainable Communities program, Multifamily Housing Program)

OVERVIEW OF TOOLS IN USE IN OTHER COMMUNITIES

e. **Zoning Incentives** – community benefit and similar programs for value-capture, that incentivize and reward developers that perform and contribute to community benefits and amenities identified through stakeholder outreach (e.g., City of Buellton Development Opportunity Reserve [D.O.R.®])

f. **Community Land Trusts (CLT)** – Nonprofit land-ownership model to subsidize housing costs for low-income households (e.g., Northern California Land Trust in Bay Area)

g. **Public Finance / Liquidity Strategies** – Leveraging low interest rates to reduce debt costs and generate liquidity for economic development (e.g., Placentia Pension Obligation Bonds)

A. HOUSING LINKAGE AND IN-LIEU FEES

Housing linkage fees – attempt to link the production of market-rate real estate to the production of affordable housing; enables flexible use of funds, but does not always promote economic integration

- Example: City of Los Angeles linkage fee on new residential development ranges from $1.04 to $18.69 per square foot (depending on the market area); new non-residential developments ranges from $3.11 to $5.19 per square foot (depending on the market area) – $32.6M raised 2019-2021

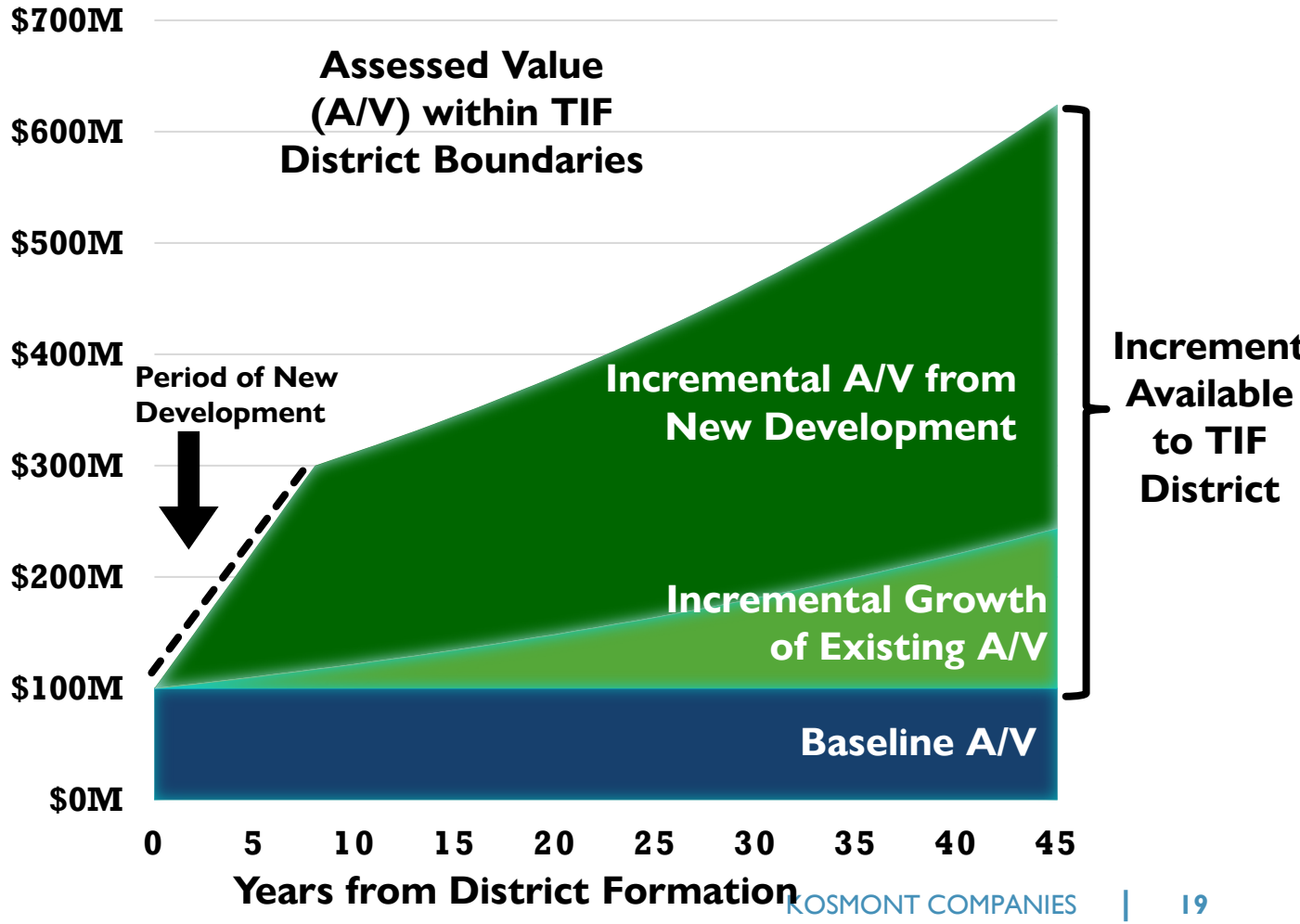
Housing in-lieu fees – common as an alternative for on-site inclusionary requirements, often deposited into housing trust fund at city or county level to fund off-site affordable housing

- Examples: City of Pasadena, West Hollywood, San Jose, San Francisco; often defined at a per-unit rate by economics of residual land value and price/rent difference between market-rate and affordable levels within a community (e.g., City of Pasadena $40K-$115K per unit depending on sub-area and rental vs. for-sale)
- Sometimes implemented in alternative formats, such as land dedication

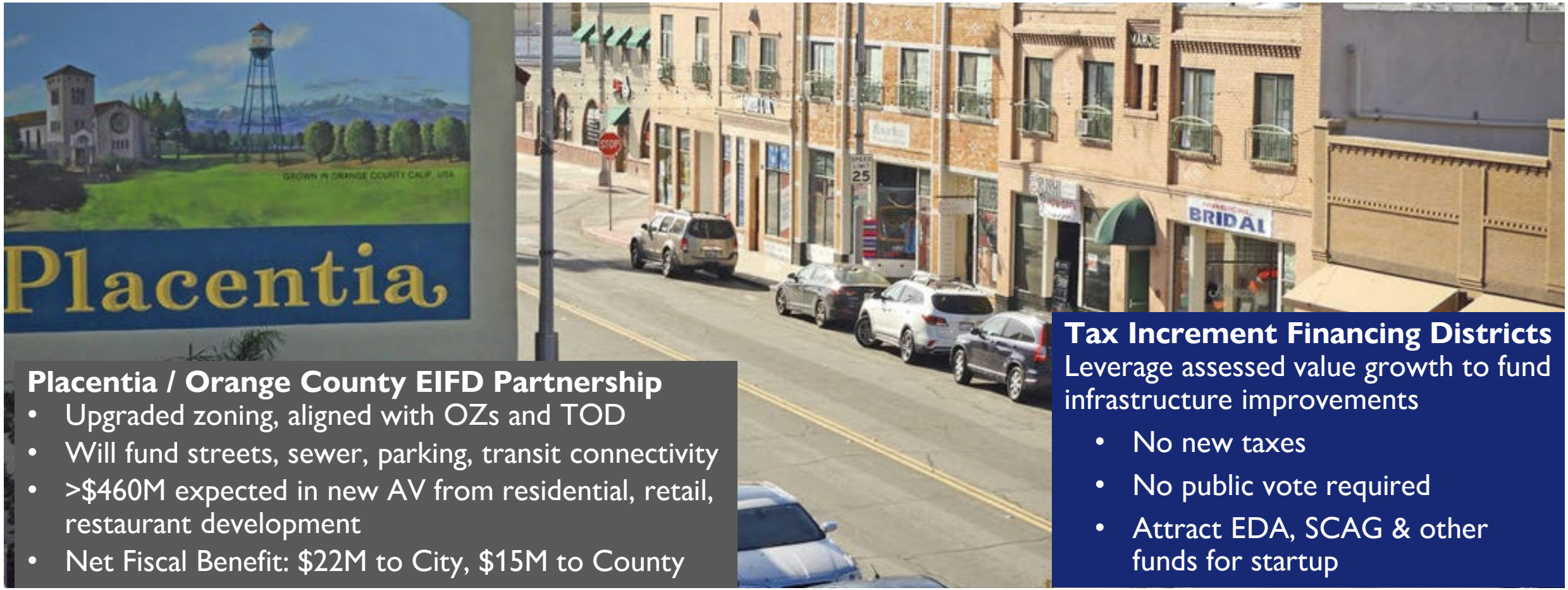
C. HOUSING AND SUSTAINABILITY DISTRICTS

Tax increment financing (TIF) districts include enhanced infrastructure financing districts (EIFD), community revitalization and investment authorities (CRIA), and others

Communities can use these districts to motivate private investment, fund housing and infrastructure, and attract grant funds.



EXAMPLE TIF DISTRICT FOR HOUSING INFRASTRUCTURE: PLACENTIA / ORANGE COUNTY TOD EIFD PARTNERSHIP



Placentia / Orange County EIFD Partnership

- Upgraded zoning, aligned with OZs and TOD
- Will fund streets, sewer, parking, transit connectivity
- >$460M expected in new AV from residential, retail, restaurant development
- Net Fiscal Benefit: $22M to City, $15M to County

Tax Increment Financing Districts

Leverage assessed value growth to fund infrastructure improvements

- No new taxes
- No public vote required
- Attract EDA, SCAG & other funds for startup

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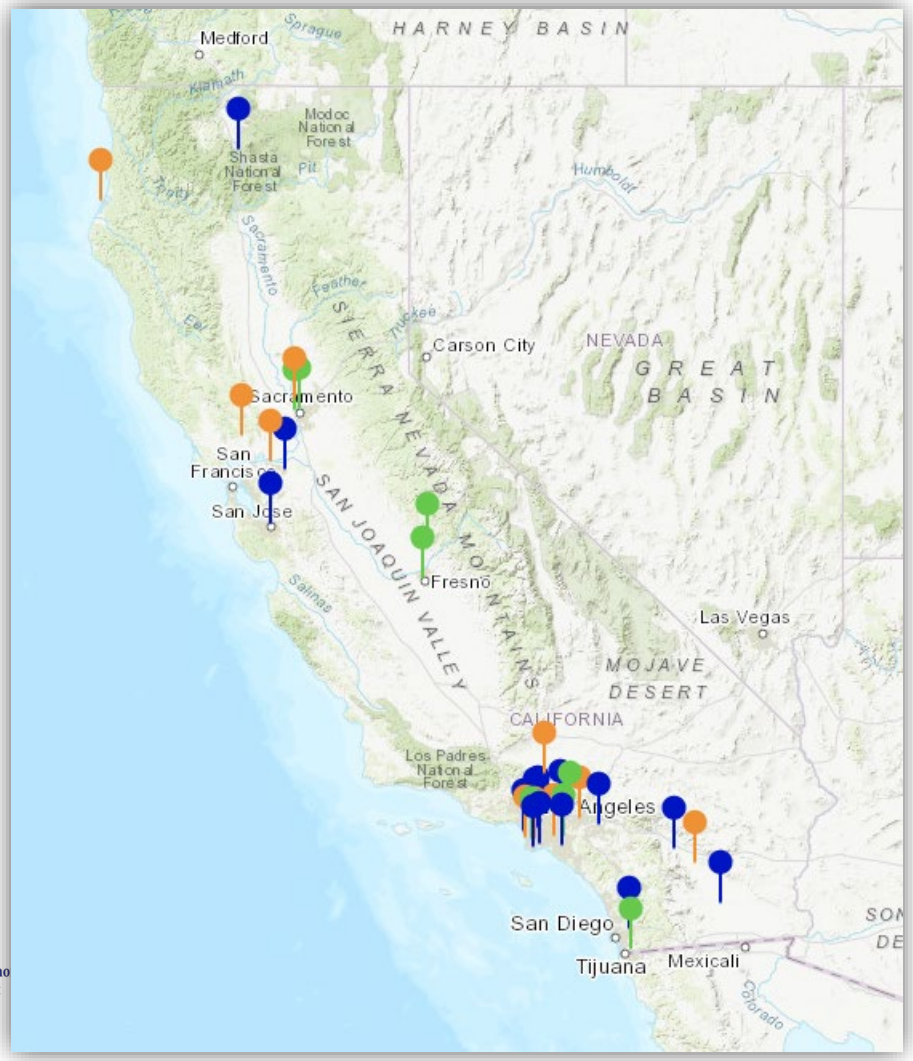
TIF DISTRICTS IN PROGRESS STATEWIDE *(PARTIAL LIST)*



Jurisdiction	Purpose
Azusa	Housing and transit-supportive infrastructure
Brentwood	Housing and transit-supportive infrastructure
Buena Park	Mall reimagination, housing-supportive infrastructure
Carson + L.A. County	Remediation, housing infrastructure, recreation
Coachella Valley Association of Govts (CVAG) Cities	Housing and transit-supportive infrastructure
Covina	Housing and transit-supportive infrastructure
El Cajon	Housing and transit-supportive infrastructure
El Segundo + L.A. County	Various infrastructure, regional connectivity
Fairfield	Housing and transit-supportive infrastructure
Fresno	Housing and transit-supportive infrastructure
Fresno County	Industrial and commercial supportive infrastructure
Humboldt County	Coastal mixed-use & energy supportive infrastructure
Indian Wells	Housing and tourism-supportive infrastructure
Imperial County	Housing and greenfield infrastructure
La Verne + L.A. County	Housing and transit-supportive infrastructure
Long Beach (Multiple Districts)	Housing and transit-supportive infrastructure
Los Angeles (Downtown, San Pedro)	Housing and transit-supportive infrastructure
Los Angeles County Uninc. West Carson	Housing / bio-science / tech infrastructure
Madera County (Two Districts)	Greenfield infrastructure (water / sewer)
Modesto + Stanislaus County	Housing, transit, recreation-supportive infrastructure
Mount Shasta + Siskoyou County	Rural Brownfield site mixed-use infrastructure
Napa	Housing and transit-supportive infrastructure
Ontario	Housing and transit-supportive infrastructure
Palmdale + L.A. County	Housing and transit-supportive infrastructure
Pittsburg	Housing and transit-supportive infrastructure
Placentia + Orange County	Housing and transit-supportive infrastructure
Rancho Cucamonga	Housing and transit-supportive infrastructure
Redondo Beach + L.A. County	Parks / open space, recreation infrastructure
Riverside	Housing and transit-supportive infrastructure
Sacramento County (Unincorporated)	Industrial / commercial supportive infrastructure
San Bernardino County (Unincorporated)	Transit-supportive infrastructure
San Jose	Housing and transit-supportive infrastructure
Sanger	Housing and commercial supportive infrastructure
Santa Ana	Housing and transit-supportive infrastructure
South Gate	Housing and transit-supportive infrastructure
West Santa Ana Branch Transit Corridor Cities	Housing and transit-supportive infrastructure
Yucaipa	Housing and transit-supportive infrastructure

Fully Formed	In Formation Process	Under Evaluation

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D. GRANTS

Example Federal Programs		Example State Programs		
American Rescue Plan Act (ARPA)	**Congressional Infrastructure Bills (INVEST Act, IIJ Act, etc)**	**Affordable Housing and Sustainability Communities Program (AHSC)**	**Infill Infrastructure Grants (IIG)**	**Multifamily Housing Program (MHP)**
ARPA direct relief to cities is not just for COVID relief: Funds for water, sewer, and broadband, upgrading facilities and distribution systems, climate change upgrades, lead pipe replacement and more	In process, likely to include: Funds for roads, bridges, railroads, broadband, water, cyber security, climate resiliency, transit, brownfield cleanup, electric vehicles, affordable housing	CA Program: $1 - $30 million awards for affordable housing, housing infrastructure, transportation, related amenities, program costs	CA Program: $1 - $7.5 million grants for infill projects / areas, gap funding for infrastructure for residential / mixed-use with some affordability requirements	CA Program: Funding for rental housing; includes land lease payments, construction / rehab, offsite infrastructure improvements

E. ZONING AND ENTITLEMENTS AS CURRENCY

- **Zoning and Entitlements create value for potential use as currency to drive housing and community benefits**
- Zoning changes that are needed for new development can provide significant economic benefits to property owners, **who may likely be non-developers.**
- Prematurely up-zoning can also increase land values, which can **limit the possibility of development & affordability**.
- **Specific plans often "give away" density** with entitlements without tying density to projects that deliver **community benefits and public amenities.**
- By reserving new housing density in a "reserve" bucket, cities can comply with RHNA while also retaining some control over new development.
- Reserve lets a community dole out new density for specific projects that comply with a benefit agreement and in compliance with RHNA – ensuring projects come with amenities and other community benefits.

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D.O.R.® CASE STUDY ILLUSTRATIONS

City of Buellton: *Avenue of Flags*

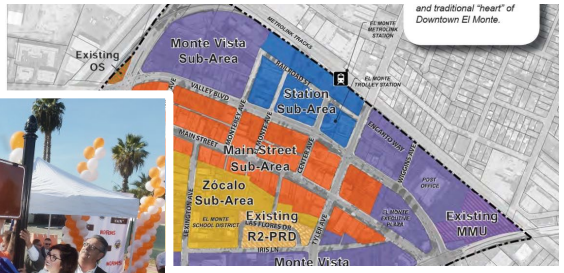
- **Goal:** Induce housing development in downtown area
- **Benefits & Amenities:** public restrooms, off-site improvements, public parking, parking district, public art, parks, green buildings, other
- **Incentives:** Increase density up to 40 units / acre, increase heights, reduce on-site parking , reduced setbacks, reduced traffic and application fees

City of El Monte: *Downtown Main St.*

- **Goal:** Increase downtown density along with community benefits and public improvements
- **Benefits & Amenities:** streets, bicycle facilities, parking, open space, beautification, transit, arts / cultural spaces, lot consolidation; developer can either install improvements or make payment into public improvement fund; value based on a portion of residual land value (~75%)
- **Incentives**: Increase density, heights, FAR, dwelling units per acre

Implementation Steps

1. Conduct market housing / economic study to match RHNA needs
2. Discuss new density and public amenities with community
3. Create DOR mechanism as new Zoning / Specific Plan provision
4. Implement on project basis via Development Agreement



Real Estate Finance/Economics Development Entitlements
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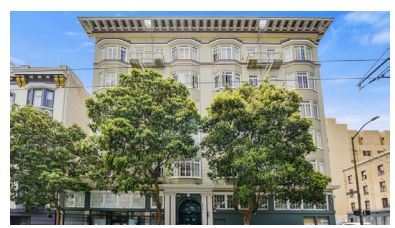
F. COMMUNITY LAND TRUSTS (CLT)

Community Land Trusts (CLTs) are typically non-profits who receive money from cities and counties in the form of grants to acquire and provide affordable housing units for low-income households

How do they work?

- CLTs buy real estate and secure mortgages on the open market then sell the properties to low-income households while retaining ownership of the land (CLT owns land, buyer owns house)
- CLTs then lease the land to a low-income homebuyer for a low monthly rate over a long period of time (99-year lease)
- If homebuyer sells house, they agree to sell to individuals who need CLT assistance. In doing so, the homebuyer will receive 25% profit, while CLT retains equity in the land
- Thus, CLTs create an affordable housing option that can last in perpetuity, while helping the homebuyer amass enough wealth upon a sale to enter the housing market

Examples of CLTs in California



- San Francisco CLT (SFCLT)
  - Founded in 2003
  - Focuses on acquiring and rehabilitating buildings that are in danger with losing their affordability
  - Recently acquired 285 Turk St. (40-unit building) for $9.4M using two private lenders
- Northern California Land Trust (founded 1973, 15 projects, 78 housing units and one community center), operates in San Francisco, Berkeley, Oakland, and Palo Alto
- Irvine CLT (founded 2006, 6 projects, 475 housing units)
- Oakland CLT (founded 2009, 6 projects, 35 housing units, along with commercial space and community centers)

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G. PUBLIC FINANCE / LIQUIDITY STRATEGIES

Current low interest rate environment is an opportunity to generate savings and create general fund resources for community reinvestment, such as with housing- and transit-supportive infrastructure

- **Revenue Bonds** to fund vital projects
- **Lease – Leaseback (P3) Structures** can cut costs and deliver public projects (no vote needed)
- **Pension Obligation Bonds** and other refinancing structures can generate savings (no vote needed)

Reducing debt payments can create capacity to pursue housing and infrastructure programs to reset the local economy.

NEXT STEPS

1. Address questions, incorporate feedback from Committee on evaluation of existing tools
2. Quantitative evaluation of preferred potential funding tools:
    a) Housing and sustainability districts (TIF / EIFD / CRIA)
    b) Relevant grant programs
    c) Community Land Trust
    d) Committee preferred tools?
3. Analysis of Potential Policy Initiatives and Public Support
4. Stakeholder Engagement

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS (CVAG)

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September 2022

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EXECUTIVE SUMMARY

- Kosmont and Arellano Associates ("Consultant Team") were retained by CVAG in accordance with Regional Early Action Plan (REAP) guidelines for the evaluation of revenue tools for the funding of housing and associated transportation needs in the CVAG region
- Evaluation includes a variety of potential one-time and ongoing / sustainable revenue tools, along with potential policy initiatives that would support such funding tools
- This report is intended to summarize Consultant Team Scope of Work Tasks 2.3 and 3.1, focused on quantitative evaluation of relevant revenue tools and supportive policy initiatives for housing and transportation projects
- Immediate next steps include continued stakeholder engagement for feedback on potential tools and policies and analysis refinement accordingly, prior to drafting a Regional Strategic Plan

OUTLINE

1. **Quantitative Evaluation of Relevant Revenue Tools**
   a. Sustainable / Ongoing Revenue Streams
   b. Complementary One-Time Revenue Tools
2. **Supportive Policy Initiatives**
3. **Next steps**

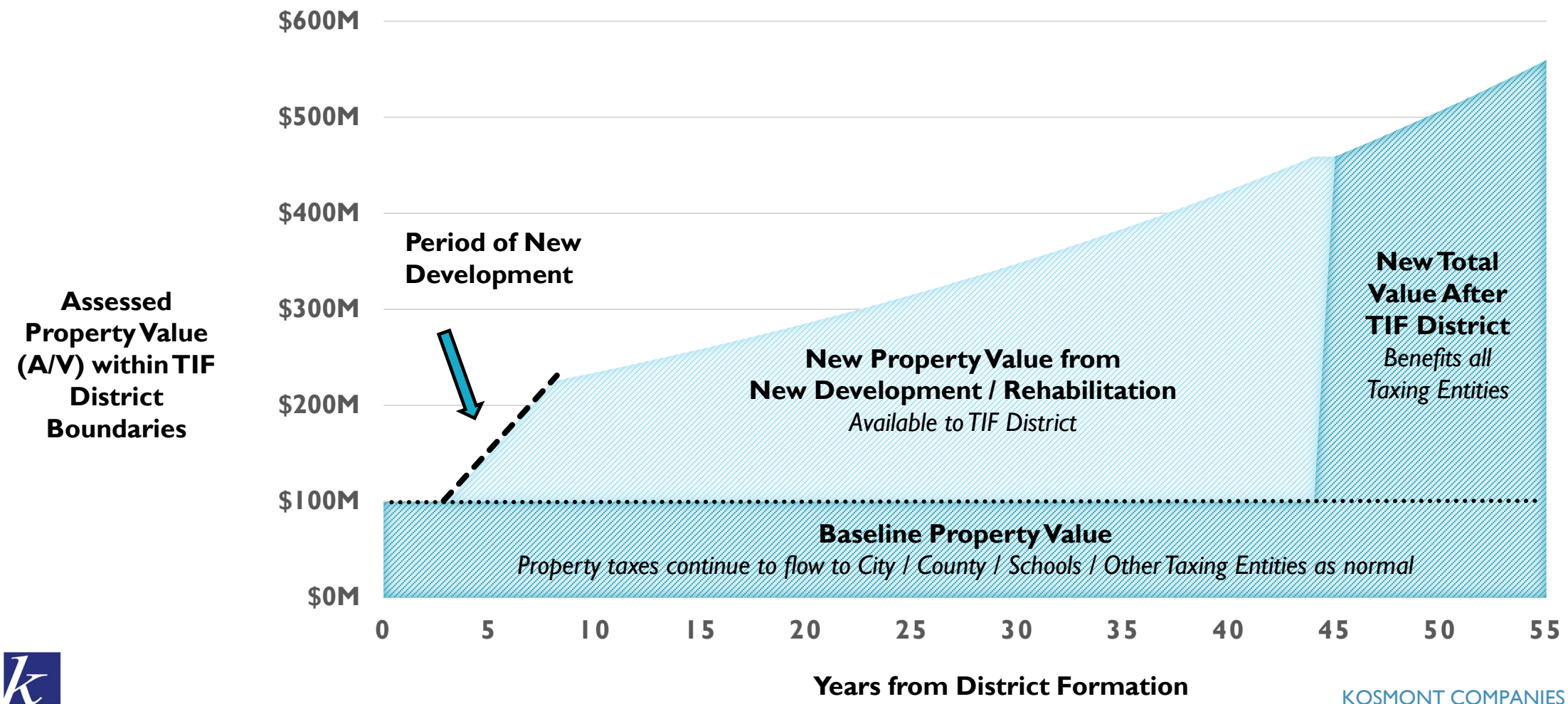
1.A. SUSTAINABLE / ONGOING REVENUE TOOLS

CVAG – REAP REVENUE STUDY

ONGOING REVENUE TOOLS: SUMMARY

- Early stakeholder outreach with CVAG committee members guided the Consultant Team's work to focus on Tax Increment Financing (TIF), as a means of generating ongoing, sustainable revenue to housing and transportation infrastructure without adding a new tax to residents, property owners, or businesses
- Apart from funding projects directly, the intent would be to leverage such ongoing revenue to bundle and attract additional sources of funds, such as state and federal grants, as well as to couple with relevant implementation mechanisms of interest to the CVAG region, such as Community Land Trusts (CLTs)
- This study estimates that between **$137 million** and **$343 million** (in present value terms) would be available for affordable housing and related housing- and transportation-supportive infrastructure across the CVAG region under the scenarios of tax increment financing (TIF) implementation evaluated, reflecting a conservative base case of property value growth and NOT including funding from other complementary sources
- Enhanced Infrastructure Financing Districts (EIFD) are likely the most suitable form of TIF for the types of housing and infrastructure targeted in the CVAG region in the context of this study, due primarily to the ease of the qualification process, the flexibility in delineation of district boundaries, and the statutory eligible uses of funds
- Complementary one-time revenue tools such as grants and other potential tools are discussed in the following section

WHAT IS TAX INCREMENT FINANCING (TIF)? NOT A NEW TAX



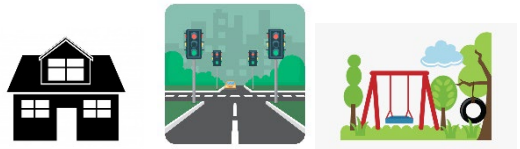
Note: Illustrative.

MECHANICS OF TIF

Private property investment or new development

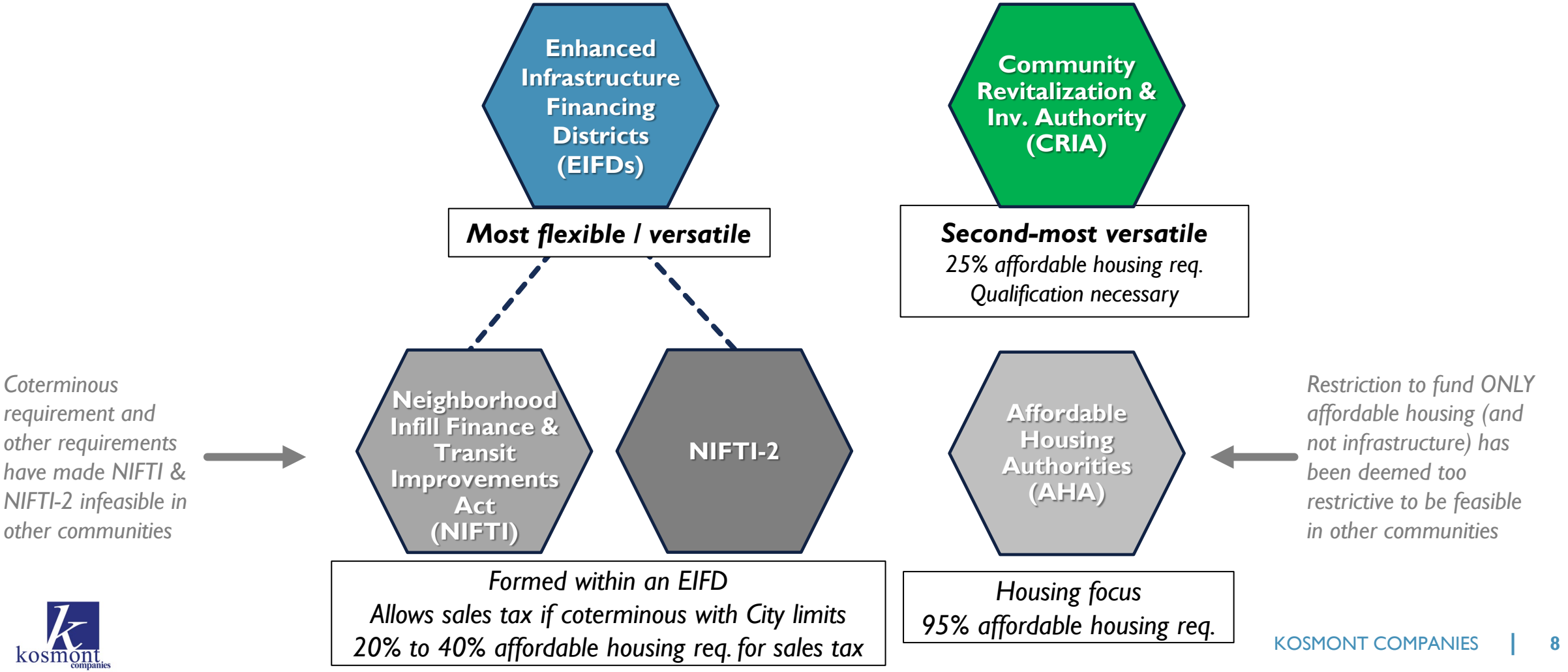
Increased property tax revenue from new property value

Deposited in separate TIF fund



Funds pay for public improvements and affordable housing

TIF ALTERNATIVES IN CALIFORNIA



ENHANCED INFRASTRUCTURE FINANCING DISTRICT (EIFD) FUNDAMENTALS

Long Term Districts	45 years from first bond issuance; can be formed in 12-18 months
Governance	Public Financing Authority (PFA) implements Infrastructure Financing Plan (IFP)
Approvals	Mandatory public hearings for formation with protest opportunity; no public vote (other than elected bodies)
Non-contiguous Areas	EIFD project areas do not have to be contiguous
Eligible Projects	Any property with useful life of 15+ years & of communitywide significance; purchase, construction, expansion, improvement, seismic retrofit, rehabilitation, and **maintenance**

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COMMUNITY REVITALIZATION AND INVESTMENT AUTHORITY (CRIA) FUNDAMENTALS

Term	30 years to issue debt; 45 years to repay
Governance	Public agency separate from the city, county that created it; implements governing document (CRIA Plan)
Eligibility	City or County that meets disadvantaged community definitions (median income, unemployment, crime, deterioration)
Approvals	Mandatory public hearings for formation (includes protest opportunity); no public vote to issue debt (other than elected bodies)
Eligible Projects	Infrastructure, affordable housing, remediation, acquire and transfer property (incl. via **eminent domain**), loans and grants to property owners and businesses; 25% affordable housing set aside

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TYPES OF PROJECTS AN EIFD AND OR CRIA CAN FUND
PARTIAL LIST

Water / Sewer / Storm / Flood

Roadway / Transportation

Parks / Open Space / Recreation

Childcare Facilities & Libraries

Brownfield Remediation

Affordable Housing

Broadband

Wildfire Prevention / Other Climate Change Response

Small Business / Nonprofit Facilities

TIF/EIFD AS A COMPONENT OF THE ECONOMIC DEVELOPMENT AND PUBLIC FINANCING TOOLKIT

- There are advantages / disadvantages to TIF/EIFDs compared to other mechanisms, such as general obligation (GO) bonds, lease revenue bonds / COPs, Mello-Roos Community Facilities District (CFD) financing, assessment districts, and other public financing tools
- **Advantages of EIFD** include no encumbrance of existing city/county resources, can attract tax increment contributions from other taxing entities, increased priority for grant funding, ability to demonstrate commitment to multiple infrastructure (and/or affordable housing) projects to catalyze private sector development, capacity to fund maintenance, no additional taxes to property owners / residents / businesses, and ease of voter approval
- **Disadvantages of EIFD** include lack of comparable financings thus far, statutory authority (as opposed to constitutional authority) to issue debt may require separate judicial validation, and subordination to redevelopment successor agency obligations
- **Advantages of EIFD vs. Other CA TIF Tools** (e.g., CRIA, IFD, IRFD, AHA, SIFD) include flexibility in delineating project areas, capacity to dedicate property tax in lieu of motor vehicle license fees (MVLF), district duration, and governing board composition and corresponding implications for taxing entity partnership
- **Complementary Tool:** EIFD should not be considered a replacement for other useful financing mechanisms, but rather a complementary tool; other jurisdictions have been successful in utilizing EIFDs as well as other tools for different projects within the same community (see complementary tools discussion of public financing and real estate strategies)

COMPARISON OF TIF/EIFD AND OTHER TOOLS

POTENTIAL FUNDING AND FINANCING STRATEGY CAN UTILIZE MULTIPLE MECHANISMS

District Type	Description	Revenue Source	Approval Structure	Use of Funds
TIF (e.g., EIFD, CRIA, IFD, IRFD)	Incremental property tax revenues from new development used to fund local infrastructure. Max term is 45 years from approval to issue debt.	Incremental (new development) property tax revenues (incl. MVLF) – does not increase taxes	*District formation* – Elected bodies + majority protest opportunity by landowners and registered voters *Bond issuance* – Elected bodies and Public Financing Authority (PFA)	• Infrastructure of regional or communitywide significance • Maintenance • Affordable housing
Mello-Roos Community Facilities District (CFD) and/or Assessment District	Additional assessment or "special tax" used to fund infrastructure / services that benefit property. Max term is 40 years from date of debt issuance.	New property assessment or tax – appears as separate line item on tax bill	*District formation* – Elected body + 2/3 vote of landowners or registered voters in district* *Bond issuance* – Elected body	• Infrastructure capital expenditures of benefit to landowners • Maintenance • Public services (e.g. ,safety, programs)
General Obligation	Voter-approved debt that is repaid with "override" to 1% tax levy; City-wide	Direct property tax levied on all properties at same millage rate	Elected body + 2/3 vote of registered voters in entire City	• In accordance with bond plebiscite
Lease Revenue / Certificates of Participation (COPs)	General Fund-supported borrowing, generally utilizing City-owned assets to be leased and leased back	General Fund (or other legally available revenues as determined by City)	Elected body	• In accordance with bond authorization

* For CFD formation, a vote of registered voters within the district boundary is required if 12 or more registered voters live therein (otherwise a vote of landowners prorated by acreage).

EIFD VERSUS FORMER REDEVELOPMENT AGENCIES

SAMPLE OF DIFFERENCES

	Former RDAs	EIFDs
Eligible Use of Funds	• Infrastructure and affordable housing • Market-rate housing • Land clearing and parcel assembly • Tax and other private business / developer subsidies	• Public infrastructure (e.g., roads, sewers, open space, utilities) • Affordable housing
Eminent Domain / Condemnation	• Allowed	• Not allowed
Eligible Areas	• Must qualify as "blighted"	• No "blight" finding required
Governance	• City Council or County Board	• Public Financing Authority including Public Members
Formation	• Vote of governing body	• 3 public hearings, majority protest opportunity

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WHY ARE PUBLIC AGENCIES AUTHORIZING EIFDS?

1. Return on Investment**:** Private sector investment induced by district commitment on a "but for" basis accelerates growth of net fiscal revenues, job creation, housing production, essential infrastructure improvements

2. Ability to attract additional funds ("OPM") – tax increment from other entities (county, special districts), federal / state grants / loans (e.g., for TOD, water, housing, parks, remediation)

EIFDS WORK BETTER WITH A CITY/COUNTY PARTNERSHIP

- Ideal strategy includes City and County partnership
- EIFDs which involve a City / County joint effort are more likely to win state grant funding sources
- EIFDs explicitly increase scoring for CA state housing grants (e.g., IIG, AHSC, TCC)

Federal & State Sources

- *Cap-and-Trade / HCD grant & loan programs (AHSC, IIG, TCC, CERF)*
- *Prop 68 parks & open space grants*
- *Prop 1 water/sewer funds*
- *Caltrans ATP / HSIP grants*
- *Federal EDA / DOT / EPA funding*
- *Federal Infrastructure Grant Program*

Other Potential Funding Sources

- *Development Agreement / impact fees*
- *Benefit assessments (e.g., contribution from CFD)*
- *Private investment*

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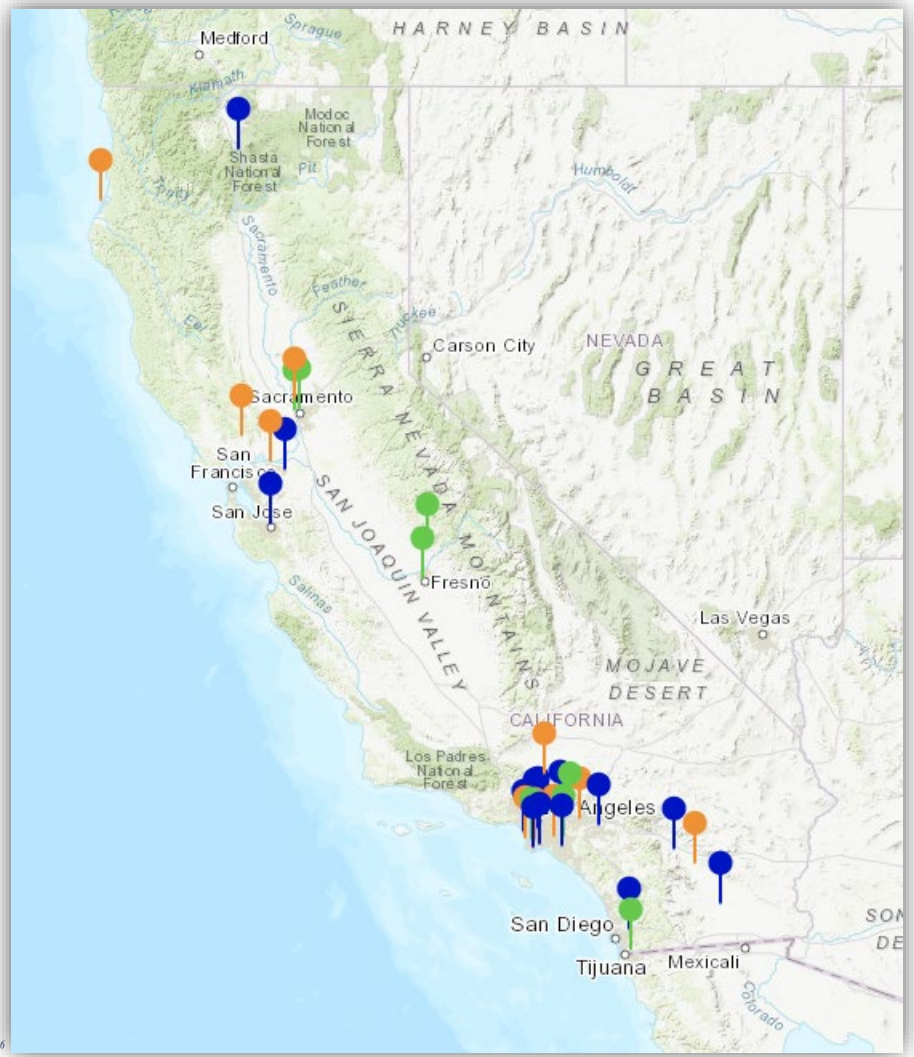
TIF DISTRICTS IN PROGRESS STATEWIDE
(PARTIAL LIST)



Jurisdiction	Purpose
Azusa	Housing and transit-supportive infrastructure
Brentwood	Housing and transit-supportive infrastructure
Buena Park	Mall reimagination, housing-supportive infrastructure
Carson + L.A. County	Remediation, housing infrastructure, recreation
Coachella Valley Association of Govts (CVAG) Cities	Housing and transportation-supportive infrastructure
Covina	Housing and transit-supportive infrastructure
El Cajon	Housing and transit-supportive infrastructure
El Segundo + L.A. County	Various infrastructure, regional connectivity
Fairfield	Housing and transit-supportive infrastructure
Fontana	Housing, mixed-use and industrial infrastructure
Fresno	Housing and transit-supportive infrastructure
Fresno County	Industrial and commercial supportive infrastructure
Humboldt County	Coastal mixed-use & energy supportive infrastructure
Indian Wells	Housing and tourism-supportive infrastructure
Imperial County	Housing and greenfield infrastructure
La Verne + L.A. County	Housing and transit-supportive infrastructure
Long Beach (Multiple Areas)	Housing and transit-supportive infrastructure
Los Angeles (Downtown, San Pedro)	Housing and transit-supportive infrastructure
Los Angeles County Uninc. West Carson	Housing / bio-science / tech infrastructure
Madera County (3 Districts)	Greenfield infrastructure (water / sewer)
Modesto + Stanislaus County	Housing, transit, recreation-supportive infrastructure
Mount Shasta + Siskiyou County	Rural Brownfield site mixed-use infrastructure
Napa	Housing and transit-supportive infrastructure
Oakland	Affordable housing and housing-supportive infrastructure
Ontario	Housing and transit-supportive infrastructure
Palmdale + L.A. County	Housing and transit-supportive infrastructure
Pittsburg	Housing and transit-supportive infrastructure
Placentia + Orange County	Housing and transit-supportive infrastructure
Rancho Cucamonga	Housing and transit-supportive infrastructure
Redlands	Housing and mixed-use supportive infrastructure
Redondo Beach + L.A. County	Parks / open space, recreation infrastructure
Riverside	Housing and transit-supportive infrastructure
Sacramento County (Unincorporated)	Industrial / commercial supportive infrastructure
San Bernardino County (Unincorporated)	Transit-supportive infrastructure
San Jose	Housing and transit-supportive infrastructure
Sanger	Housing and commercial supportive infrastructure
Santa Ana	Housing and transit-supportive infrastructure
South Gate	Housing and transit-supportive infrastructure
Vacaville	Housing and transit-supportive infrastructure
Yucaipa	Housing and transit-supportive infrastructure

Fully Formed	In Formation Process	Under Evaluation

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BOUNDARY AND STRATEGIC CONSIDERATIONS FOR CVAG

1. Define potential district boundary parameters for each CVAG community based on scenarios that have functioned well for other jurisdictions statewide, balancing TIF funding capacity and general fund solvency

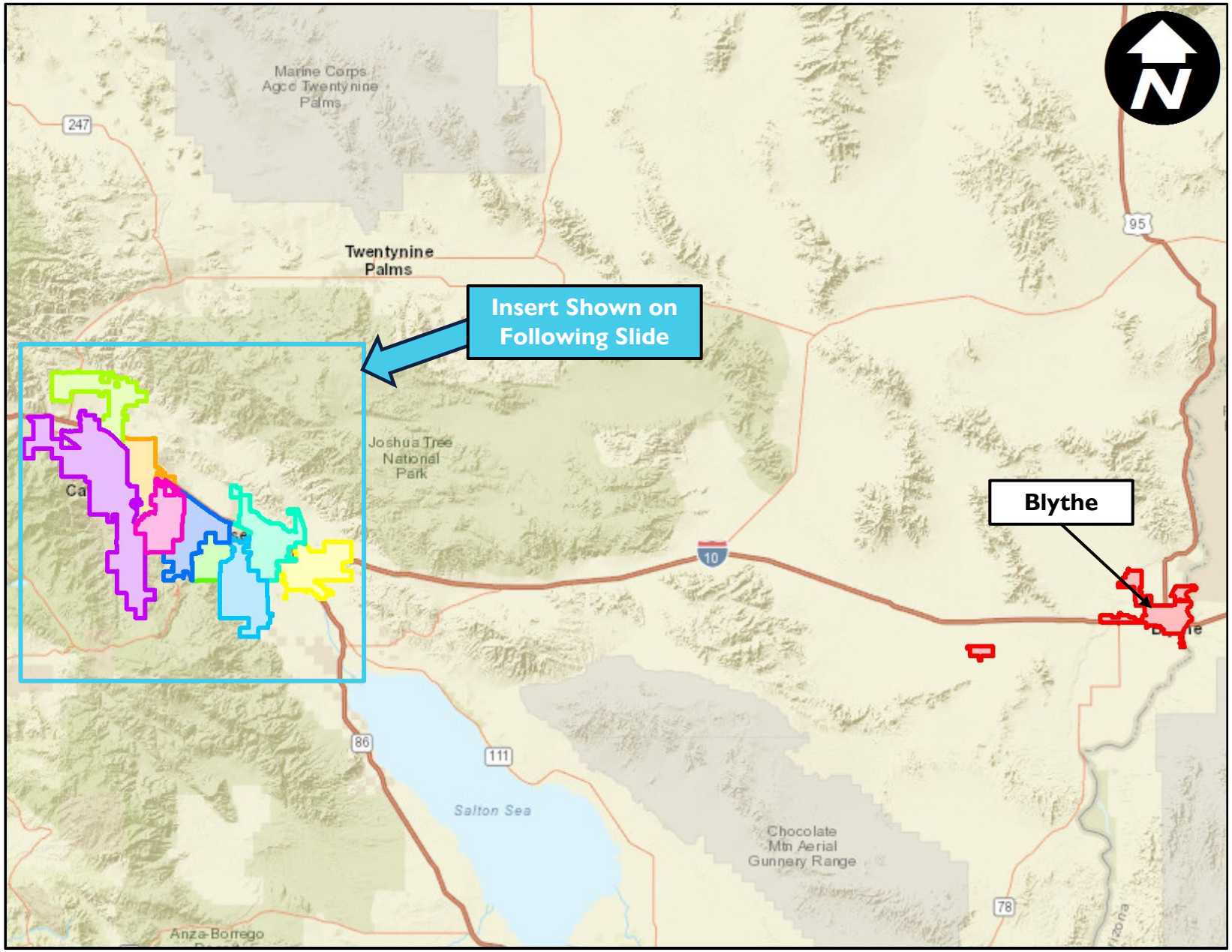
2. Estimate future growth of assessed value based on historical growth (5-yr history) within the CVAG region and Kosmont staff experience with property tax revenue projections

3. Identify primary eligible public agencies that receive property tax increment within the district (e.g., local City, County of Riverside), as well as their corresponding shares of future property tax increment

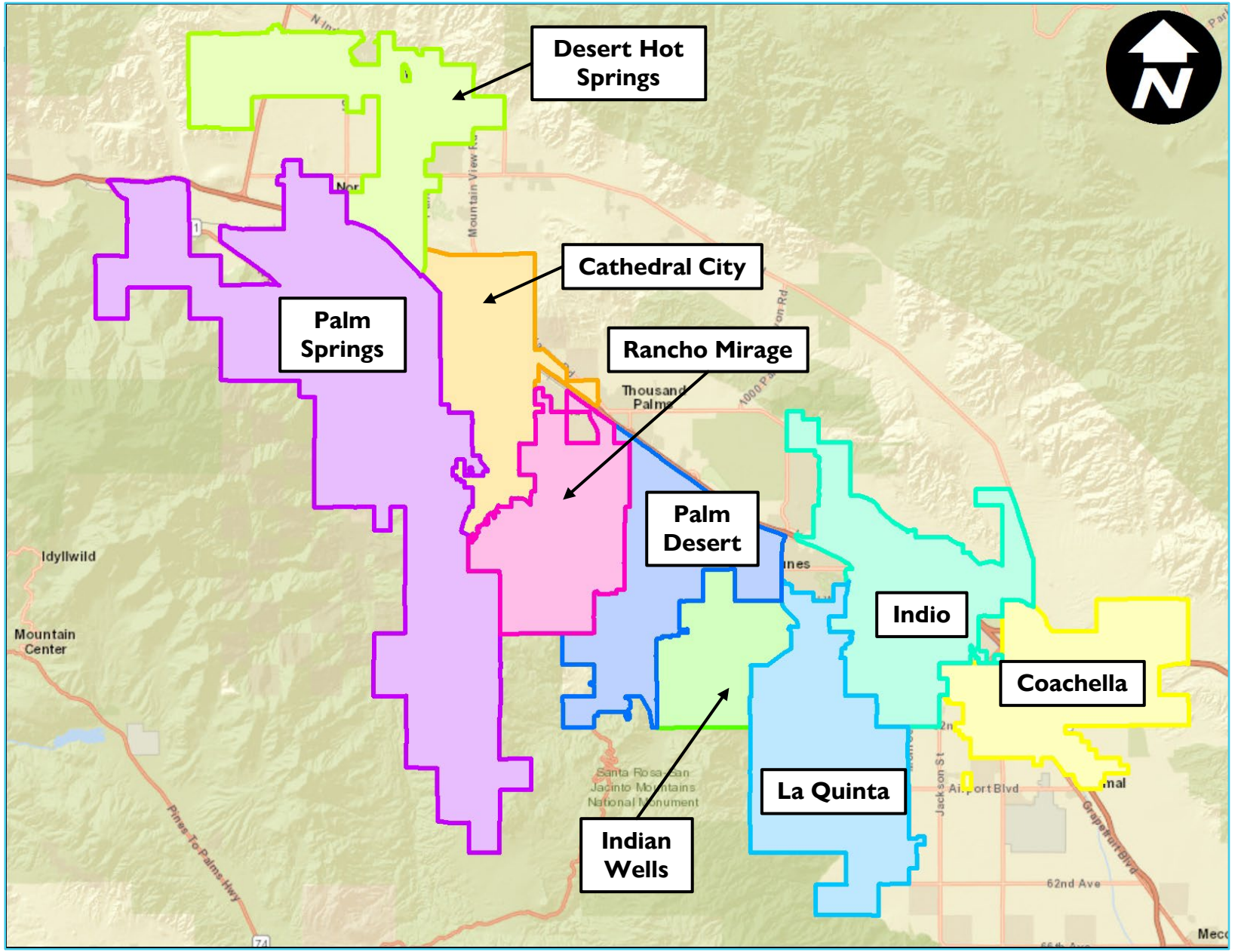
4. Evaluate scenarios of tax increment allocation percentages based on factors above, also balancing need to reserve future property tax revenues for general fund solvency / day-to-day municipal services

CVAG CITIES

CVAG Cities	Approx. Acres
Blythe	17,510
Cathedral City	14,560
Coachella	21,171
Desert Hot Springs	19,622
Indian Wells	9,331
Indio	21,274
La Quinta	22,835
Palm Desert	17,286
Palm Springs	60,595
Rancho Mirage	16,474
Estimated Total Acreage	**220,659**

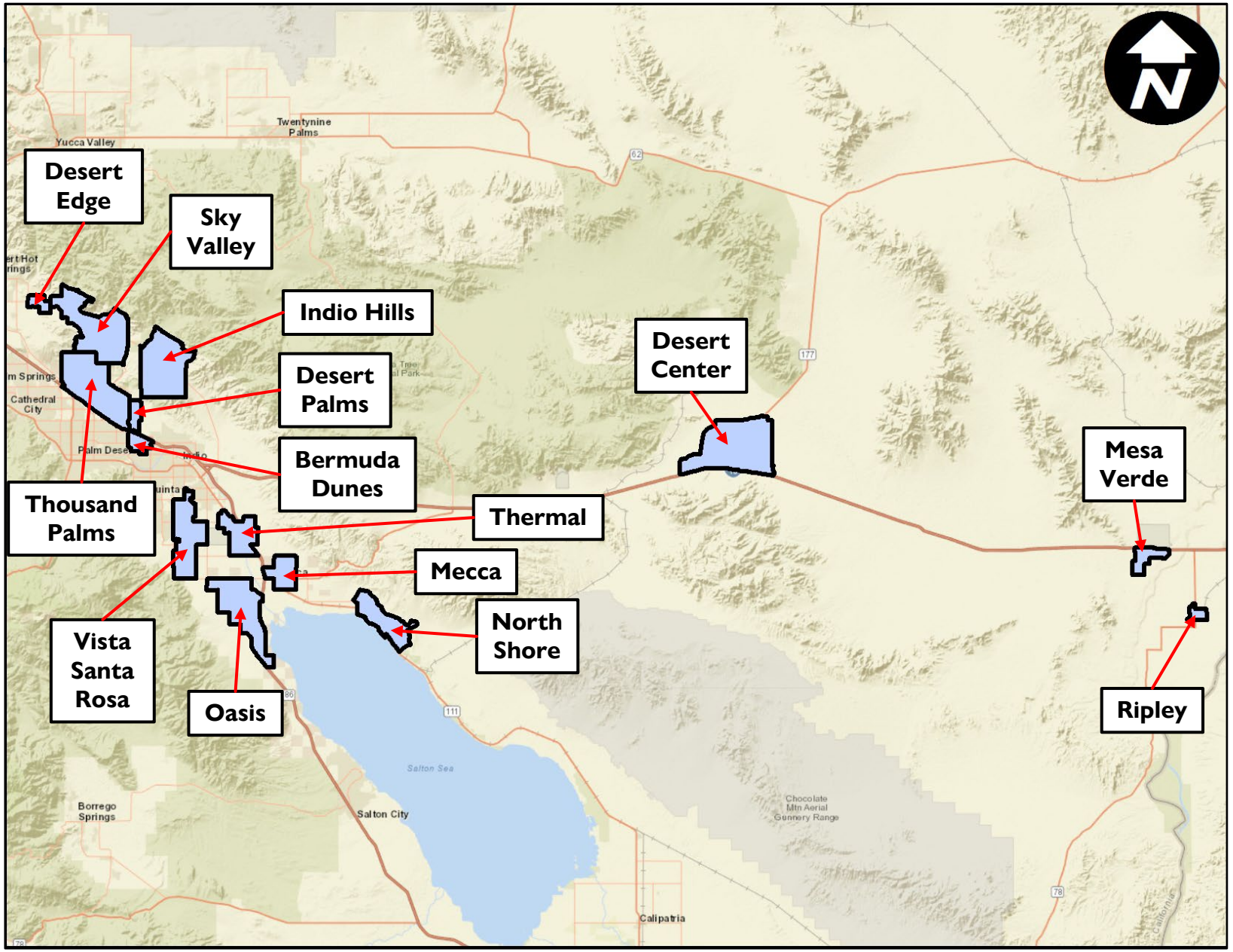


CVAG CITIES
(ZOOMED)



UNINCORPORATED COMMUNITIES

CVAG Unincorporated Communities	Approx. Acres
Bermuda Dunes	1,888
Desert Center	19,475
Desert Edge	1,453
Desert Palms	1,709
Indio Hills	13,766
Mecca	4,454
Mesa Verde	2,778
North Shore	7,155
Oasis	12,563
Ripley	1,088
Sky Valley	15,533
Thermal	6,048
Thousand Palms	15130
Vista Santa Rosa	10,323
Estimated Total Acreage	**113,363**



EXISTING ASSESSED VALUE AND PROPERTY TAX DISTRIBUTION

Jurisdiction	Estimated Total Existing Assessed Value (A/V)	City Share of 1% Property Tax Levy	City VLF Equivalent	Total City Property Tax Available to EIFD	County Share of 1% Property Tax Levy
Blythe	$814,110,455	22.3%	16.4%	38.6%	9.9%
Cathedral City*	$5,345,023,091	7.1%	9.6%	22.6%	12.9%
Coachella	$2,220,955,238	3.6%	23.7%	27.3%	9.8%
Desert Hot Springs	$2,238,383,572	11.0%	12.1%	23.1%	11.3%
Indian Wells	$6,599,612,415	4.6%	0.8%	5.4%	15.1%
Indio	$9,740,238,046	14.9%	11.2%	26.1%	12.1%
La Quinta	$15,209,866,340	4.6%	3.0%	7.6%	11.6%
Palm Desert	$16,755,218,136	5.4%	2.8%	8.2%	11.0%
Palm Springs	$15,524,959,794	22.7%	3.9%	26.6%	13.0%
Rancho Mirage	$9,765,384,821	7.8%	1.7%	9.6%	12.9%
Unincorporated Communities	$3,924,357,809	N/A	N/A	N/A	9.8%

**Includes 6.0% City Fire*
Source: Riverside County Auditor Controller (2021-2022 Assessed Values)
Post-ERAF distribution. Where portions of this boundary overlap with former RDA project areas, property tax is subject to separate project-area-wide distribution schedule until expiration / maturation of outstanding Successor Agency enforceable obligations

METHODOLOGY FOR BOUNDARY AND REVENUE ALLOCATION SCENARIO DEFINITION

- Each city and the County would, in practice, have flexibility to delineate a district boundary encompassing specific parcels in each jurisdiction, typically parcels positioned for new development or rehabilitation
- In order to illustrate realistic funding capacity without pre-determining the specific area within each community that could be included within an EIFD, this analysis utilizes three (3) sample boundary alternatives that represent mathematical parameters that have functioned well in previously established districts statewide
- Two primary factors are varied in Scenarios A, B, and C on following pages:
  a) Percentage of the community in the district (50% versus 25% versus 10%) – this factor represents how much of a city or unincorporated community, in terms of existing assessed value, would be placed into an EIFD
  b) Percentage allocation (5% versus 25% versus 50%) – this factor reflects the percentage of future tax increment revenue within the EIFD boundary that would be allocated to the EIFD as opposed to the jurisdiction's general fund
- While a community may include up to 100% of its jurisdiction within a special district (i.e., a citywide district), more common practice is to include a smaller portion of city within a special district, so as not to over-encumber future general fund property tax revenues

METHODOLOGY FOR BOUNDARY AND REVENUE ALLOCATION SCENARIO DEFINITION (CONTINUED)

- As an example, in Scenario A (50% / 5%), each community is assumed to define a district boundary that encompasses 50% of the community (in terms of existing assessed value), and the community would allocate 5% of its future tax increment generated within that district boundary
- It is Kosmont's experience that the larger the district boundary is drawn within a community, the smaller the percentage allocation that can be fiscally supported by the general fund over the long term

SUMMARY OF TAX INCREMENT FINANCING (TIF) AVAILABLE REVENUES OVER TIME

Scenario	Total 50-Year Tax Increment Revenue Available *(across CVAG region)*	Present Value of Available Revenues *(6% Discount Rate)*
A) 50% / 5%	$344M	$137M
B) 25% / 25%	$860M	$343M
C) 10% / 50%	$688M	$274M

- Analysis estimates that between approx. **$137 million** and **$343 million** (in present value terms) would be available for affordable housing and related housing- and transportation-supportive infrastructure across the CVAG region under the scenarios of TIF implementation evaluated (very conservative estimates of future growth based on historical rates)

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FUNDING CAPACITY ILLUSTRATIONS

- The following tables illustrate various ways to utilize EIFD revenues to fund targeted projects
- EIFD revenues may be used on a pay-as-you-go basis, leveraged to issue bonds, and/or pledged as reimbursement for funding advanced by other public or private entities
- Bonding scenarios shown assume "level debt service", meaning that a Year 5 bond assumes that only Year 5 level of annual EIFD revenue will be available for bond debt service (as opposed to "escalating debt service", which assumes growth beyond Year 5 levels)
- The "present value" figures shown are a helpful reflection of the value of future EIFD revenues if used as a pledge of reimbursement for funding advanced by other public or private partners (a 6% discount rate is utilized as a benchmark only)
- The "nominal dollar" figures represent the total "current" dollar amounts realized over time, not adjusting for inflation

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SCENARIO A DETAIL:
50% OF COMMUNITY IN DISTRICT / 5% ALLOCATION

Jurisdiction	Year 5 Accumulated Revenue + Bonding Capacity*	Year 10 Accumulated Revenue + Bonding Capacity*	50-Year Present Value @ 6%	50-Year Nominal Total
Blythe*	$79,200	$316,600	$2,502,400	$6,274,800
Cathedral City*	$744,800	$3,086,200	$10,012,000	$25,105,600
Coachella*	$165,300	$1,293,900	$5,224,800	$13,101,300
Desert Hot Springs*	$154,400	$1,164,900	$4,880,300	$12,237,600
Indian Wells*	$141,600	$1,013,200	$4,475,100	$11,221,400
Indio	$2,652,300	$8,167,900	$23,585,000	$59,140,300
La Quinta	$1,392,800	$4,812,400	$14,622,700	$36,667,100
Palm Desert	$1,799,300	$5,895,500	$17,515,500	$43,920,900
Palm Springs	$4,812,400	$13,922,600	$38,955,600	$97,682,800
Rancho Mirage*	$1,001,400	$3,769,800	$11,837,800	$29,683,700
Unincorporated Communities*	$114,200	$689,500	$3,610,400	$9,053,100
Total CVAG Region	**$18,115,000**	**$49,361,200**	**$137,221,600**	**$344,088,600**

City contribution includes contribution from both AB8 + MVLF in-lieu property tax. County contribution includes contribution from AB8 property tax only. Where County share of 1% Property Tax is lower than City, a percentage match contribution is expected, as opposed to a dollar match (a County would typically match the lesser of a dollar match or a percentage match in Kosmont's experience)

** Where Accumulated Revenue + Bonding Capacity is not feasible for bonding purposes, only accumulated revenue is shown. Bonding capacity assumes Year 5 is first bond issuance for EIFD. Year 5 means fifth year of revenue following district formation. Net proceeds shown. Bondable revenue assumes $25,000 admin charge, 125% debt service coverage. 6.0% interest rate; 30-year term. Proceeds net of 2% underwriter's discount, estimated reserve fund (maximum annual debt service), costs of issuance estimated at $350,000.*

Source: Kosmont Financial Services (KFS), registered Municipal Advisor.

SCENARIO B DETAIL:
25% OF COMMUNITY IN DISTRICT / 25% ALLOCATION

Jurisdiction	Year 5 Accumulated Revenue + Bonding Capacity*	Year 10 Accumulated Revenue + Bonding Capacity*	50-Year Present Value @ 6%	50-Year Nominal Total
Blythe*	$216,900	$1,679,900	$6,255,900	$15,686,900
Cathedral City*	$2,855,400	$8,708,900	$25,030,100	$62,764,000
Coachella*	$1,173,400	$4,228,100	$13,061,900	$32,753,300
Desert Hot Springs*	$1,052,400	$3,905,700	$12,200,800	$30,594,100
Indian Wells*	$910,000	$3,526,400	$11,187,600	$28,053,500
Indio	$7,624,100	$21,413,100	$58,962,500	$147,850,900
La Quinta	$4,475,300	$13,024,500	$36,556,800	$91,667,700
Palm Desert	$5,491,700	$15,732,100	$43,788,800	$109,802,300
Palm Springs	$13,024,400	$35,799,800	$97,389,000	$244,206,900
Rancho Mirage*	$3,496,900	$10,417,800	$29,594,500	$74,209,300
Unincorporated Communities*	$606,200	$2,717,000	$9,025,900	$22,632,900
Total CVAG Region	**$46,280,800**	**$124,396,500**	**$343,053,800**	**$860,221,800**

City contribution includes contribution from both AB8 + MVLF in-lieu property tax. County contribution includes contribution from AB8 property tax only. Where County share of 1% Property Tax is lower than City, a percentage match contribution is expected, as opposed to a dollar match (a County would typically match the lesser of a dollar match or a percentage match in Kosmont's experience)

** Where Accumulated Revenue + Bonding Capacity is not feasible for bonding purposes, only accumulated revenue is shown. Bonding capacity assumes Year 5 is first bond issuance for EIFD. Year 5 means fifth year of revenue following district formation. Net proceeds shown. Bondable revenue assumes $25,000 admin charge, 125% debt service coverage. 6.0% interest rate; 30-year term. Proceeds net of 2% underwriter's discount, estimated reserve fund (maximum annual debt service), costs of issuance estimated at $350,000.*

Source: Kosmont Financial Services (KFS), registered Municipal Advisor.

SCENARIO C DETAIL:
10% OF COMMUNITY IN DISTRICT / 50% ALLOCATION

Jurisdiction	Year 5 Accumulated Revenue + Bonding Capacity*	Year 10 Accumulated Revenue + Bonding Capacity*	50-Year Present Value @ 6%	50-Year Nominal Total
Blythe*	$158,300	$1,211,500	$5,004,700	$12,549,500
Cathedral City*	$2,151,900	$6,834,700	$20,024,100	$50,211,200
Coachella*	$806,300	$3,250,000	$10,449,500	$26,202,700
Desert Hot Springs*	$709,500	$2,992,100	$9,760,700	$24,475,300
Indian Wells*	$595,600	$2,688,600	$8,950,100	$22,442,800
Indio	$5,966,900	$16,998,000	$47,170,000	$118,280,700
La Quinta	$3,447,800	$10,287,100	$29,245,400	$73,334,100
Palm Desert	$4,260,900	$12,453,200	$35,031,100	$87,841,800
Palm Springs	$10,287,100	$28,507,400	$77,911,200	$195,365,500
Rancho Mirage*	$2,665,000	$8,201,800	$23,675,600	$59,367,400
Unincorporated Communities*	$352,500	$2,041,200	$7,220,700	$18,106,300
Total CVAG Region	**$36,892,200**	**$99,384,700**	**$274,443,100**	**$688,177,300**

City contribution includes contribution from both AB8 + MVLF in-lieu property tax. County contribution includes contribution from AB8 property tax only. Where County share of 1% Property Tax is lower than City, a percentage match contribution is expected, as opposed to a dollar match (a County would typically match the lesser of a dollar match or a percentage match in Kosmont's experience)

** Where Accumulated Revenue + Bonding Capacity is not feasible for bonding purposes, only accumulated revenue is shown. Bonding capacity assumes Year 5 is first bond issuance for EIFD. Year 5 means fifth year of revenue following district formation. Net proceeds shown. Bondable revenue assumes $25,000 admin charge, 125% debt service coverage. 6.0% interest rate; 30-year term. Proceeds net of 2% underwriter's discount, estimated reserve fund (maximum annual debt service), costs of issuance estimated at $350,000.*

Source: Kosmont Financial Services (KFS), registered Municipal Advisor.

POTENTIAL CASH FLOW / DEBT ISSUANCE APPROACHES

- Kosmont Financial Services is in active discussions with public finance underwriters regarding EIFD debt issuances in other jurisdictions
- Underwriters have proposed several approaches for leveraging EIFD tax increment for accelerated debt issuance (e.g., 2-3 years from EIFD formation), for example:
  a) EIFD increment only, based on completed (or nearly completed) improvements
  b) EIFD increment only, based on completed improvements PLUS near-term growth
  c) Overlapping EIFD and CFD (CFD Backstop) – landowners / developers must be willing to pay CFD special taxes in the short term (e.g., 5-10 years) until EIFD increment reaches a level to cover debt service
  d) EIFD increment with City or County general fund backstop
- There are advantages and disadvantages with each approach (e.g., upfront proceeds available, public agency risk, cost of capital)

PRIVATE SECTOR / NONPROFIT PARTNERSHIP APPROACHES

- Outside of debt issuance alternatives, certain other EIFDs have negotiated partnerships with private sector landowner / developer partners (e.g., Madera County EIFDs, Carson / L.A. County EIFD)
  - Private sector or nonprofit community may be willing to advance housing/infrastructure funding in exchange for reimbursement from EIFD proceeds (e.g., Lift to Rise)
  - Could be documented via Reimbursement Agreement, Development Agreement, other alternatives

ILLUSTRATIVE EIFD FORMATION SCHEDULE

Target Date	Task
Q3-Q4 2023	a) Conduct outreach / discussion among City staff and Council, County staff and Board of Supervisors, relevant stakeholders related to potential projects
Q4 2023	b) Final determination of boundaries, tax increment allocations, targeted projects, Public Financing Authority composition
Q4 2023	c) Participating taxing agencies adopt Resolution(s) of Intention (ROI) to form EIFD and establish Public Financing Authority (PFA)
Q4 2023	d) PFA drafts Infrastructure Financing Plan (IFP)
Q4 2023	e) Distribute draft IFP to property owners, affected taxing entities, PFA, City Council, and planning commission
Q1 2024	f) PFA holds an initial public meeting to present the draft IFP to the public and property owners
Q1 2024	g) PFA holds first "official" public hearing to hear written and oral comments but take no action (noticing must occur at least 30 days after "f")
Q1 2024	h) PFA holds second public hearing to hear additional comments and take action to modify or reject IFP (at least 30 days after "g")
Q2 2024	i) City Council / legislative bodies of other affected taxing entity contributing increment adopt resolution(s) approving IFP
Q2 2024	j) PFA holds third public hearing to consider oral and written protests and take action to terminate proceedings or adopt IFP by resolution (at least 30 days after "h")

- Tax increment allocation begins fiscal year following district formation
- Debt issuance, if desired, would occur after a stabilized level of tax increment has been established

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SINGLE VERSUS MULTIPLE CVAG EIFDS

- In Kosmont's experience, it is difficult to coordinate a single TIF district across more than two jurisdictions, for reasons including defining projects of common benefit, mutually agreeable financial terms, and various administrative factors, such as establishing meeting schedules that work for all relevant representatives
- A more realistic approach for communities within the CVAG region may be to have multiple EIFDs, so that each community could customize boundaries, revenue allocation scenarios, and targeted projects that meet the local community's needs, but also having a common dedication of funding specifically for housing and transportation infrastructure, such as a common percentage allocation of total EIFD funding (e.g., 20% of all tax increment revenues generated within each CVAG community's EIFD can be "earmarked" for housing and transportation infrastructure)
- A further possibility is that all or some portion of that common dedication (e.g., 20%) is specifically deposited into a single funding vehicle, such as a **regional trust fund**, to implement a specifically defined set of eligible housing and transportation infrastructure that would be deemed of common benefit to all CVAG communities participating (e.g., regional rail extension, regional navigation center, North Lake / Salton Sea related infrastructure)
- CVAG may be able to incentivize participation in these mechanisms via technical advisory (SCAG REAP Technical Advisory example) or other means
- Such funding could be amplified with other complementary revenues and implementation mechanisms, as described in following section

1.B. COMPLEMENTARY ONE-TIME REVENUE TOOLS

CVAG – REAP REVENUE STUDY

COMPLEMENTARY ONE-TIME REVENUE TOOLS: SUMMARY

- While ongoing revenue sources such as tax increment financing (TIF / EIFD) provide reliable, sustainable revenues that can be leveraged for debt issuances, reimbursement obligations, and other forms of leverage, there often remains a need to supplement such revenues with other funding sources on a targeted, one-time basis to fully fund projects of communitywide and regional significance
- Examples of these critical, one-time sources are grants, fee programs, zoning incentive contributions from the private sector, and in some cases, public sector liquidity strategies
- While such potential funding sources can be significant (in the range of tens of millions of dollars), it is important that such sources are not guaranteed, and often require competitive applications, negotiations, planning, and/or due diligence activities as discussed on the following pages

RELEVANT GRANT PROGRAMS FOR HOUSING AND TRANSPORTATION INFRASTRUCTURE – STATE OF CA

Program	Eligible Project Improvements	Potential Award Amounts	Application Process / Timing
American Rescue Plan Act (ARPA)	Priority for water, sewer, and broadband, but other infrastructure eligible (very competitive)	**Direct City Allocations Vary**	• Direct with City • Rolling "application"
CA Housing and Community Development (HCD) Infill Infrastructure Grant (IIG)	Housing and transit supportive infrastructure	**$2M to $30M**	• Most recent "Super-NOFA" (includes Multifamily Housing Program and other programs) deadline July 12, 2022 (future rounds anticipated)
HCD Affordable Housing and Sustainable Communities (AHSC) Grant	Housing and transit supportive infrastructure	**$12M to $30M**	• Round 6 closed June 2021(future rounds anticipated)
CA State Transportation Agency Transit and Intercity Rail Capital Program (TIRCP)	Transportation infrastructure to reduce emissions of greenhouse gases, vehicle miles traveled, and congestion	**$1M to $50M**	• Cycle 5 deadline March 3, 2022 (future rounds anticipated)
CalTrans – Active Transportation Program (ATP)	Roadways; Disadvantaged Community preference (City of Redlands includes qualifying census tracts, not including University Village); no City match	**$250K +**	• Cycle 6 deadline June 15, 2022 (future rounds anticipated)
CA State Transportation Agency/Caltrans – Highway Safety Improvement Program (HSIP)	Roadways; 10% City match	**$100K to $10M**	• Cycle 11 applications due September 12, 2022 (future rounds anticipated)
California Natural Resources Agency Urban Flood Protection (Prop 68) Grant	Flood control / mitigation improvements	**$200K to $6M**	• Most recent application cycle closed March 2020 (future rounds anticipated)
CA Dept of Parks & Recreation (DPR) – Prop 68 Grants	Parks, trails, open space improvements	**$200K to $8.5M (average award ~$4M)**	• Recreational Trails Program - April 7, 2022 • Habitat Conservation Fund - April 7, 2022 • Land and Water Conservation Fund –February 1, 2022 • Regional Parks Program –January 20, 2022 • Rural Recreation and Tourism Program (RRT) –January 20, 2022 • Outdoor Equity Grants Program October 8, 202 • Locally-Operated State Parks Program –August 31, 2021 • Outdoor Recreation Legacy Partnership (ORLP) Program – June 18, 2021 • Statewide Park Program (SPP) - March 12, 2021 (future rounds anticipated)

RELEVANT GRANT PROGRAMS FOR HOUSING AND TRANSPORTATION INFRASTRUCTURE – FEDERAL

Program	Eligible Project Improvements	Potential Award Amounts	Application Process / Timing
U.S. Economic Development Administration (EDA) CARES Act Economic Adjustment Assistance (EAA) Grant	Infrastructure to support to jobs-producing (e.g., commercial) project components	**$100K to $30 million**	• Rolling
U.S. Department of Transportation: Reconnecting Communities Pilot Program - Planning Grants and Capital Construction Grants	Removing, retrofitting, or mitigating highways or other transportation facilities that create barriers to community connectivity, including to mobility, access, or economic development	**Planning grants $100K to $2M** **Construction grants $5M to $100M**	• Application deadline October 13, 2022

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HOUSING LINKAGE AND IN-LIEU FEES

Housing linkage fees – attempt to link the production of market-rate real estate to the production of affordable housing; enables flexible use of funds, but does not always promote economic integration

- Example: City of Los Angeles linkage fee on new residential development ranges from $1.04 to $18.69 per square foot (depending on the market area); new non-residential developments ranges from $3.11 to $5.19 per square foot (depending on the market area) – $32.6M raised 2019-2021

Housing in-lieu fees – common as an alternative for on-site inclusionary requirements, often deposited into housing trust fund at city or county level to fund off-site affordable housing

- Examples: City of Pasadena, West Hollywood, San Jose, San Francisco; often defined at a per-unit rate by economics of residual land value and price/rent difference between market-rate and affordable levels within a community (e.g., City of Pasadena $40K-$115K per unit depending on sub-area and rental vs. for-sale)
- Sometimes implemented in alternative formats, such as land dedication

ZONING INCENTIVE CONTRIBUTIONS

- **Zoning and entitlements can create value for potential use as currency to drive housing and community benefits**
- Zoning changes that are needed for new development can provide significant economic benefits to property owners, **who may likely be non-developers.**
- Prematurely up-zoning can also increase land values, which can **limit the possibility of development & affordability**.
- **Specific plans often "give away" density** with entitlements without tying density to projects that deliver **community benefits and public amenities.**
- By reserving new housing density in a "reserve" bucket, cities can comply with RHNA while also retaining some control over new development.
- Reserve lets a community dole out new density for specific projects that comply with a benefit agreement and in compliance with RHNA – ensuring projects come with amenities and other community benefits, such as housing or transportation infrastructure contributions

ZONING INCENTIVE CASE STUDY ILLUSTRATIONS

City of Buellton: *Avenue of Flags*

- **Goal:** Induce housing development in downtown area
- **Benefits & Amenities:** public restrooms, off-site improvements, public parking, parking district, public art, parks, green buildings, other
- **Incentives:** Increase density up to 40 units / acre, increase heights, reduce on-site parking , reduced setbacks, reduced traffic and application fees

City of El Monte: *Downtown Main St.*

- **Goal:** Increase downtown density along with community benefits and public improvements
- **Benefits & Amenities:** streets, bicycle facilities, parking, open space, beautification, transit, arts / cultural spaces, lot consolidation; developer can either install improvements or make payment into public improvement fund; value based on a portion of residual land value (~75%)
- **Incentives**: Increase density, heights, FAR, dwelling units per acre

Implementation Steps

1. Conduct market housing / economic study to match RHNA needs
2. Discuss new density and public amenities with community
3. Create DOR mechanism as new Zoning / Specific Plan provision
4. Implement on project basis via Development Agreement

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PUBLIC FINANCE / LIQUIDITY STRATEGIES

Current low interest rate environment is an opportunity to generate savings and create general fund resources for community reinvestment, such as with housing- and transportation-supportive infrastructure

- Revenue Bonds to fund vital projects
- Lease – Leaseback (P3) Structures can cut costs and deliver public projects (no vote needed)
- Pension Obligation Bonds and other refinancing structures can generate savings (no vote needed)

Reducing debt payments can create capacity to pursue housing and infrastructure programs to reset the local economy.

REVENUE FROM PUBLIC AGENCY OWNED ASSETS
REAL ESTATE & LEASING STRATEGIES

Cities can use a variety of strategies to leverage the value of their properties:

- Performance-based leases / ground leases
- Monetizing assets (such as parking garages)
- Selling property to private sector – includes lease-back strategies, continued operation of existing use, redevelopment into new uses

Agencies must follow Surplus Land Act (SLA) requirements / procedures

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REVENUE FROM PUBLIC AGENCY OWNED ASSETS
REAL ESTATE & LEASING STRATEGIES (CONTINUED)

Previously: If an agency wanted to sell publicly-owned property, it could directly offer via developer RFQ/P

Now: Surplus Land Act (SLA) requires process of offering property to affordable housing developers before pursuing other opportunities.

- Declare "Surplus" and provide notice to affordable housing developers
- Notice must be circulated for 60 days
- Affordable housing developer responds, City to negotiate in good faith – 90 days
- If no responses to notice (or City / affordable housing developer do not reach agreement), City can proceed with other developer selection process
- Site will likely have a 55-year restrictive covenant to require 15% of units in residential development be restricted for low-income households

2. SUPPORTIVE POLICY INITIATIVES

CVAG – REAP REVENUE STUDY

SUPPORTIVE POLICY INITIATIVES: SUMMARY

- The effectiveness and viability of previously discussed ongoing and one-time revenue tools can be significantly bolstered by supportive policy initiatives adopted at either the communitywide or regional scale
- Of note, there are certain grant programs at the state level (e.g., IIG, AHSC, TCC, TIRCP) that explicitly prioritize grant applications from communities that achieve "Pro Housing Designation" from the State Department of Housing and Community Development (HCD)
- The Pro Housing Designation offers a particularly insightful example of how supportive policy can amplify the effectiveness of ongoing or one-time revenue tools for housing and transportation
- Example policies discussed on following pages include (1) favorable zoning and land use policies, (2) policies to accelerate housing production timeframes, (3) policies to reduce construction and development costs, and (4) policies that provide financial subsidies to housing development

1) EXAMPLES OF FAVORABLE ZONING AND LAND USE POLICIES

a. Rezoning to accommodate more than (e.g., 125-150%) RHNA target allocation by total or by income category

b. Permitting missing middle housing uses (e.g., duplexes, triplexes and fourplexes) by right in existing low-density, single-family residential zones

c. **Density bonus programs** which exceed statutory requirements by 10 percent or more

d. Increasing allowable density in low-density, single-family residential areas beyond the requirements of state Accessory Dwelling Unit law (e.g., permitting more than one ADU or JADU per single family lot)

e. Reducing or eliminating parking requirements for residential development, or adopting maximum parking requirements

f. Zoning to allow for residential or mixed uses in one or more non-residential zones (e.g., commercial, light industrial)

g. Modification of development standards and other applicable zoning provisions to promote greater development intensity. Potential areas of focus include floor area ratio; height limits; minimum lot or unit sizes; setbacks; and allowable dwelling units per acre.

h. Establishment of a Workforce Housing Opportunity Zone (WHOZ) or a Housing Sustainability District (HSD)

Source: HCD Pro-Housing Designation Guidelines

2) EXAMPLES OF POLICIES THAT ACCELERATE HOUSING PRODUCTION TIMELINES

a. Establishment of ministerial approval processes for a variety of housing types, including SF and MF housing
b. Establishment of streamlined, program-level CEQA analysis and certification of general plans, community plans, specific plans with accompanying Environmental Impact Reports (EIR) (similar to Coachella Valley Multiple Species Habitat Conservation Plan or CVMSHCP)
c. Documented practice of streamlining housing development at the project level, such as by enabling a by-right approval process or by utilizing statutory and categorical exemptions as authorized by applicable law
d. Establishment of permit processes that take less than four months to issuance of building permits
e. Absence or elimination of public hearings for projects consistent with zoning and the general plan
f. Absence, elimination or replacement of subjective development and design standards with objective development and design standards that simplify zoning clearance and improve approval certainty and timing
g. Establishment of **one-stop-shop permitting** processes or a single point of contact where entitlements are coordinated across city approval functions (e.g., planning, public works, building) from entitlement to occupancy
h. Priority permit processing or reduced plan check times for ADUs/JADUs, multifamily housing, or affordable units
i. Establishment of a standardized application form for all entitlement applications
j. Practice of publicly posting status updates on project permit approvals on the Internet
k. Limitation on the total number of hearings for any project to three or fewer

Source: HCD Pro-Housing Designation Guidelines

3) EXAMPLES OF POLICIES TO REDUCE CONSTRUCTION AND DEVELOPMENT COSTS

a. Waiver or significant reduction of development impact fees for residential development
b. Adoption of ordinances or implementation of other mechanisms that reduce barriers for property owners to create ADUs/JADUs (e.g., development standards improvements, permit processing improvements, dedicated ADU/JADU staff, technical assistance programs, and pre-approved ADU/JADU design packages)
c. Adoption of other fee reduction strategies, including fee deferrals and reduced fees for housing for persons with special needs
d. Promoting innovative housing types (e.g., manufactured homes, recreational vehicles, park models) that reduce costs
e. Measures that reduce costs for transportation-related infrastructure or programs that encourage active modes of transportation or other alternatives to automobiles (e.g., publicly funded programs to expand sidewalks or protect bike/micro-mobility lanes; creation of on-street parking for bikes; transit-related improvements; establishment of carshare programs)
f. Adoption of universal design ordinances
g. Establishment of pre-approved or prototype plans for missing middle housing types (e.g., duplexes, triplexes, and fourplexes) in low-density, single-family residential areas (example in incorporated County – Employee Housing Act)

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Source: HCD Pro-Housing Designation Guidelines

4) EXAMPLES OF POLICIES THAT PROVIDE FINANCIAL SUBSIDIES FOR HOUSING DEVELOPMENT

a. Establishment of local housing trust funds or collaboration on a **regional housing trust fund**
b. Provide grants or low-interest loans for ADU/JADU construction affordable to lower- and moderate-income HHs
c. Comprehensive program that complies with the Surplus Land Act and makes publicly owned land available for affordable housing, or for multifamily housing projects with the highest feasible percentage of units affordable to lower income households (e.g., including land donations, land sales with significant write-downs, or below-market land leases)
d. Establishment of an **Enhanced Infrastructure Financing District (EIFD)** or similar local financing tool that, to the extent feasible, directly supports housing developments in an area where at least 20 percent of the residences will be affordable to lower income households
e. Directed residual redevelopment funds to affordable housing
f. Development and regular (at least biennial) use of a **housing subsidy pool**, **local or regional trust fund**, or other similar funding source (or **Community Land Trust** "**CLT**")
g. Prioritization of local general funds for affordable housing

Source: HCD Pro-Housing Designation Guidelines

POTENTIAL POLICIES WITH GREATEST RELEVANCE TO CVAG REAP REVENUE EVALUATION

a. **Density bonus programs** which exceed statutory requirements by 10 percent or more

b. Establishment of **one-stop-shop permitting** processes or a single point of contact from entitlement to occupancy

c. Waiver or significant reduction of development impact fees for residential development

d. Adoption of other fee reduction strategies, including fee deferrals and reduced fees for housing for targeted HHs

e. Establishment of pre-approved or prototype plans for missing middle housing types (e.g., duplexes, triplexes, and fourplexes) in low-density, single-family residential areas (example in unincorporated County – Employee Housing Act)

f. Establishment of local housing trust funds or collaboration on a **regional housing trust fund**

g. Establishment of an **Enhanced Infrastructure Financing District (EIFD)** or similar local financing tool

h. Development and regular (at least biennial) use of a **housing subsidy pool**, **local or regional trust fund**, or other similar funding source (or **Community Land Trust** "**CLT**")

Source: HCD Pro-Housing Designation Guidelines

SPOTLIGHT: COMMUNITY LAND TRUSTS (CLT)

Community Land Trusts (CLTs) are typically non-profits who receive money from cities and counties in the form of grants to acquire and provide affordable housing units for low-income households

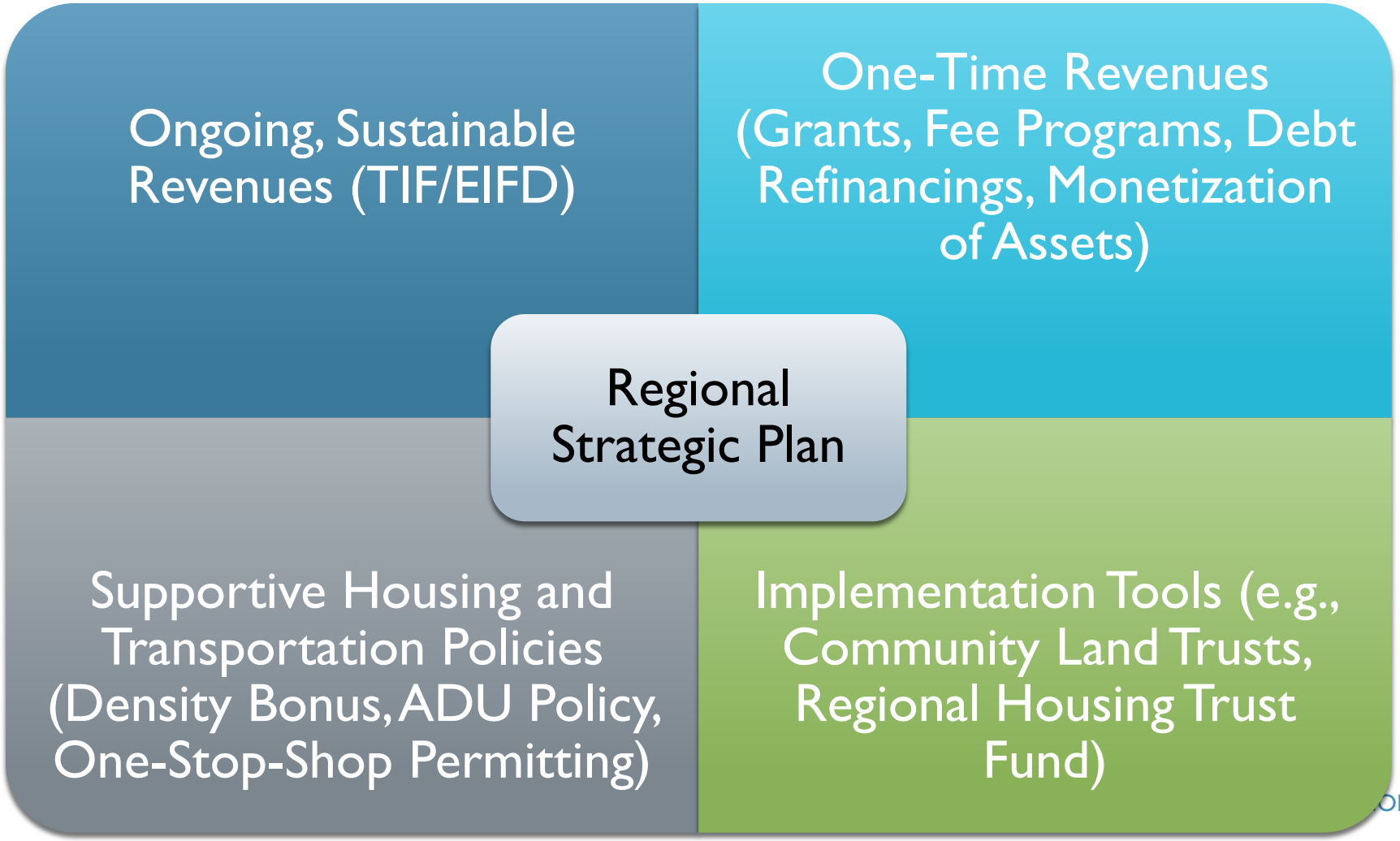
How do they work?

- CLTs buy real estate and secure mortgages on the open market then sell the properties to low-income households while retaining ownership of the land (CLT owns land, buyer owns house)
- CLTs then lease the land to a low-income homebuyer for a low monthly rate over a long period of time (99-year lease)
- If homebuyer sells house, they agree to sell to individuals who need CLT assistance. In doing so, the homebuyer will receive 25% profit, while CLT retains equity in the land
- Thus, CLTs create an affordable housing option that can last in perpetuity, while helping the homebuyer amass enough wealth upon a sale to enter the housing market

Examples of CLTs in California

- San Francisco CLT (SFCLT)
  - Founded in 2003
  - Focuses on acquiring and rehabilitating buildings that are in danger with losing their affordability
  - Recently acquired 285 Turk St. (40-unit building) for $9.4M using two private lenders
- Northern California Land Trust (founded 1973, 15 projects, 78 housing units and one community center), operates in San Francisco, Berkeley, Oakland, and Palo Alto
- Irvine CLT (founded 2006, 6 projects, 475 housing units)
- Oakland CLT (founded 2009, 6 projects, 35 housing units, along with commercial space and community centers)

REGIONAL STRATEGIC ROADMAP OUTLINE



NEXT STEPS

1. Address questions, incorporate feedback from CVAG Committees and other key stakeholders on evaluation of revenue tools and policy initiatives
2. Continued stakeholder engagement (incl. future Committee briefings)
3. Drafting of Regional Strategic Plan (targeting draft in April 2023)

APPENDIX

GLOSSARY OF ACRONYMS

CFD: Community Facilities District

CLT: Community Land Trust

COPs: Certificates of Participation

CRIA: Community Revitalization and Investment Authority

EIFD: Enhanced Infrastructure Financing District

IRFD: Infrastructure and Revitalization Financing District

MVLF: Motor Vehicle License Fees

REAP: Regional Early Action Plan

TIF: Tax Increment Financing

PROPERTY TAX GROWTH RATE ASSUMPTIONS

- Assessed value growth was projected based on historical growth within the CVAG Region and larger Riverside County region
- An annual growth rate of 5.00% was assumed for the first 10 years of a potential TIF district lifetime, decreasing to 2.5% thereafter consistent with standard property tax forecasting methodology

	YoY Growth of Assessed Property Value
2012-2013	-0.28%
2013-2014	4.00%
2014-2015	8.16%
2015-2016	5.53%
2016-2017	5.33%
2017-2018	5.17%
2018-2019	6.30%
2019-2020	4.81%
2020-2021	6.11%
5-Yr CAGR:	5.60%
10-Yr CAGR:	4.99%

Source: Riverside County Auditor-Controller (2022)

ITEM 8D

Coachella Valley Association of Governments
Executive Committee
June 5, 2023

STAFF REPORT

Subject: **Landlord Incentive Program for Increasing Available Units**

Contact: Erica Felci, Assistant Executive Director (efelci@cvag.org)

Recommendation: Authorize the Executive Director to implement a landlord incentive program, with one-time payments of $600 per unit for existing landlords and $1,000 for new landlords' first unit, as part of the CV Housing First program and effort to permanently house CV 200 clients

Homelessness Committee: Concurred (Meeting of May 17)

Background: In February 2023, the CVAG Homelessness Committee had a conversation about the successes and challenges the CV Housing First team encountered in getting clients into permanent housing solutions. Part of the direction to staff included returning to the Homelessness Committee with recommendations for how to address the funding gaps between clients' vouchers and rising rental costs.

CVAG staff is now recommending that the Executive Director be authorized to implement a landlord incentive program as a way to help the CV Housing First team encourage landlords to permanently house chronically homeless clients known as the CV 200. For vouchers with federal funding, requirements prohibit an agency from funding the rental gap between the voucher amount and the rent costs. However, landlord incentive programs – essentially one-time payments to encourage a landlord to take clients – can be used.

In making this recommendation, CVAG staff has explored some other programs. Notably, the City of Riverside also has a program where it pays landlords $600 per unit that they offer to a voucher-funded client. The amount was recently increased from $500 per unit. In Riverside, there is no limit on the number of units a landlord is paid for so long as the leases are for at least one-year terms. Based on feedback from Riverside City staff, CVAG staff is recommending its $600 amount. Staff would note that many clients are being housed by repeat landlords who are familiar with voucher programs and comfortable with formerly-homeless individuals on limited incomes. In order to encourage new landlord connections, staff is recommending that new landlords get $1000 for their first rental agreement with a CV 200 client.

CVAG staff is also hoping CV Housing First's clients will benefit from a program being launched by Riverside County. Starting with the county's $250,000 budget, the Housing and Homelessness Incentive Program would include landlord locating services, a $500 sign up bonus for landlords and establish a mitigation fund to provide landlords added security in working with tenets who receive rental assistance. The County is currently working with a consultant and a number of partners, including Inland Empire Health Plan and Molina Healthcare, to finalize data sharing and

find additional revenue for the program. County staff has indicated that CVAG's Housing First program may be able to utilize and leverage these funds for its own clients. But the start date has not been announced.

Additionally, the County's Housing Authority has an incentive program aimed at increasing affordable housing options for Housing Choice Voucher families throughout Riverside County. The program goal is to promote new landlord relationships and further support to existing landlords by offering an incentive payment to participate in the Housing Choice Voucher, a Section 8 tenant-based program. The incentives include a one-time payment of $2,500 to landlords who are new to the Housing Choice Voucher Program or have been inactive for the last 12 months, or $500 per unit to existing landlords who lease a unit to a Housing Choice Voucher participant.

Fiscal Analysis: CVAG's proposed landlord incentive program would offer one-time payments of $600 per unit for existing landlords and one-time payments of $1,000 for new landlords' first units. Landlords would only be paid for leases that are for at least one-year terms. The payments would be based on a unit, which would mean only one payment should a landlord house two clients under a single lease.

The cost of the program would range depending on how many clients are permanently housed each year and how many of those are housed with new landlords. In 2022, CV Housing First permanently housed 54 CV 200 individuals. The vast majority of those were with familiar landlords, which would have equated to $32,400 if each unit equated to a $600 payment.

The Housing First preliminary budget for next fiscal year includes $45,000 in funding for rapid resolutions, which could also be expanded to include landlord incentives. If approved, the cost of the program would be woven into future budget line items.

ITEM 8E

Coachella Valley Association of Governments
Executive Committee
June 5, 2023

STAFF REPORT

Subject: **Completion of CV Sync Phase I**

Contact: Eric Cowle, Transportation Engineer (ecowle@cvag.org)

Recommendation: Authorize the Executive Director to take the necessary steps to execute and file the Notice of Completion for the CV Sync – Phase I construction project

Transportation Committee: This item is on the agenda for the June 5 meeting of the Transportation Committee and staff will provide a verbal update.

Background: CVAG has long planned for the regional synchronization of traffic signals, the modernization and standardization of hardware and software, and preparation for future intelligent transportation system infrastructure (ITS) in the Coachella Valley. Phase I of CV Sync is now complete, and staff is recommending the Executive Director be provided with the authority to close out the project.

Phase I of CV Sync included Highway 111, Washington Street and Ramon Road, which were the top three regional corridors identified during the planning process. The project was designed to synchronize traffic regionally and introduce new technologies that would reduce traffic delays, improve air quality and improve safety. Phase I also established one centrally located Regional Transportation Management Center (RTMC) and corresponding Traffic Operation Centers (TOCs) within each participating jurisdiction, including Riverside County and Caltrans District 8. Each of the individual TOCs utilizes CVAG's RTMC as its hub. The project was recently highlighted in a KESQ story: https://kesq.com/top-stories/2023/05/11/more-green-lights-synchronized-traffic-signals-are-set-to-ease-valley-congestion/

CVAG issued the formal Notice to Proceed to Crosstown Electrical & Data, Inc. (Crosstown) for Phase I of CV Sync on May 7, 2021. The project end date was originally anticipated to be in November 2022. Pandemic-related supply chain delays plagued the project early on. CVAG worked closely with Crosstown to ensure that materials could be acquired and accumulated well in advance of their scheduled construction date. Certain critical items, including fiber optic cable and the corresponding conduit, were in high demand and short supply as the nation began investing in broadband and other fiber optic intensive capital projects. By working with the construction management team, TKE, Crosstown was able to position the CV Sync project well with this support.

Many of the Phase I project's intersections were located within Caltrans right-of-way, and equipment had to meet Caltrans' requirements. Caltrans was not immune from the supply chain problems. Some of the necessary equipment was not available until the very end of the project.

Traffic synchronization improvements were completed in March 2023. Construction was completed on April 30, and anticipated system commissioning is underway. As CVAG moves into the operational phase for these three corridors, staff is coordinating with staff at member jurisdictions as well as its consultants and software/hardware vendors to make adjustments as necessary to the synchronization timing plans. CVAG staff is also working with the participating agencies to implement procedures and protocols, and anticipates this process will last for about a year.

Staff would also note that some of the hardware installation and software integration items that were anticipated in Phase I are not yet available. Some are not anticipated until the end of this calendar year. The Executive Committee in December 2022 awarded Crosstown with the construction contract for Phase II. In order to avoid further delays on Phase I, staff has worked with Crosstown to move some of the unavailable items from the Phase I construction plan to Phase II construction.

The final as-built plans have been completed, and the final quantities are being tabulated. A change order is being prepared to account for the final quantities and move the necessary hardware and software integration items to Phase II. CVAG staff, TKE, and the project design consultant Advantec Consulting, Inc. have worked closely with city and county inspectors to ensure that Crosstown completed the project per the design plans and specifications and permits while maintaining safe traffic flow during construction. Field staff from all of the participating jurisdictions have inspected the completed work and accepted the improvements as constructed.

A Notice of Completion is required to be recorded with Riverside County. The recommendation is to authorize the Executive Director to take the necessary steps to execute and file the Notice of Completion for the Phase I CV Sync construction project.

Fiscal Analysis: With several CV Sync Phase I pay items being moved into Phase II construction, the final Phase I contract will underrun the $21,185,387.74 authorized contract amount including contingencies. These quantities are still in the process of being tabulated and will be accounted for in a change order to the Phase II contract. It is expected that this change order will fall within the signature authority of the Executive Director.

ITEM 8F

Coachella Valley Association of Governments
Executive Committee
June 5, 2023

STAFF REPORT

Subject: **Next Steps for Addressing Climate Change, Emergencies and Sand Storms (ACCESS) on Indian Canyon Drive**

Contact: Emmanuel Martinez, Program Manager- External Affairs (emartinez@cvag.org)

Recommendation: Endorse the Addressing Climate Change, Emergencies and Sand Storms (ACCESS) effort along Indian Canyon Drive and other low-water crossings and authorize the Executive Director to commit regional transportation funding to maximize the competitiveness for the 2023 Local Transportation Climate Adaptation Program (LTCAP), with the condition that actual expenditure of funds would be dependent on securing grant funding and funding contributions by local jurisdictions

Transportation Committee: This item is on the agenda for the June 5 meeting of the Transportation Committee and staff will provide a verbal update.

Background: Flooding and blowsand on regional roads and arterials in the western Coachella Valley is a significant public health and safety concern. When the Coachella Valley experiences severe storms and strong winds, regional arterial roads – such as Indian Canyon Drive – close for prolonged periods of time. This poses a significant threat for residents and visitors as access to employment centers, schools and medical services – including the region's only trauma center, Desert Regional Hospital – is severed. Road closures due to flood and blowsand are frequent events – which result in significant clean-up costs to the Cities of Palm Springs, Desert Hot Springs, Cathedral City, and other member jurisdictions – and also places at risk the lives of those who need emergency medical care. As a result of this ongoing costly hazard, finding cost effective infrastructure solutions and outside funding is a priority of CVAG.

Improving Indian Canyon Drive and Gene Autry Trail have consistently ranked near the top of the list in the Transportation Project Prioritization Study (TPPS), although the planned bridges and their large price tags made the projects nearly impossible to move forward. After the epic Valentine's Day storm in 2019, CVAG worked with its member cities to launch discussions about new ideas for addressing the low-water crossings. This led to the completion of the Flood and Blowsand Risk Assessment and Improvement Plan for the Western Coachella Valley, which found cost-effective solutions to replace the $250 million original bridge concepts. In April 2021, the Transportation and Executive Committees directed staff to prioritize advancing improvements on North Indian Canyon Road, Varner Road and Date Palm Drive (south of Varner Road). In September 2022, CVAG authorized a contract with Michael Baker International (MBI) to provide design, engineering and environmental services for the Western Coachella Valley Flooding and Blowsand Projects – Phase One.

At the same time, CVAG staff has been working with local elected officials, including Palm Springs Councilmember Lisa Middleton and Desert Hot Springs Mayor Scott Matas, to highlight the issue with state and federal lawmakers in hopes of securing funding for construction. This included highlighting Indian Canyon during a December 2022 visit with California's Infrastructure Advisor Antonio Villaraigosa.

Staff has now identified a potentially promising funding opportunity: the new Local Transportation Climate Adaptation Program (LTCAP) administered by the California Transportation Commission (CTC). LTCAP is focused on increasing the climate resiliency and protection of at-threat transportation infrastructure by funding resilience improvements that "withstand one or more elements of a weather event or natural disaster, or to increase the resilience of transportation infrastructure from the impacts of changing conditions, such as flooding and extreme weather events." Additionally, the program will fund community resilience and evacuation route that are essential for supporting evacuations caused by emergency events.

Funded by the Bipartisan Infrastructure Law under the PROTECT program, the LTCAP program is in its first cycle and will provide up to a $50 million maximum for a single project. The initial programming cycle will provide a total funding amount of $296.5 million and provides a set-aside of 5 percent of total funding for federally recognized Tribal applicants. The LTCAP will be allocated approximately $49.5 million per year for three years from the Federal PROTECT Formula Program. On May 17, the CTC adopted the final LTCAP guidelines and the application is due July 31, 2023.

CVAG staff anticipates submitting at least one application to LTCAP for construction on Indian Canyon Drive. Committee members will recall preliminary costs for addressing Indian Canyon are estimated at approximately $35 million, which includes pre-fabricated bridges with culverts that allow for water flow and sand transport. The flooding and blowsand study also identified an elevated, active transportation bridge along Indian Canyon that could also provide emergency vehicle access. CVAG staff is working with its member cities and the project team at Michael Baker to finalize the total project and application. Given the LTCAP's scope and CVAG's associations with both Desert Community Energy and the Coachella Valley Conservation Commission, staff is exploring ways to further incorporate other project elements such as solar shade structures along the active transportation path and nature-based solutions that will facilitate sand transport and protection of critical habitat for the Fringe-toed lizard, among other species in the area.

In order to best position this project to be competitive for this grant and other funding opportunities, CVAG staff is recommending the Transportation and Executive Committees formally endorse the flooding and blowsand projects as Addressing Climate Change, Emergencies and Sand Storms (ACCESS) program. Staff is also recommending that the Committees endorse the funding strategy that proved successful in securing Active Transportation Program funding, and authorize the Executive Director to commit regional transportation funding so that CVAG can maximize its competitiveness in any LTCAP applications. This would come with the condition that actual expenditure of funds would be dependent on securing the grant funding and funding contributions by local jurisdictions.

CTC staff recommendations for awarded projects will be released on November 3, 2023.

Fiscal Analysis: The LTCAP includes a local match requirement of 20 percent. Although the local match could be waived for projects directly benefitting disadvantaged communities, which

the Indian Canyon may be able to quality for, CVAG staff recommends applying a 20 percent local match to the LTCAP. By providing local funds, this can better position CVAG's application for Indian Canyon Drive by demonstrating local commitment to the project and provide a competitive advantage by leveraging funding. Similar to CVAG's approach in ATP, the recommended local match would be contingent upon CVAG being awarded LTCAP grant funds and funding contributions by local jurisdictions.

The exact amount of funds needed for the Indian Canyon Project is still being determined as the scope of the project is finalized. Should CVAG staff identify another project from the flooding and blowsand study that could would be competitive for the LTCAP funding, a similar match would be provided. CVAG staff would note that providing a local 20 percent match is a small investment in relation to the potential of securing up to $50 million to make the necessary improvements on Indian Canyon Drive.

ITEM 9a

2022/2023 EXECUTIVE COMMITTEE ATTENDANCE ROSTER

CVAG JURISDICTION	JUL	AUG	SEP	OCT	NOV(Dec)	DEC	JAN	FEB	MAR	APR	MAY(JUN)	JUN
Blythe	-	-	✓	-	✓	-	-	✓	-	✓		
Cathedral City	-	-	✓	-	✓	-	-	✓	-	✓		
Coachella	-	-	✓	-	✓	-	-	✓	-	✓		
Desert Hot Springs	-	-	✓	-	✓	-	-	✓	-			
Indian Wells	-	-	✓	-	✓	-	-	✓	-	✓		
Indio	-	-	✓	-		-	-	✓	-	✓		
La Quinta	-	-	✓	-	✓	-	-	✓	-	✓		
Palm Desert	-	-	✓	-	✓	-	-	✓	-	✓		
Palm Springs	-	-	✓	-	✓	-	-	✓	-	✓		
Rancho Mirage	-	-	✓	-	✓	-	-	✓	-	✓		
Riverside County	-	-	✓	-	✓	-	-	✓	-	✓		
Agua Caliente Band of Cahuilla Indians	-	-		-	✓	-	-		-	✓		
Cabazon Band of Mission Indians	-	-	✓	-	✓	-	-	✓	-			
Torres Martinez Desert Cahuilla Indians	-	-	✓	-		-	-	✓	-			
Twenty-Nine Palms Band of Mission Indians	-	-		-		-	-		-			

Absent	
No Meeting	-
Present	✓

ITEM 9b

Coachella Valley Association of Governments
Executive Committee
June 5, 2023

STAFF REPORT

Subject: **Status of I-10 Interchange Projects**

Contact: Gustavo Gomez, Transportation Management Analyst (ggomez@cvag.org)

Recommendation: Information

Background: Attached is the status for Interstate 10 interchange projects as of May 2023:

Completed

1) Indian Canyon @ I-10 (Mar '12)
2) Gene Autry/Palm Drive @ I-10 (Mar '12)
3) Date Palm Drive @ I-10 (May '14)
4) Monterey Avenue Ramp @ I-10 (Apr '15)
5) Bob Hope/Ramon @ I-10 (Sep '11)
6) Jefferson Street @ I-10 (Nov '17)

Monroe @ I-10
Final environmental document approved by Caltrans & PS&E phase is ongoing. The 95% plans are being reviewed. ROW acquisition is anticipated to start in summer 2023. Additional funding sources have been identified to fully fund construction. RCTC concurred with CVAG's recommendation to allocate $26.232 million of Surface Transportation Block Grant (STBG) funding for construction.

Jackson @ I-10
Environmental document was approved in September 2021. CVAG approved funding for PS&E. PS&E phase started in May 2022 and work is ongoing.

Avenue 50 @ I-10
PS&E contract underway.

Avenue 50 @ SR 86
PA&ED completed in May 2019. Funding agreement amendment for PS&E and ROW acquisition approved by Executive Committee in September 2020. PA&ED underway.

Dillon Road @ I-10 @ SR 86
PA&ED underway. Caltrans Approved Preliminary Environmental Study (PES) on July 13, 2020.

Golf Center Parkway @ I-10
PSR on hold.

Da Vall Drive @ I-10
Intersection Control Evaluation submitted to Caltrans.

Portola @ I-10
County completed PS&E and obtained Caltrans approval to shelve the project in April 2022. Per CVAG approval in June 2022, project has been suspended.

Fiscal Analysis: Funding for these projects has been budgeted through the project phase indicated and secured through various funding sources. There is no additional fiscal impact.

ITEM 9c

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

Regional Arterial Program - Project Status Report

5/31/2023

Project Description	Lead Agency	CVAG Funded						Status
		PEng	ENV	PS&E	ROW	CON	Through	
Interchanges								
Avenue 50 @ 86S	COA						Environmental	PA&ED underway.
Avenue 50 @ I-10	COA						PS&E	PS&E contract underway.
Jackson @ I-10	COR						PS&E	Final Env Doc approved by Caltrans. CVAG approved PS&E funds. PS&E phase ongoing.
Monroe @ I-10	COR						ROW	Final Env Doc approved by Caltrans. 95% PSE submittal being reviewed. CVAG approved PS&E and ROW funds.
Arterial Links								
Ave. 50 (Calhoun St. to Harrison St)	COA						Construction	PS&E under way.
Ave. 48 (Van Buren St to Dillon Road widening)	COA						ROW	Final design and ROW underway. CVAG approved Construction funds.
Date Palm Drive from I-10 to Varner	CC						PS&E	Phase II is completed. The final design for Phase III in underway.
Avenue 50 (Jefferson St to Jackson St)	Indio						Environmental	City procuring consultant.
Madison Street Widening (Highway 111 to Ave 48)	Indio						ROW	PS&E complete, City moving forwards with ROW.
Jackson Street Widening (Ave 49 to Ave 52)	Indio						PS&E	Environmental filed on October 2021. PS&E & ROW underway.
Jefferson St (Ave 38 to Sun City Blvd.)	Indio						PS&E	City procuring consultant.
Bridges								
Avenue 66 Grade Separation over UPRR	COR						Construction	Finalizing landscaping and awaiting final acceptance for maintenance by Caltrans.
Avenue 44 Bridge over WWR	Indio						Construction	Enviro cleared. Plans are at 99%. Pending permits from CVWD and Caltrans to clear ROW.
Avenue 50 Bridge over WWR	COA						PS&E	95% PS&E underway.
Cathedral Canyon Bridge	CC						Construction	Construction complete.
Vista Chino Bridge over WWR	PS						PEng	Project is in PEng phase. Extensive negotiations with SCE for utility relocation.
Dune Palms Bridge over WWR	LQ						Construction	Project under construction. City constructing project by advancing Highway Bridge Project (HBP) funding.
South Palm Canyon Bridge over Tahquitz Creek	PS						PS&E	Plans complete. Requesting funding from Caltrans for construction.
East Palm Canyon Drive Bridge over Palm Canyon Wash	PS						PS&E	In final design. Plans submitted for review.
Indian Canyon (Garnet Incl. RR Crossing)	PS						Construction	Project in construction.
Ramon Bridge Widening	PS						Construction	ROW pending CVWD final agreement almost complete.
Interchange Preparation Fund Projects								
Portola Ave @ I-10	COR						PS&E	PS&E completed. Caltrans agreed to shelve. Suspend until funding for ROW, utilities and construction is obtained.
Golf Center Parkway @ I-10	Indio						PSR	PSR on hold.
Da Vall Drive @ I-10	CC						PSR	PSR-PDS returned to Caltrans for their review.
Dillon Road @ I-10, SR86, WWR	COA						PSR	PA&ED underway.
Regional Projects								
CV Sync - Phase 1	CVAG						Construction	Construction nearly complete. Working on final acceptance.
CV Sync - Phase 2	CVAG						Construction	Construction underway. Contractor ordering supplies, transitioning to Phase II.
Flooding and Blowsand - Phase 1	CVAG						PEng/ENV	Contract awarded to MBI. Design, Engineering and Environmental on going. CVAG seeking additional grants
Broadband Strategic Plan	CVAG							LATA grant awarded. Advertising RFP in June, contract award expected by October.

COR-County of Riverside; RM-Rancho Mirage; IW-Indian Wells; PD-Palm Desert, PS-Palm Springs; CC-Cathedral City; COA-Coachella LQ-La Quinta;

Other Acronyms: PAED = Project Approval and Environmental Design; PE = Preliminary Engineering; PSR = Project Study Report; RR = Railroad; UPRR = Union Pacific Railroad; WWR = Whitewater River; SCE = Southern California Edison; HBP = Highway Bridge Program; CVWD = Coachella Valley Water District
LATA = Local Agency Technical Assistance; RFP = Request for Proposal

CVAG Funded Phase Legend	
PEng	Preliminary Engineering
ENV	Environmental
PS&E	Plans Specifications & Estimates
ROW	Right-of-way
CON	Construction

ITEM 9d

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

Bicycle & Pedestrian Safety Program - Project Status Report

5/31/2023

Bike & Pedestrian Safety Projects Project Description	Lead Agency	CVAG Funded Design	 CON	 Through	Status
Palm Canyon Intersection Pedestrian Enhancements	PS			Construction	Construction ongoing. Expected completion date August 2023.
Palm Drive Signals and Lighting	DHS			Construction	Project completed.
S. Palm Canyon, E. Palm Canyon Improvements	PS			Construction	Project completed.
Indian Canyon Intersection Pedestrian Enhancements	PS			Construction	Project completed.
Date Palm Sidewalk Gaps	CC			Construction	Project completed.
Calhoun Street Improvements	Indio			Construction	Project completed.
Vista Chino Signals	PS			Construction	Project completed.
Dinah Shore Mid-Block Crossing	CC			Construction	Project completed.
Palm Canyon Crosswalks	PS			Construction	Project completed.
Avenue 48 Bicycle Lanes	Indio			Construction	Project completed.

Project Description	Lead Agency	Grant Design	 App	 CON	Status
CV Link	CVAG				Construction ongoing in multiple cities. Additional groundbreakings forthcoming.
ATP - Arts & Music Line	CVAG				Design & NEPA underway. 60% plans are expected by October.
ATP - DHS CV Link Extension	DHS				Under design. Project awarded ATP Cycle 6 funding from Riverside County MPO.
ATP - Cathedral City Downtown Connectors	CC				In ROW acquisition phase

COR-County of Riverside; RM-Rancho Mirage; IW-Indian Wells; PD-Palm Desert, PS-Palm Springs; CC-Cathedral City; COA-Coachella; LQ-La Quinta; DHS-Desert Hot Springs

ATP-Active Transportation Program; ROW-Right of Way, NEPA- National Environmental Policy Act, MPO-Metropolitan Planning Organization

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS
INVESTMENT REPORT
For March 31, 2023

Description	Carrying Amount	% of Total	Fair Market Value		% of Total	Interest Rate Yield
CASH AND INVESTMENTS UNDER THE DIRECTION OF CVAG						
County of Riverside Treasury	$ 32,178,653	50.62%	$ 31,600,081	[a]	50.49%	3.48%
Local Agency Investment Fund (LAIF)	$ 30,900,460	48.60%	$ 30,483,623	[b]	48.71%	2.83%
Wells Fargo - Imprest Checking	$ 394,487	0.62%	$ 394,487		0.63%	N/A
Wells Fargo - Payroll Checking	$ 104,170	0.16%	$ 104,170		0.17%	N/A
Petty Cash	$ 300	0.00%	$ 300		0.00%	N/A
Overall Total	$ 63,578,070	100.00%	$ 62,582,661		100.00%	

Note:
[a] Source of Market Values - County of Riverside Treasurer's Pooled Investment Fund Monthly Report - March 2023. Paper Gain/(Loss) was (1.798)%. Fair market value does not include accrued interest.

[b] Source of Market Values - LAIF, State of California Pooled Money Investment Account Market Valuation - March 2023. Paper Gain/(Loss) was (1.349)%. Fair market value includes accrued interest.

I hereby certify that the investment portfolio of the Coachella Valley Association of Governments (CVAG) complies with the California Government Sections pertaining to the investment of agency funds. CVAG's written Investment Policy is more stringent than the requirements of California law, as this policy requires diversty of investments. The policy also states that no more than 55% of the total investment portfolio will be invested in a single security type or with a single financial institution, with the exception of LAIF, whereby CVAG has the option of investing up to the maximum allowable by LAIF.

The investment portfolio provides CVAG the ability to meet its expenditure requirements.

Submitted by:

Claude T. Kilgore, CPA
Director of Finance/Administration

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS SCHEDULE OF MEETINGS
FISCAL YEAR 2023/2024

CVAG STANDING COMMITTEES	DAY	TIME	JULY (Dark)	AUG (Dark)	SEPT	OCT (Dark)	NOV	DEC (Dark)	JAN	FEB	MAR (Dark)	APR	MAY	JUN
EXECUTIVE COMMITTEE	Last Monday	**4:30 p.m.**	-	-	25	-	Dec 4	-	29	26	-	29	H **June 3**	24
TRANSPORTATION COMMITTEE	1st Monday	**10:00 a.m.**		-	H **Aug 28**	-	6	-	H **Jan 8 11:00 am**	5	-	1	6	3
COACHELLA VALLEY CONSERVATION COMMISSION	2nd Thursday	**10:30 a.m.**	-	-	14	-	9	-	11	8	-	11	9	13
DESERT COMMUNITY ENERGY	3rd Monday	**3:00 p.m.**	17	21	18	16	20	-	H **Jan 8**	H **Feb12**	18	15	20	17
ENERGY AND ENVIRONMENTAL RESOURCES COMMITTEE	2nd Thursday	**12:00 p.m.**	-	-	14	-	9	-	11	8	-	11	9	13
PUBLIC SAFETY COMMITTEE	2nd Monday	**9:00 a.m.**	-	-	11	-	13	-	8	12	-	-	13	10
HOMELESSNESS COMMITTEE	3rd Wednesday	**10:00 a.m.**	-	-	20	-	15	-	17	21	-	17	15	12
GENERAL ASSEMBLY	Last Monday in June	**6:00 p.m.**	-	-	-	-	-	-	-	-	-	-	-	24

H = Holiday *** = Special Meeting** **AGENDAS CAN BE FOUND AT: www.cvag.org.** **UPDATED: May 31, 2023**

PLEASE NOTE: When it becomes necessary to have a special meeting **or** to change the date of a meeting, committee members will be alerted and the change will be noted on the CVAG website calendar.

ITEM 9g

Coachella Valley Association of Governments
Executive Committee
June 5, 2023

STAFF REPORT

Subject: **Distributed Energy Resources, Community Solar and Microgrids**

Contact: David Freedman, Program Manager (dfreedman@cvag.org)

Recommendation: Information

Background: At the February 9 meeting of the Energy & Environmental Resources Committee, Chair Oscar Ortiz requested information on several related topic areas, including distributed energy resources. A distributed energy resource (DER) is a small-scale unit of power generation that operates locally and is connected to a larger power grid at the distribution level, often behind a customer's retail power meter. Rooftop solar, battery storage, microgrids, and energy efficiency and demand management are often collectively referred to as DERs. When the energy from one of these DERs is generated at a home or business and can be used to directly offset the customer's retail load, the resource is considered behind the meter.

This staff report outlines the characteristics of two kinds of DER projects: community solar and microgrids. At the May meeting of the Energy & Environmental Resources Committee, Jaime Alonso from GRID Alternatives Inland Empire provided an overview of the Santa Rosa Community Solar Project, a low-income community solar project that celebrated its ribbon cutting in 2021.

Community Solar

Community solar, also known as shared solar or solar gardens, is a distributed solar energy deployment model that allows customers to buy or lease part of a larger, off-site shared solar photovoltaic (PV) system. Community solar arrangements allow customers to enjoy the advantages of solar energy without having to install their own solar energy system. Community solar projects also provide an alternative to rooftop PV systems for customers who:

- Have insufficient solar resources or roof conditions to support a rooftop PV system (due to shading, roof size, or other factors).
- Do not own their homes or buildings.
- Are unable or unwilling to install an on-site solar PV system for financial or other reasons.

Community solar subscribers typically receive a monthly bill credit for electricity generated by their share of the solar PV system, as if the system were located on their premises.

As of December 2021, community solar projects existed in 39 states (including California), plus Washington, D.C. Community solar projects at that time represented more than 3,200 megawatts alternating-current (MW-AC) of total installed capacity. About 74% of the total market was concentrated in the top four states: Florida (1,636 MW-AC), Minnesota (834 MW-AC), New York (731 MW-AC), and Massachusetts (674 MW-AC).

A 2015 National Renewable Energy Lab and U.S. Department of Energy analysis estimated that 50% of residential and commercial rooftops are suitable for on-site distributed PV systems. Community solar is one model for addressing the lack of solar PV access that many U.S. customers face.

Proponents of community solar projects note the benefits to customers, utilities, and third-party entities, including providing greater electricity rate stability and potential bill savings for program participants. It also can provide wider solar accessibility for different electricity customer classes, especially if portions of projects are set aside for low-income customers. Additionally, there are grid resiliency benefits and they can help address renewable portfolio standard compliance.

Community solar projects can be owned by utilities or third-party developers and can be located on public buildings, private land, and other suitable areas. There are many program designs that vary by type of bill credit (usually kilowatt-hours or dollars), contract length, cost of participation and financing options, eligibility, number of participants allowed, and products offered (e.g., panels or generation).

One such nearby project is GRID's Santa Rosa Community Solar Project. This nearly one megawatt solar array (994.6 kW DC) is located on the Santa Rosa Band of Cahuilla Indians reservation in Anza Valley. GRID Alternatives worked in partnership with the Santa Rosa Band of Cahuilla Indians and Anza Electric Cooperative on the project.

According to the U.S. Department of Energy, this project is considered a low-income project in California that meets the standard for 100% of customers classified as Low-to-Moderate Income. This project provides no-cost solar energy with significant savings for local low-income households. This project is expected to save up to $6.9 million for the total 200 enrolled low-income subscribers over the project's 30-year lifespan, including 38 homes on the Santa Rosa tribal lands and an additional 162 low-income members of the Anza Electric Cooperative.

In 2019, the Imperial Irrigation District (IID) commissioned its community solar project in partnership with Citizens Energy. The IID/Citizen's community solar project serves more than 12,000 IID customers who are enrolled in their Residential Energy Assistance Program, IID's public assistance program to subsidize energy costs for low-income customers in the Coachella and Imperial Valleys. Considered one of the largest community solar projects in the nation, the project generates 30 megawatts of power for the IID grid under a 23-year purchase power agreement. Energy savings from this project are passed to all of IID's qualified low-income customers in the form of a monthly discount on their electric bills, which is estimated to be as high as 5 percent. The IID/Citizen's energy community solar project consists of 107,000 solar panel modules on approximately 200 acres outside Calipatria, California.

Community solar is expected to grow in California following the Legislature's passage of AB 2316 in September 2022. This bill requires the California Public Utilities Commission (CPUC), to determine on or before March 31, 2024 whether it would be beneficial to ratepayers served by investor-owned utilities such as Southern California Edison (SCE) to establish a community renewable energy program. Staff are monitoring the CPUC proceeding and will report back to the Energy & Environmental Resources Committee as it develops.

While there were 27,000 residential installations of solar in the Coachella Valley as of 2021 typically on rooftops, there is a growing number of commercial installations of solar arrays both on rooftops and parking structures. There were few examples of community solar except for GRID's Santa Rosa project. With the anticipated implementation of AB 2316, followed by funding through AB 209 that the Legislature passed in 2022, it is anticipated that more community resiliency projects with a community solar component will be developed through opportunities for expanding low-income customers' access to energy efficiency, weatherization, and renewable energy investments.

Microgrids

Microgrids are another specialized form of DER that offer the possibility of a critical facility or neighborhood having better resilience, as the microgrid serving the facility or neighborhood can be isolated from the grid and allows for power to be utilized off grid in the event of grid failure. The local solar array feeds the microgrid, which also includes battery or other storage. When the battery storage in the microgrid is fully charged, excess power generation can be fed to the grid and improve grid reliability. Examples of microgrid applications include public, civic facilities such as hospitals, fire stations, community centers and libraries that operate as cooling centers.

Because a microgrid can operate while the main grid is down, it strengthens grid resilience, helps mitigate grid disturbances, and functions as a grid resource for faster system response and recovery. Microgrids vary in size from a single-customer microgrid to a full-substation microgrid, which may include hundreds of individual generators and consumers of power. DERs make microgrids a more widespread option because the means of energy production are more easily obtained and sited in neighborhoods. Community-scale microgrids may provide resiliency or backup during and after disasters or excessive heat events.

SB 1339, which was passed by the Legislature in 2018, requires the CPUC, in consultation with the California Energy Commission and the California Independent System Operator, to take action to facilitate the commercialization of microgrids for distribution customers of large electrical corporations. The CPUC is currently implementing SB 1339. On April 16, 2023, the CPUC adopted implementation rules for the previously authorized Microgrid Incentive Program for Pacific Gas and Electric Company, San Diego Gas & Electric Company, and SCE.

The Microgrid Incentive Program is a program that targets placement of community microgrids in disadvantaged communities, which is defined based on criteria that includes median household income levels and how census tracts score under the California Communities Environmental Health Screening Tool (CalEnviroScreen). Staff will continue monitoring the CPUC's decisions and programs related to microgrids and will report back to the Energy & Environmental Resources Committee. However, staff would caution that the state's measurements of disadvantaged communities – particularly CalEnviroscreen – often don't reflect the true socioeconomic diversity of the Coachella Valley and have made it more difficult for the region to compete for funding and projects.

Fiscal Analysis: There is no cost to CVAG to provide this update.

ITEM 9h

Coachella Valley Association of Governments
Executive Committee
June 5, 2023

STAFF REPORT

Subject: **Colorado River Negotiations and the Potential Impacts for California**

Contact: Emmanuel Martinez, Program Manager – External Affairs (emartinez@cvag.org)

Recommendation: Information

Background: At its April meeting, members of the Energy and Environmental Resources Committee expressed strong interest in being updated on the ongoing negotiations related to the Colorado River and potential impacts for the State of California, particularly for the Coachella and Imperial Valleys. Imperial Irrigation District (IID) Director, JB Hamby, currently serves as Chairman of the State of California's Colorado River Board, which is tasked with protecting California's rights and interests in the river's resources. In that role, he is responsible for negotiating matters related to the Colorado River on behalf of the state. Director Hamby provided a brief recap of the negotiations as part of his member comments in April, and the Committee received a detailed update from Jessica Neuwerth, Deputy Director of the Colorado River Board, at the May meeting.

The Colorado River is at a critical point after experiencing drought conditions for more than 20 years. Water levels at two of the river's reservoirs, Lake Powell and Lake Mead, have dropped to historic lows, threatening water reliability and delivery to approximately 40 million people across the seven basin states – Colorado, Utah, Wyoming, New Mexico, Arizona, Nevada, California – as well as in Mexico. At 4.4 million acre-free of water per year, California has the largest allocation of Colorado River water, which his being sought after by the other six basin states as a potential source for water cutbacks. Of the 4.4 million, IID is entitled to 3.1 million acre-feet and Coachella Valley Water District is entitled to 330,000 acre-feet of river water per year.

In 2021, given the reduced water levels at Lake Powell and Lake Mead, the federal government declared a water shortage, prompting mandatory cuts also known as Tier 1 reductions. These reductions, which primarily impact Arizona to the tune of 512,000-acre feet, are part of a negotiated Drought Contingency Plan approved in 2019 by all seven basin states. The DCP guidelines includes three tiers of water shortages to intentionally leave water in Lake Mead and avoid reaching dead pool water levels. Dead pool occurs when water levels drop to the point it does not flow downstream from the dam. This not only impacts water supply delivery but also negatively effects hydroelectric generation along the river, impacting energy supply, grid reliability. Because hydroelectric power is a zero-emission resource, other electric generation resources must backfill the loss in supply, including those that emit greenhouse gases.

Given the persistent drought, the Department of Interior in August 2022 announced a Tier 2 shortage. This declaration caused for Lake Mead to operate under its first ever Level 2a Shortage Condition for 2023. In effect, the Tier 2 shortage will require reductions and water

saving contributions for Mexico and the Lower Basin States, namely Nevada and Arizona. Specifically, under Tier 2 Nevada's water will be reduced by 8 percent, and Arizona's by approximately 21 percent, of their annual allotment. California's water allotment is not impacted by the Tier 2 operating condition.

Despite the enactment of the water shortage declarations and associated reductions to water allotments, the Department of the Interior continues to seek collaboration among all basin states to seek consensus on how to best mange the river in light of historic water rights.

To continue to address the historic drought and historically low reservoirs, on April 11, 2023, the Bureau of Reclamation issued a draft Supplemental Environmental Impact Statement for Near-term Colorado River Operations. The purpose of these guidelines is to address operation of Glen Canyon Dam and hoover Dam, given the low runoff conditions in the Colorado River basin. In short, these guidelines propose reduced water releases and models larger additional shortages in 2025-2026. The SEIS rules are available on the Department of Interior's website and are open to a 45-day comment period. Additionally, the California Assembly Committee on Water, Parks and Wildlife held an informational hearing on May 2, 2023 to consider the potential impacts on California. Director Hamby was among those who presented at the hearing, and an IID news release recapping the hearing is attached.

Fiscal Analysis: There is no cost to this information item. CVAG is using existing staff resources for the task force and related efforts.

Attachments: IID news release on Assembly's Colorado River hearing, May 2, 2023

News & Resources

IID testifies to State Assembly on Colorado River status and potential state impacts

Representatives of the Imperial Irrigation District and the Colorado River Board of California testified Tuesday, May 2, during an informational hearing before the California State Assembly's Water, Parks and Wildlife standing committee.

Post Date: 05/02/2023

SACRAMENTO – Representatives of the Imperial Irrigation District and the Colorado River Board of California testified Tuesday, May 2, during an informational hearing before the California State Assembly's Water, Parks and Wildlife standing committee.

IID Board Vice President and California's Colorado River Commissioner JB Hamby and IID Water Department Manager Tina Shields testified at the state capitol on how Southern California is preparing for climate impacts to water supplies.

Commissioner Hamby spoke on the history of the development of the river by California's Colorado River water users, the Law of the River, programs and agreements that maintain the state's use within its 4.4 million acre-feet entitlement, and next steps toward a consensus-based alternative to the Bureau of Reclamation's Supplemental Environmental Impact Statement (SEIS).

Concluding, Hamby said, "California is working with our in-state stakeholders, Basin Tribes, Mexico, and the United States to be able to deal with these challenges in the next short-term basis and in the long-term."

The Colorado River supports 40 million people — half of which live in California — including 5.5 million acres of irrigated agriculture. The Colorado River Board of California is charged with protecting California's rights and interests in Colorado River resources.

Shields provided an overview of IID's current water conservation measures. The district has conserved over 7.2 million acre-feet since implementation of the nation's largest ag-to-urban water transfer agreement (the Quantification Settlement Agreement). She also addressed impacts to the Salton Sea and the district's proposal to conserve an additional 1 million acre-feet over the next four years to assist current conditions on the Colorado River.

"The Colorado River is our only source of water," Shields told the committee. "If we lose the Colorado River, our community ceases to exist…so we're very interested in how these multi-state discussions turn out in the future."

Click images to be taken to video:

ITEM 9i

Coachella Valley Association of Governments
Executive Committee
June 5, 2023

STAFF REPORT

Subject: **Update on the Inland Regional Energy Network**

Contact: David Freedman, Program Manager (dfreedman@cvag.org)

Recommendation: Information

Background: CVAG is collaborating with Western Riverside Council of Governments (WRCOG) and San Bernardino Council of Governments (SBCOG) on a joint Regional Energy Network (REN) for the Inland Empire, known as Inland Regional Energy Network (I-REN). I-REN is governed by a new Executive Committee. Based on previous CVAG committee direction, CVAG's Energy & Environmental Resources Committee reviews the items being presented to the I-REN Executive Committee and provides direction to the Chair on how to vote for the region.

The May meeting of the I-REN Executive Committee was held May 16, and the agenda was still being finalized when the Energy & Environmental Resources Committee met. It included an update on the Strategic Plan, which is further detailed below, and a presentation on Codes and Standards. With this report, staff also provided an update on the activities that occurred since the last Energy & Environmental Resources Committee meeting and a summary of upcoming I-REN opportunities for CVAG member jurisdictions.

I-REN Strategic Plan

Staff has been working with BluePoint Planning, the consultant tasked with developing I-REN's Strategic Plan, and anticipates an update at the May I-REN Executive Committee meeting. During the I-REN Executive Committee meeting on March 21, 2023, there was a request for I-REN staff to develop a proposal on how to allocate I-REN funds throughout the Inland Empire in an equitable manner over time. In response, I-REN staff provided an update to the I-REN Executive Committee at its April 18 meeting regarding considerations taken for managing the equitable distribution of I-REN resources as established by the California Public Utilities Commission (CPUC) upon approving I-REN's Business Plan in November 2021. CVAG staff have been working with BluePoint on a draft of the Strategic Plan, which previews activities for the next three-to-five years, and is advocating for includes language ensuring equitable access to services and that is in line with CPUC requirements.

I-REN CivicSpark Fellowship

As noted in the Committee's last update, I-REN is working with CivicWell to identify, recruit, and place up to 27 fellows in its CivicSpark fellowship program in communities throughout I-REN's service area.

I-REN, led by staff in each respective COG, has sent the CivicSpark application to member jurisdictions. Though the fellowship doesn't start until fall 2023, I-REN staff recommends filling out applications as soon as possible to have greater input into the evaluation and selection of potential fellows.

I-REN Orientation Meetings

I-REN staff is finalizing a schedule of 18 orientation meetings for member jurisdictions across I-REN's service area, broken up evenly between Riverside and San Bernardino counties. The current schedule includes three meetings for CVAG's member jurisdictions.

Initially thought to launch in the first half of May, the first orientations are now scheduled to begin in early June. The orientations will include information on I-REN's Public Sector services and incentive programs, CivicSpark Fellowship opportunity, trainings on the California Energy Code for building officials and the building industry, and obtaining city building information for the Building Upgrade Concierge software program. CVAG staff will coordinate with member jurisdictions' staffs to finalize dates and times.

Fiscal Analysis: There is no cost to CVAG for participation in I-REN. Staff time dedicated to I-REN and the costs of the services of the consultants described above are covered through the I-REN budget, which is nearly $65.6 million through 2027 for the large area of both counties. This funding comes from customers of Investor-Owned Utilities (IOUs) such as SCE and SoCalGas through the on-bill Public Goods Charge set by the CPUC and collected by the IOUs. The I-REN Executive Committee, as part of its budget discussion, will review the amounts to be allocated to I-REN's programs established by the CPUC.

The CPUC designated SoCalGas as the fiscal and contracting agent for I-REN, and final execution of the Programs Agreement will authorize the ability to transfer funds from SoCalGas to WRCOG. Pursuant to the MOA, CVAG presents to WRCOG invoices for time and expenses incurred by CVAG staff on I-REN matters. Staff has already requested reimbursement for CVAG staff time on I-REN in 2022.

ITEM 9j

Coachella Valley Association of Governments
Executive Committee
June 5, 2023

STAFF REPORT

Subject: **Net Energy Metering 3.0 and the Implementation of the Solar Billing Plan**

Contact: David Freedman, Program Manager (dfreedman@cvag.org) and
Emily Langenbahn, Program Specialist (elangenbahn@cvag.org)

Recommendation: Information

Background: As previously reported to the Energy & Environmental Resources Committee, on December 15, 2022, the California Public Utilities Commission (CPUC) approved a decision revising the Net Energy Metering (NEM) programs for solar customers. Through these NEM programs, customers receive bill credits for excess generation that is exported to the grid, offsetting energy costs. Effective April 15, 2023, all three investor-owned electric utilities – Southern California Edison (SCE), Pacific Gas & Electric, and San Diego Gas & Electric – began implementing this decision, which was referred to as NEM 3.0 because it is the third iteration of the NEM program. For customers in SCE's service territory, this updated program is known as the Solar Billing Plan.

The most significant change in SCE's Solar Billing Plan is the reduction in compensation for solar customers exporting excess energy to SCE's grid. These customers will now pay more for energy taken from the grid than energy fed into the grid. This reduction is approximately a 75% decrease in export value from the previous NEM 2.0 program, increasing the payback period for residential solar-only customers from three-to-five years under NEM 2.0 to nine years under the Solar Billing Plan.

Another significant change is increased incentives for customers who also install battery storage systems. The incentive amount including any funding reserved to encourage low-income customers to install solar and battery storage is currently being considered in the state's 2023-24 budget discussions. For customers living in a designated area for Tribal Land, fire hazard zones, or disadvantaged communities, there may be additional rebates or benefits available.

NEM 3.0 impacts new solar customers. There is generally no impact from the implementation of the Solar Billing Plan on existing customers enrolled under NEM 1.0 or NEM 2.0. These customers (and any new owners of their systems) will move to new billing rates under the Solar Billing Plan (or any successor tariff) 20 years after their original interconnection date. Existing NEM customers who increase their system size by 10 percent or 1kW, whichever is more, will move then to the Solar Billing Plan. However, existing NEM customers can add battery storage at any time without affecting their NEM status.

Despite SCE's Solar Billing Plan taking effect in April 2023, SCE is expected to take 12 to 24 months to properly update its billing system, meaning all new Solar Billing Plan customers will temporarily be billed under the NEM 2.0 program until SCE updates its billing system. This situation will also apply to generation charges from the two Community Choice Aggregators (CCAs) in CVAG's region, Desert Community Energy (DCE) and the Rancho Mirage Energy Authority. CVAG staff have been keeping CVAG's committees and the DCE Board updated on NEM changes and will report back to these bodies on future developments as SCE's Solar Billing Plan implementation continues.

There are no changes from the implementation of the Solar Billing Plan in the Imperial Irrigation District (IID) service territory. Because IID is publicly owned, its solar program is decided by its five-member Board of Directors and is not subject to the CPUC decisions. IID instituted its net billing program in lieu of NEM in July 2016, and the current payback period for solar customers under IID's net billing program is 11 to 12 years.

Fiscal Analysis: There are no costs to CVAG for this informational update.

ITEM 9k

Coachella Valley Association of Governments
Executive Committee
June 5, 2023

STAFF REPORT

Subject: **Update on Efforts to Regulate Mylar Balloons**

Contact: Erica Felci, Assistant Executive Director (efelci@cvag.org)

Recommendation: Information

Background: Over the course of several meetings last year, the Public Safety Committee was provided updates on the increasing public safety concerns related to Mylar balloons and power outages. The issue, which has drawn attention from both Southern California Edison (SCE) and Imperial Irrigation District (IID), involves conversations around liming the sale or possession of Mylar balloons. This led to CVAG taking a position on statewide legislation seeking to regulate the issue. In November 2022, CVAG staff sought direction on pursuing a model ordinance that limits the sale and/or possession of Mylar balloons in order to address power outages in the Coachella Valley. At the time, the Public Safety Committee did not take a position on the model ordinance but rather requested staff continue to track the issue.

On April 13, 2023, the Palm Desert City Council discussed potential city regulations of Mylar balloons. Palm Desert city staff is now drafting an ordinance that, if approved, would ban Mylar balloons in Palm Desert's parks. The ordinance will be presented for Council's consideration at a future meeting. In the interim, City staff has reached out to CVAG staff about renewing discussions around a regional approach to banning the sale of Mylar balloons, and specifically requested that the issue be brought to the Energy & Environmental Resources Committee. Because this issue had previously originated with the Public Safety Committee, CVAG staff provided both the Public Safety Committee and the Energy & Environmental Resources Committees with an update at their May meetings. Staff will continue tracking the City's conversations. Should a ban or any similar regulations be implemented locally, CVAG staff will bring them forward to both the Public Safety and the Energy & Environmental Resources Committees for direction on any regional considerations.

Mylar balloons are made with Mylar nylon, a non-biodegradable material, and are typically coated with a metallic finish that conducts electricity. These balloons are a common feature at celebratory events such as birthdays or graduations, and they stay inflated for two weeks or longer. When they are not sufficiently weighted and are released into the air, Mylar balloons have the potential to contact power lines, which can result in power outages and fires.

Since 1990, California has prohibited the release of Mylar balloons into the air in an effort to help reduce power outages. Additional legislative efforts have sought to limit the manufacture or sale of celebratory foil balloons. In June 2022, based on the direction and recommendation of the Public Safety Committee, the CVAG Executive Committee issued support for Assembly Bill 847, authored by Assemblymember Bill Quirk (D-Hayward), which aimed to impose additional regulations to govern the manufacture or sale of celebratory foil balloons. The version of AB 847 that was signed by the Governor was amended after CVAG's committees endorsed it. Whereas the bill initially aimed to ban the sale of Mylar balloons in

2026 if they cannot pass certain standards and requirements, the final version has a much longer phase-out that will start no sooner than January 2027 and could extend past 2031.

Fiscal Analysis: There is no cost to CVAG for this informational update. The development of a model ordinance can be covered under existing staff time, should the Public Safety Committee or the Energy & Environmental Resources Committee endorse a regional approach to addressing Mylar balloons.

ITEM 9I

Coachella Valley Association of Governments
Executive Committee
June 5, 2023

STAFF REPORT

Subject: **Availability of Southern California Edison's Green Rate**

Contact: David Freedman, Program Manager (dfreedman@cvag.org)

Recommendation: Information

Background: California Public Utility Commission (CPUC) rules require Investor-Owned Utilities (IOUs) and the Community Choice Aggregators (CCAs) in their service territories to post a Joint Rate Comparison (JRC) showing their respective key residential and commercial rates on a per kilowatt hour and monthly basis. The JRC must be posted on the respective websites of the IOU and CCA within 60 days of a rate change by either the IOU or the CCA. CPUC rules also require the IOUs and CCAs to send an annual Joint Rate Mailer (JRM) to all customers in a CCA's territory with this rate information. The CPUC's Public Advocates Office (PAO) reviews and approves the wording of the JRMs before they are distributed to customers and posted on the CPUC's website.

There are two CCAs in CVAG's area: Desert Community Energy (DCE), which is staffed by CVAG through a staffing agreement, and the Rancho Mirage Energy Authority (RMEA). Both have included SCE's Green Rate for its 50% and 100% renewable products in their respective JRCs and JRMs. SCE ceased offering its Green Rate to new customers in June 2022. Beginning with the JRC reflecting SCE rates effective June 1, 2022, the PAO approved the following text for the JRCs and JRMs of SCE and the CCAs in SCE's service territory, including DCE and RMEA:

> *The volume of interest for both the 50% and 100% Green Rate program has currently exceeded the amount of capacity available from approved Green Rate resources. SCE will maintain a waitlist for customers interested in participating in the Green Rate program, and as capacity becomes available, SCE will enroll customers on the Green Rate on a first-come, first-served basis.*

By September 2022, the SCE Green Rate had been unavailable for four months and the unavailability of this rate led to the question of how many DCE customers/ratepayers have enrolled in the Green Rate. The following chart provides a recap of how those numbers compare with DCE:

	DCE	SCE[1]
Total Customers	32,858	3,500,000
DCE Desert Saver Customers	8,919	
SCE 50% Green Customers		585
DCE 100% Carbon Free Customers	23,939	

[1] SCE has approximately 5,000,000 total customers, but approximately 1,500,000 are served by CCAs like DCE and RMEA.

SCE 100% Green Rate Customers		2,293

As shown in the table, SCE has more than 100 times as many total customers as DCE, but DCE has more than 10 times as many customers who are enrolled in a 100% Green/Carbon free program. The number of DCE's 100% Carbon Free customers has continued to grow. As of March 2023, DCE had a total of 24,521 customers enrolled in the Carbon Free Energy Product.

In the summer of 2022, the PAO denied a request from another CCA in SCE's service territory that the CCAs no longer be required to include in their JRCs and JRMs an unavailable SCE rate. The CCAs all viewed having to make that comparison as unfair competition, since SCE showed rates for its Green Rate products as being below its base rate and the base rates of all the CCAs in SCE's service territory, which have a much lower renewable energy content.

However, on March 10, 2023, SCE informed the CCAs in SCE's territory that it will remove all Green Rates from the JRC, effective with the JRC reflecting SCE's March 1 rate change. SCE will resume including Green Rates on the JRC once the CPUC renders a decision on SCE's application to increase its Green Rate capacity. That proceeding is ongoing, and the CPUC currently expects to issue a Proposed Decision this summer.

Staff will continue to track the issue and provide updates to the Energy & Environmental Resources Committee as they are available.

Fiscal Analysis: There is no cost to CVAG for this information item.

ITEM 9m

Coachella Valley Association of Governments
Executive Committee
June 5, 2023

STAFF REPORT

Subject: **School Resource Officers in the Coachella Valley**

Contact: Erica Felci, Assistant Executive Director (efelci@cvag.org)

Recommendation: Information

Background: In August 2022, the Public Safety Committee held a roundtable forum about the Coachella Valley's readiness and response plans to an active shooter situation, particularly at soft targets such as schools. The special meeting featured representatives from the Indio and Cathedral City Police Departments, the Coachella Valley's three school districts and from the Riverside University Health System-Behavioral Health's Desert Region. As was noted during the meeting, local law enforcement and schools have long planned for the unthinkable scenario of an active shooter situation. Additional trainings have been held since the May 24, 2022 mass shooting at Robb Elementary School in Uvalde, where 19 children and two teachers died in their classrooms.

At the request of La Quinta Councilmember John Peña, and with the concurrence of Chair Waymond Fermon, CVAG staff brought forward the topic of school resource officers for the Public Safety Committee's consideration and discussion. Both Palm Springs Unified and Desert Sands Unified School Districts have agreements in place to have local law enforcement serve as school resource officers. Coachella Valley Unified School District (CVUSD) ended their agreements in 2018 and shifted to a restorative justice model for its school security. In recent months, this model has drawn public attention and led to calls from students and parents for additional security measures. The City of La Quinta on March 7, 2023 sent a letter to CVUSD (attached) to encourage the Superintendent and District Board take steps to reinstate school resource officers. A few weeks later, the CVUSD School Board received an update on the use of the restorative justice model, including a written summary (attached) and roll out of additional trainings for both central office and school-based staff.

CVAG's legislative platform broadly calls for "maintaining a safe and secure community, free of crime, while ensuring clean and engaging public spaces, is essential to maintaining vibrant and growing business and residential communities." It does not specify any positions related to school resource officers.

CVAG staff invited the security and safety directors from all three school districts to attend the May meeting of the Public Safety Committee. Desert Sands Unified was able to attend and Palm Springs Unified has provided a recap of their agreements (attached). The issue prompted a robust discussion at the May meeting of the Public Safety Committee, which reviewed the City of La Quinta's position. However, Committee members requested additional data and insights, and requested that staff reach out to Coachella Valley Unified again with hopes additional information would be available when the Public Safety Committee meets again in June.

Fiscal Analysis: There is no cost to CVAG for this informational update.

Attachments:

1. City of La Quinta letter to CVUSD, March 7, 2023
2. CVUSD overview of Physical and Socio-Emotional Safety Measures, presented to School Board on March 30, 2023
3. Desert Sun article, “How a rural California district became a hotspot in the nationwide debate about school policing,” March 24, 2023
4. PSUSD recap of school resource officers

March 8, 2023

Luis Valentino, Ph.D
Superintendent
Coachella Valley Unified School District
87225 Church Street
Thermal, CA 92274

Re: School Safety and Reinstatement of School Resource Officers at CVUSD

Dear Superintendent Valentino,

The City of La Quinta is joining parents and students in requesting Coachella Valley Unified School District (CVUSD) officials reinstate Riverside County Sheriff's Department School Resource Officers (SROs) as soon as possible to address the safety concerns at your schools. This request is memorialized in this letter as the result of the City Council's consideration and decision on the matter during its Regular Meeting yesterday, March 7, 2023.

Over the last four months, Riverside County Sheriff's Department (RCSD) deputies have responded to at least 11 incidents (including yesterday) of threats of school violence at various CVUSD schools, which have jeopardized student and staff safety.

Students and parents are demanding improved safety measures and urging CVUSD to return SROs to the schools to provide protection from violence and possible weapons brought to school by students. We are aware that SROs were removed from school campuses by the CVUSD Board in 2018 in favor of a "restorative justice model."

Our experience with Desert Sands Unified School District (DSUSD) is that SROs make a positive difference in their schools. SROs are on campus, relating with students and earning their trust. The SRO at La Quinta High School shared with our City Council members that in building those relationships, students feel comfortable coming to him and reporting concerns about anything they may have witnessed, thus allowing the SRO to respond swiftly and prevent a potential incident or tragedy from occurring. SROs can also quickly summon paramedics and other emergency crews needed to help students and faculty if there is a medical crisis on campus.

The CVUSD community has expressed its safety concerns at CVUSD Board meetings where many students and parents have attended in protest of these incidents, the lack of communication by the District, and the overall lack of safety measures. CVUSD students have also walked out of classes in protest, stating they should not be afraid to go to school.

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We feel strongly that all students in the Coachella Valley deserve a positive and safe learning environment. Both Desert Sands Unified and Palm Springs Unified School Districts utilize SROs to enhance the safety of schools and protection of students, teachers, and faculty. Our concern and request to reinstate SROs at CVUSD stems from our desire to have an equitable environment of safety for our La Quinta residents who attend CVUSD schools, just like those who attend school in DSUSD.

Our City Council firmly believes students, teachers and administrators should be able to enjoy school without fearing for their safety every day they step on campus. Likewise, parents should not have to worry about the safety of their children when dropping them off for school each day. Students are supposed to feel safer with CVUSD's "Restorative Justice Model," however, the recent incidents and reactions clearly negate that feeling. We are interested in what metrics are used to measure the effectiveness of the Restorative Justice Model since SROs were eliminated in 2018, as well as any results achieved through this model.

Having SROs in schools is a standard practice with our other local districts. SROs work closely with school staff, students, and parents to provide a safe learning environment at local schools. Throughout our valley, including in La Quinta (since 2003), cities have stepped up to share the cost of SROs to ensure a higher level of safety for our children. The presence of SROs within schools also presents a career opportunity for public service, as the SROs often collaborate with Public Service Academies, ROTC groups, and Cadet programs.

We request that the CVUSD Board not wait for a tragedy to occur before they take action to improve school safety. The CVUSD Board is responsible to do all they can to protect students, parents and staff while on District campuses. We welcome the opportunity to discuss your plans to ensure a safer learning environment. We would be interested in resuming our "two-by-two" meetings (less than a quorum of the respective elected governing bodies) with City Council, School Board, and staff to further discuss solutions to this unsafe situation. Thank you.

Sincerely,

Linda Evans, Mayor
City of La Quinta

John Pena, Councilmember
City of La Quinta

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Steve Sanchez, Mayor Pro Tem
City of La Quinta

Kathleen Fitzpatrick, Councilmember
City of La Quinta

Deborah McGarrey, Councilmember
City of La Quinta

Cc:
CVUSD School Board
V. Manuel Perez, Supervisor, Riverside County 4th District
Coachella City Council
Jon McMillen, City Manager, La Quinta

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Coachella Valley Unified School District

Physical and Socio-Emotional Safety Measures

Mar 24, 2023

CURRENT: Physical Safety & Security Measures at CVHS

1. **CAMPUS SAFETY ASSISTANTS**: A dedicated security team oversees CVHS, manages entry points, and addresses security issues. They collaborate with school administrators and staff to ensure a secure environment.
2. **BACKPACK INSPECTIONS**: CVHS performs daily student backpack inspections to ensure a safe and secure learning environment.
3. **COOPERATION WITH LOCAL LAW ENFORCEMENT**: CVUSD works closely with local law enforcement agencies to facilitate effective communication, leverage their resources, and organize responses to potential risks or crises.
4. **THREAT ASSESSMENT TEAMS**: The school features a multidisciplinary team who identifies, evaluates, categorizes, and manages threats or possible threats to school safety. This team determines the suitable response and intervention, including weapons on campus, fights, suicide risk assessments, and the creation of written safety plans and strategies.
5. **VISITOR CONTROL SYSTEMS**: CVHS employs RAPTOR Technologies, Visitor Management System (VMS), and Emergency Management System (EMS). VMS screens for sex offenders and custody violations while providing district-wide visitor data, and EMS is an application that can be activated from a desktop, a tablet, or a mobile device to notify staff of an Active Shooter, Lockdown, Shelter in Place, Evacuation, and Fire. EMS will also assist in the event of reunification.
6. **TEMPORARY PROTECTIVE FENCING**: The temporary fencing is installed at the front of the school to create a single point of entry, facilitating backpack checks. We are also looking into replacing parts of the perimeter fencing from chain link to wrought iron.
7. **CANINE DETECTION SERVICES**: Specially trained dogs perform unannounced visits throughout the academic year to detect drugs, alcohol, ammunition, gunpowder, and firearms.
8. **COMMUNICATION RADIOS**: Essential staff members are equipped with radios to improve communication during emergencies and routine operations.
9. **CLASSROOM DOOR LOCK GUIDELINES**: Instructors must keep classroom doors locked and closed at all times, with substitutes adhering to the same policy.
10. **EMPLOYEE TRAINING**: The majority of staff members have received ALICE training and will participate in ongoing emergency protocol training. Some teachers and administrators have received de-escalation training, with additional training to be provided.

11. **STAFF and STUDENT PREPAREDNESS & DRILLS**: Staff and Students receive training in the Standard Response Protocol for lockdown, shelter in place and evacuation for fire and earthquakes. Regular drills are conducted.
12. **THREAT REPORTING**: CVHS students, parents, employees, and community members can report potential threats or concerns through various methods, such as online reporting (Sprigeo), contacting campus or district administrators, or Campus Security Assistants.
13. **STUDENT IDs (campus)**: All students must visibly wear their district-issued identification card when on school property. This will assist in identifying students while on campus.
14. **STUDENT VEHICLE REGISTRATION**: All students parking at the site register their cars with the front office staff. Staff verifies that students have valid drivers' licenses, vehicle registration and proof of insurance.

CONSIDERATION: Physical Safety & Security Measures at CVHS

15. **SCHOOL RESOURCE OFFICERS**: School resource officers are present on campuses to guarantee the safety and security of students, faculty, and visitors. They patrol the premises, handle emergencies, and collaborate with school administrators on safety protocols.
16. **METAL DETECTORS OR SCANNERS**: We are exploring Evolv Technologies. The Evolv weapons detection system combines powerful sensor technology with proven artificial intelligence (AI), security ecosystem integrations, and comprehensive venue analytics to ensure safer, more accurate threat detection at an unprecedented speed and volume.
17. **TRANSPARENT BACKPACKS**: A transparent backpack policy would promote greater transparency and dissuade students from bringing banned items to school.
18. **VIDEO DOORBELL SYSTEM**: CVUSD campuses will use an external video doorbell system for controlling access to school facilities. It will be the first layer of the screening process where front office staff can screen those entering the campus.
19. **PERMANENT PROTECTIVE FENCING**: Fencing would be installed at the front of the school to create a single point of entry. We are also looking into replacing parts of the perimeter fencing from chain link to wrought iron.
20. **SURVEILLANCE CAMERAS (Campus)**: Camera infrastructure will be upgraded to give security cameras 24-hour surveillance.
21. **SURVEILLANCE CAMERAS (BUS):** Cameras will be added to additional buses so security cameras can provide surveillance while students ride the bus.
22. **STUDENT IDs (Bus)**: All students must visibly wear their district-issued identification card when on the school bus. This will assist in identifying students while on campus.

CURRENT: Socio-Emotional Safety Measures at CVHS

1. **WELLNESS TEAM**: In collaboration with Student Support Services and our transformational learning partners' frameworks, wellness staff members assist students and families at CVHS by addressing their social, emotional, and behavioral needs, fostering a secure and supportive atmosphere.

2. **LICENSED THERAPIST**: CVHS has a Family & Student Support Therapist assigned to its campus via Latino Commission. Therapists offer student mental health services and family resources on campus and at the Latino Counseling Commission center.
3. **ADULT COUNSELING SUPPORT:** With the support of the Latino Commission, CVHS staff have access to counseling support through Student Support Services.
4. **TRANSFORMATIONAL / BLENDED LEARNING:** The model employs a **holistic approach** to create a supportive learning environment where students can develop social and emotional skills, build strong relationships, and achieve academic success.

Desert Sun.

EDUCATION

How a rural California district became a hotspot in the nationwide debate about school policing

Jonathan Horwitz
Palm Springs Desert Sun

Published 5:24 p.m. PT March 24, 2023 | **Updated 7:40 p.m. PT March 26, 2023**

On the outskirts of eastern Riverside County, one semi-rural district's discussion of how to best protect students has come to epitomize a nationwide debate over the role law enforcement officers should play in schools.

High school students say they feel unsafe at school following a series of about a dozen incidents in recent months where administrators have called the sheriff's department to deal with reports of weapons or trespassers on various campuses. Some say students are acting with impunity — bringing weapons and drugs to school — without the threat of law enforcement.

The Coachella Valley Unified School District removed sheriff deputies known as school resource officers from its high school campuses in 2018 in favor of a restorative justice model intended to:

reduce suspensions and expulsions;
create a healthier school climate without armed officers present; and
tackle student behavioral issues through mentorship and social-emotional learning, rather than heavy-handed discipline and referrals to law enforcement.

Since then, suspension rates have dropped about 25%, and far fewer students have been referred to the juvenile justice system. But many students and teachers believe safety has been compromised, and want officers back full time.

Some research, including a study from the ASU Center for Problem-Oriented Policing, suggests that school resource officers improve response times to incidents at schools and

improve perceptions of school safety.

But whether armed school resource officers actually make schools safer overall is widely debated and the subject of many academic studies, in large part because the presence of police officers on schools tends to correlate with higher suspension rates and criminalization of students of color — just as it did in Coachella Valley Unified schools prior to when the district voted to remove officers in 2018.

The role law enforcement should play in school security is a complex question that has drawn passionate disagreement from school board trustees and community members alike. District leaders are signaling that a solution to school safety is less about any single policy. How the two approaches — policing and restorative justice — intersect or not on school campuses strikes at much deeper questions about coming-of-age, discipline, law enforcement and reform in America.

Tensions flare at Coachella Valley Unified campuses

Hundreds of students from two district high schools — Desert Mirage High and Coachella Valley High — walked out of class in late February and marched 3 to 6 miles to the district's office to call for better safety measures, including a return of sheriff's deputies to schools.

They marched because Riverside County sheriff's deputies have been called to the district's schools at least 12 times in five months, including once in November when they ordered the mass evacuation of 3,700 students after reports of a suspicious device in a backpack found at a campus shared by three schools. Deputies have been called to CVUSD campuses several more times since then to investigate reports of a student with a gun at school.

Two of the district's high schools were locked down four times in February and March. Students reported knives or guns at Coachella Valley High five times in February.

While the district has not reported any physical injuries as a result of these incidents, students are asking the board of trustees if it would take a violent outburst for them to bring back sheriff deputies.

"I don't feel safe at school," said Desert Mirage 10th-grader Jenny Bravo, adding that "implementing police officers" is the only thing at this point that would make her feel safe at her school. "If there were a problem, the police would be there."

One student arrived at a February board meeting in a white tank top covered in red paint

board signs with messages like, “I shouldn’t be afraid to go to school” and “We still live in fear.”

Many in the community echo Bravo and say that a law enforcement presence would quicken response times to school threats.

It is unclear what law enforcement response times have been in response to each incident. CVUSD Trustee Trinidad Arredondo suggested it might be between 15 and 20 minutes. The national average police response time to an active shooter incident at schools is around 15 minutes, according to FBI data from 2000-2017.

Even after law enforcement responds to a school threat, their effectiveness in an emergency has come under a great deal of scrutiny. In May 2022, police waited more than an hour outside Robb Elementary School in Uvalde, Texas while a shooter was active inside. Texas officials say armed police officers wearing body armor could have stopped the shooting three minutes after it began. Ultimately, 21 people — 19 students and two educators — died.

In Coachella Valley Unified, how and when the district has reported threats has also been a concern to parents and students.

District officials took more than an hour to report to law enforcement officers that they found a handgun at Desert Mirage High School in Thermal last November. The district took six days to tell parents about a loaded gun found at Coachella Valley High School in January.

"People are upset because it took them a long time to react," said Elizabeth Tabarez, whose daughter attends one of the schools evacuated last November.

Since then, the district has taken steps meant to improve security.

In recent weeks, officials installed temporary fencing around Coachella Valley High and instituted mandatory backpack checks for all students entering the grounds. They've also increased the use of canine detection services to detect drugs, alcohol, ammunition and firearms and provided a majority of staff with active shooter training and some with de-escalation training.

Tabarez and others say that's not enough. They insist on a law enforcement presence.

"What I will want to see the school board do different is to add a sheriff on campus," she said. "I've always insisted they should have them, but they don't want to."

Most district leaders are reluctant to bring back officers, fearing what sort of impact that could have on students of color.

Sheriff deputies removed in 2018

Coachella Valley Unified serves over 16,000 students from communities within a sprawling 1,250-square-mile area of mostly farmland and desert. Almost 98% of students served by the district identify as Hispanic. Nearly nine in 10 students in the district qualify as socioeconomically disadvantaged, according to state data.

In 2018, the district's board of trustees voted to remove school resource officers from high schools in favor of a restorative justice program intended to create a healthier school climate, reduce suspensions and tackle root causes of behavioral issues rather than disciplining students in a heavy-handed fashion.

At the time, much larger school districts in California, including Los Angeles Unified, Oakland Unified, San Diego Unified and Santa Ana Unified, had begun to invest millions of dollars in restorative justice.

Whereas those districts hired and trained restorative justice coordinators, CVUSD never spent a vast majority of the $300,000 the board of trustees had already approved for the program, according to reporting from EdSource.

Five years later, the district has made investments in mental health and behavioral support, but still lacks a districtwide restorative justice coordinator and trained program managers at every school site.

The onus to implement restorative justice has fallen largely on the shoulders of teachers and staff already experiencing burnout amid ongoing labor negotiations, personnel shortages and efforts to boost academic performance in the wake of the COVID-19 pandemic that saw test scores plunge nationwide.

"Right now, teachers are implementing restorative justice practices during prep time or after school," said CVUSD Trustee Silvia Paz. "That's a burden."

Multiple trustees are asking for patience from the community. Others say the district needs to imminently hire restorative justice personnel.

But, after half a decade — and three superintendents later — parents and students are calling for change.

What is restorative justice?

Rather than justice as punishment, restorative justice conceives of justice as repair to the harm caused by crime and conflict.

“Restorative justice allows students to take responsibility for their actions versus treating them like criminals and exiling them through suspensions and expulsions,” said Daniela Rojas, a project manager at Alianza Coachella Valley. Alianza is a nonprofit that has long advocated for the school district to invest in restorative justice. Its executive director is Paz, a school board member, former CVUSD teacher and Harvard Kennedy School of Government graduate.

Compared to traditional discipline, restorative justice is a holistic set of social services.

For instance, if a student vandalizes a bathroom, rather than suspending the student, a behavior interventionist — perhaps a therapist — would counsel the student to understand why they did that. Next, the student would talk with a school custodian about the work required to repair the bathroom. The student might even help with the repairs, according to restorative justice consultant Reuben Roberts.

Ideally, a social worker would help the student and their family connect with community resources to address problems they face at home, which could range from food insecurity, gang violence or family issues that end up affecting behavior at school.

In practice at CVUSD, implementation has fallen largely on teachers who might not be adequately trained as mental health professionals and who might already feel weighed down by their normal job responsibilities and stressors.

“Teachers are trying to teach math; they're trying to teach English; they’re trying to teach science,” Arredondo said. “Now we're asking them to stop what they're doing to run a restorative justice circle.”

For Bravo, the circles, where students can share what's on their mind with peers and mentors, are challenging because it’s hard for her to share the emotions affecting her behavior.

“The expectation is to be ideal,” she said, referring to the load of academic, athletic and social pressures weighing on her. “That leads to a lot of bottled-up emotions and that becomes stress.”

“It’s hard to open up,” she said. “I don’t want their pity.”

Doing restorative justice right requires buy-in from staff, hiring additional personnel and a commitment to the idea that student behavior can be reformed.

It is potentially a long and slow process. Understanding the root causes of behavioral issues can take weeks, months or years, and is different for every individual.

While many parents of students in Coachella Valley Unified are fed up with the slow implementation, others are tired of what they see as a perpetual, “vicious cycle” that they say begins with law enforcement on school campuses and continues with low-income students of color sent to the juvenile justice system with damaged prospects for successful academic and financial careers.

"Our children want to move forward," said parent and restorative justice advocate Mariana Roman. "They don't want to feel intimidated by a law enforcement officer at school."

“I believe, slowly but surely, we are making progress," added Sandra Ramirez, a parent advocate involved with CVUSD’s restorative justice transformation over the last 10 years. “Our children and our students deserve to believe in themselves. Restorative justice is about believing in yourself and believing in your peers without having to have police at the ready.”

Investing in students' emotional well-being while keeping them safe is an ambitious task for schools with or without police on campus, especially considering California schools already face a shortage of counselors and student mental health supports.

Nevertheless, studies suggest that the rewards of doing restorative justice correctly can be profound.

Benefits could include reduced suspension rates, fewer juveniles referred to the prison system, fewer repeat offenses against school policies and better academic performance, especially among students of color who tend to be disproportionately penalized by school officials and law enforcement officers.

Yet, many school districts continue to implement punitive practices to control student behavior. Why?

The 'American mindset'

Punishment over reform is part of the “American mindset,” Roberts said.

“We have a punitive culture,” he said. “Historically, American culture has thought of discipline as equal to teaching a lesson.”

In fact, corporal punishment, which has a long and troubling history in American schools, remains legal in 19 states, including in Oklahoma where lawmakers recently voted to reject a bill that would have banned its use on children with disabilities.

In California, corporal punishment in school is illegal, but the idea of discipline has strong roots among teachers.

A decade ago, fewer than half of educators working in Coachella Valley Unified believed that “every student can be a success,” according to survey data.

Educators are not going to invest in the future of students if they don’t believe students can be successful, Roberts explained. A Bay Area resident, he also consults with Oakland Unified.

“The biggest challenge to restorative justice is systemic,” he said. “It’s getting buy-in from adults. It’s easier to give a consequence than to do meaningful work.”

But if the point of “teaching a lesson” is to help young people avoid repeating mistakes, then data suggests restorative justice could work better than traditional punishments.

That idea might sound familiar.

Restorative justice is not just a practice at schools. It’s an idea in law enforcement, generally, and a rethinking of the way the American law enforcement system works, from policing to prisons.

The criminalization of 'defiance'

Around the time CVUSD cut ties with law enforcement, the restorative justice movement — which has existed for decades — was picking up steam across California, and not just in major school districts.

With overcrowded juvenile justice facilities and a backlog of juvenile court cases, some law enforcement officers and judicial officials supported reform.

“Although some people may view restorative justice as ‘soft on crime,’ this approach can improve the dynamics of how society deals with youthful offenders,” Lt. David Newton of the Fresno Police Department wrote in an article published by the FBI in 2016.

Two years later, the Judicial Branch of California cited a study that suggested restorative justice can cut down reoffending by 83%. In Oakland Unified schools that implemented restorative justice, suspension rates fell by 40% in one year among Black students.

Back in eastern Riverside and Imperial counties, a group of parents had been calling on Coachella Valley Unified to remove school resource officers from campuses for more than five years before the district made that change.

By 2018, CVUSD was suspending nearly one in 20 students each school year — far higher than the state average of about one in 30. Black and Native American youths were being suspended at approximately double the rate of Hispanic students, while white students were suspended 20% less often.

The district was also involved with a controversial Riverside County probation program that many say pushed youths into the criminal justice system unnecessarily.

A majority of nearly 2,000 students countywide referred to the program during the 2017-18 school year were sent for defiance.

The American Civil Liberties Union sued the county program, which agreed in a 2019 settlement with the nonprofit to no longer enroll youths in the probation program for non-criminal behavior such as talking back to school officials, truancy or academic problems.

"We shouldn't allow our students to make contact with criminal justice," Paz said in 2018. "We should be focusing on college readiness."

In 2018, her organization suggested that cutting ties with law enforcement could possibly improve student outcomes in the district.

Over five years, suspension rates at CVUSD schools have indeed fallen and are nearly in line with state averages. In California, school funding is not directly tied with suspension rates, but the state does have a program to prioritize certain investments in districts with higher-than-average homelessness and foster youth, school suspension and expulsion and dropout rates. A 2017 UCLA study estimated that school suspensions ultimately cost the state billions of dollars in economic damage due to their effect on lower graduation rates and long-term higher taxpayer costs for criminal justice, welfare, health care and other economic ramifications.

Graduation rates and test scores in Coachella Valley Unified have improved, although they continue to lag behind state averages. In 2018, about one in five CVUSD students did not

graduate — slightly behind state averages. In 2022, about one in 10 CVUSD students did not graduate — slightly ahead of the state average, which has also improved.

However, CVUSD students continue to score "low" and "very low" relative to grade level standards in English language arts and math. And, only 44% of the district's English learners — students who are unable to communicate fluently or learn effectively in English, who often come from non-English-speaking homes and backgrounds and who typically require specialized or modified instruction in both the English language and in their academic courses — are making progress toward English language proficiency. Almost half of students in the district are classified as English learners.

Chronic absenteeism has gone up across California schools since the COVID-19 pandemic. But it's alarmingly high in Coachella Valley Unified, where 46% of students missed at least 10% of instructional days last year.

It's unclear what impact restorative justice and school policing might play in these incredibly complex and overarching school performance metrics.

Yet, some say the specter of potential violence this year at multiple school sites has worsened problems and created a culture of fear.

Whether police or restorative justice — or some combination of both — would help depends upon who you ask.

Can school resource officers and restorative justice coexist?

While restorative justice practices could help improve student outcomes in the long-run, Arredondo believes sheriff's deputies can assist in dire situations with physical threats.

"The presence of an officer there is going to keep students safe," he said. "We won't have to wait 15 to 20 minutes for law enforcement to show up; I think that's important."

He says adequately-trained sheriff deputies, especially those born and raised in the community, can be part of a restorative justice team.He points out that Coachella Valley High has a public safety academy, and the district could prioritize hiring school resource officers from a pool of law enforcement officers who have graduated from that program.

"They can also play a key role in identifying things that are going on, and can put kids in different spaces so that they can get the help that they need," Arredondo said.

Investing in revamped and purportedly culturally sensitive training for school resource officers while also funding restorative justice practices is something that nearby Palm Springs Unified School District is trying at its high schools. Their decision to keep school resource officers after the pandemic and in the wake of George Floyd's murder was not without its critics.

Restorative justice advocates are skeptical that police should be stationed at schools.

"Having uniformed police on campus in not healthy," Roberts said, referring to concerns about how law enforcement interacts with young people of color.

Rojas' opinion was somehwere between Arredondo's and Roberts.

“I think we need to really reevaluate what are school resource officers' roles on campus and if they are going to approach our students in situations in a way that's going to address their needs versus treating them as criminals," she said.

Aside from Arredondo, the six additional members of the CVUSD Board, including Paz, have not publicly supported the return of officers to schools.

Veteran trustee Joey Acuña has compared adding a school resource officer to creating a prison-like environment. But he agrees with Arredondo that some changes need to be made to make schools safer.

“We can turn our schools into prisons. We can have a sheriff at each corner of our (campus). Our kids are gonna do what they're gonna do. I'm sorry that that just seems to be the (case). It's almost like they don't care, and they feel that there's no consequences."

His and others’ concerns with school policing are rooted in data.

A 2021 ACLU of Southern California report cited that Black students’ arrest rates are 7.4 times higher in schools with assigned law enforcement than in schools without and “Latine” students’ arrest rates are 6.9 times higher in schools with assigned law enforcement than in schools without. Their report also cited that students with disabilities’ arrest rates are 4.6 times higher in schools with assigned law enforcement than in schools without.

Possible solutions

While students and parents are divided about how to create safe learning environments, CVUSD board members and restorative justice advocates have some ideas.

Paz, Rojas, Roberts and Arredondo all told The Desert Sun that the district should hire a restorative justice coordinator and invest in school site personnel focused on implementation.

Currently, it is unclear whether CVUSD officials are actually following through with their restorative justice mandate. Through a spokesperson, the district's superintendent, Luis Valentino, declined multiple requests for an interview on the topics of school security and implementing restorative justice.

CVUSD has built wellness centers at schools where students can theoretically go — or get referred to — to seek help with a mental health professional or social worker.

But Bravo, the Desert Mirage High student, told The Desert Sun that school staff don't really "advertise" it.

And, without a coordinator, it is unclear what happens after students are referred to the wellness center. Perhaps, they receive counseling. Perhaps, the room ends up feeling more like detention.

Arredondo says the district has an accountability problem.

"If you're not accountable for your actions, then restorative justice doesn't work," he said.

Accountability doesn't have to be punitive, Arredondo explained. But there does have to be some reflection on why students behave certain ways.

Coachella Valley Unified has, in fact, invested in mental health supports — one prong of restorative justice. Last year, it provided mental health counseling to over 1,600 students — more than one in 10 enrolled in the district.

But without a clearinghouse of restorative justice data, it's hard to say what impact that intervention has had on reducing suspensions, crime and academic metrics.

Next steps: Education and funding

Paz and Arredondo might disagree about the role law enforcement officers should play on campus, but they both agree that restorative justice can work with sustained funding and better strategy.

Paz and Arredondo, along with consultants Rojas and Roberts, say a good strategy starts with educating the community about what restorative justice is and what it is not.

Tabarez, the parent, said she still did not have a good understanding of why the district removed school resource officers in 2018 and why they won't bring them back.

"Parents are the ones we need to engage, and really let them understand the work that we're trying to do and how they play a part in what we're trying to do," Arredondo said.

Strategy then extends to personnel decisions.

"Do we have the right staff at our wellness centers? Do we have enough staff? What's their role?" are questions that Arredondo said need to be answered.

Paz added that in addition to "a dedicated person at every school site to support implementation," the district should also continue to invest in training for all staff that will help them with mentoring and holding restorative justice circles as needed.

The district could be taking additional steps to train central office staff and site administrators to better implement restorative justice practices beginning later this spring. Bringing back school resource officers has not been taken off the table, either, according to a board document from Superintendent Valentino.

Another step is to improve staff buy-in. That starts with teacher recruitment.

In a three-year window last decade, CVUSD improved the number of teachers on staff who believed every student could be a success from 48% to 70%.

Rojas explained teacher buy-in is hugely important because restorative justice starts in the classroom.

For example, a teacher could choose to discipline a student for arriving late to class by "calling them out," sending them to detention or asking them to leave; or the teacher could circle back with the student to have a private conversation another time that will "treat them with dignity and privacy and address their needs."

Getting that buy-in is the "million-dollar question," Rojas said.

"That's what we've been trying to figure out for the longest time while also understanding and respecting that teachers are burnt out," she said.

Roberts, the consultant, says small group discussions among teachers are key.

"Teachers didn't choose the work for the pay," he said. "Ask them, why did you choose this work? What is your purpose?"

The answer is often to help kids advance through life, Roberts said. At its core, that is what restorative justice is all about, he added.

Roberts also advocated for hiring school climate officers or “culture keepers,” — roles embraced by Los Angeles Unified and Oakland Unified, respectively.

In lieu of school resource officers, these personnel aim to resolve conflicts and contribute to school safety through active listening and mediation.

CVUSD created a school climate committee last year, but has not shared its impacts to date.

Other solutions to restorative justice could come outside the school district. Alianza, the nonprofit, offers workshops for parents to understand the youth impacts of discipline at home and in the community.

California has also expanded a youth/peer court system — an alternative approach to the traditional juvenile justice system where youth charged with a first-time, non-violent offense have the option to waive the hearing and sentencing procedures of juvenile court and agree to a sentencing forum with a jury of the youth’s peers.

Youth court is under the supervision of a judge, and advocates say it helps young people better understand their rights, justice and the law, while being held accountable for their actions and avoiding a criminal record.

The cocktail of potential policy interventions to improve youth outcomes and safety is undeniably convoluted.

Back at CVUSD's last board meeting, students called for better safety measures, teachers called for higher wages, some parents called for law enforcement officers to return and others asked for them to be kept off campuses.

One thing everyone agreed on is that the situation is complex.

"There's no one silver bullet," Acuña said.

Jonathan Horwitz covers education for The Desert Sun. Reach him atjonathan.horwitz@desertsun.com.

BACKGROUND

After an internal assessment of the PSUSD School Resource Officer program, several priority areas were identified by the PSUSD Board of Education and our education-partners. Those areas are as follows:

- Memorandum of Understanding
- Training
- The Role of the SRO
- Data collection

PSUSD
PALM SPRINGS UNIFIED SCHOOL DISTRICT

MEMORANDUM OF UNDERSTANDING

- PSUSD involvement in SRO hiring/interviewing process
- Agreement to have the SROs trained by the National Association of School Resource Officers
- SRO coordinate investigative procedures with school administrators when handling law enforcement related issues.
- Worked with campus administration to keep emergency plans up to date.
- Current MOU runs through June 30, 2024.

"We work closely with security at Palm Springs Unified School District… We enjoy a good working relationship with the school district." **– CCPD Chief Crum**

PSUSD
PALM SPRINGS UNIFIED SCHOOL DISTRICT

TRAINING

- ***Foundation of School-Based Law Enforcement***
- Ethics and the SRO
- ***The SRO as a Teacher/Guest Speaker and Effective Presentations***
- ***Understanding Special Needs Students***
- ***The SRO as an Informal Counselor/Mentor***
- Social Media and Cyber Safety
- Understanding the Teen Brain
- Violence and Victimization: Challenges to Child Development
- Sex Trafficking of Youth
- School Law
- ***Developing and Supporting Successful Relationships with Diverse Students***
- Effects of Youth Trends and Drugs on the School Culture and Environment
- Threat Response: Preventing Violence in School Settings
- School Safety and Emergency Operations
- Crime Prevention Through Environmental Design

NASRO
National Association of School Resource Officers
THE world's leader in school-based policing

PSUSD
PALM SPRINGS UNIFIED SCHOOL DISTRICT

SRO TRIAD

PSUSD
PALM SPRINGS UNIFIED SCHOOL DISTRICT

ITEM 9n

Coachella Valley Association of Governments
Executive Committee
June 5, 2023

STAFF REPORT

Subject: **Coachella Valley Crime Trends**

Contact: Erica Felci, Assistant Executive Director (efelci@cvag.org)

Recommendation: Information

Background: The Public Safety Committee has previously expressed interest in receiving updates on FBI reports as they pertain to Coachella Valley trends. An update that was planned for the February 2023 meeting was continued until the May 2023 meeting. The roundtable discussion included updates from cities' top law enforcement, who discussed local trends.

In January 2023, The Desert Sun published an analysis of the crime data that law enforcement agency report on a monthly basis to the California Department of Justice. Ultimately, the information will be compiled for the FBI's Uniform Crime Report Program. The Desert Sun's analysis reflected data from 2010 through September 2022. The newspaper stated that *"Serious crimes overall were down last year in most of the Coachella Valley, preliminary reports show, but there were more homicides than there had been in at least a decade."*

The Desert Sun's overview is attached, and its full report can be found here: *bit.ly/ValleyCrimeStats*.

Fiscal Analysis: There is no cost to CVAG for this update.

Attachment: Desert Sun analysis of crime trends in the Coachella Valley, January 14, 2023

Desert Sun.

CRIME & COURTS

Some crimes drop, but homicides in Coachella Valley jump in 2022. Here's what police say

Police in the valley investigated 37 deaths as homicides in 2022, up from 31 in 2021.

Christopher Damien
Palm Springs Desert Sun

Published 9:20 a.m. PT Jan. 14, 2023 | **Updated 2:48 p.m. PT Jan. 14, 2023**

Key Points

- Coachella had 11 killings, the most of any city. Desert Hot Springs recorded 7. Palm Springs had 5.
- Assaults and burglaries declined, but auto thefts remain a problem.

Editor's note: The Desert Sun is publishing 2022 crime statistics for every city in the Coachella Valley. To see them all, go to bit.ly/ValleyCrimeStats.

Serious crimes overall were down last year in most of the Coachella Valley, preliminary reports show, but there were more homicides than there had been in at least a decade.

Like many areas around the nation, the region had seen a rise in violent crime in recent years. The valley's nine cities reported a decade-high 32 homicides in 2019, followed by 30 in 2020 and 31 in 2021. Statistics from law-enforcement agencies, which The Desert Sun verified when possible with the departments, show that trend has accelerated.

Police in the valley investigated 37 deaths as homicides in 2022, though that number could change as investigations continue.

The Desert Sun excluded from that tally fatal traffic collisions that resulted in criminal charges of manslaughter alone, but one crash in Desert Hot Springs that was investigated as a murder is included.

Each law enforcement agency reports crime data monthly to the California Department of Justice for the FBI's Uniform Crime Report Program. The Desert Sun collected and analyzed these reports from every city in the Coachella Valley from 2010 through September 2022, the most recent month in which numbers are available from every city. The police departments won't submit the formal numbers until later in 2023.

The Desert Sun also used available crime reports and an unofficial database of such events kept by the paper to analyze homicides, robberies, aggravated assaults, burglaries and vehicle thefts throughout the region. Records were gathered from Cathedral City, Desert Hot Springs, Indio and Palm Springs, which have their own police departments. Records for Coachella, Indian Wells, La Quinta, Palm Desert and Rancho Mirage were collected from the Riverside County Sheriff's Department, which provides police services for those cities.

‘Ghost guns’ and prevention

Police chiefs, elected officials and other law enforcement leaders in many cities discussed what they think is behind the rise in homicides — and what they're doing about it.

Desert Hot Springs finished the year with seven homicides, one more than the year before. Deputy Chief Steven Shaw said that in recent years, the department has seen an increase in seizures of illegal firearms that do not have serial numbers, sometimes referred to as ghost guns. Shootings account for the majority of the homicides in the region.

"Officers are recovering a lot of guns off the street, and most are ghost guns," Shaw said. "A good portion are from folks who have prior records who aren’t legally permitted to have firearms."

Coachella ended the year with 11 homicides, the most that city has reported any year since before 2010. The sheriff's department did not respond to inquiries to verify this count.

In an interview, Coachella Mayor Steven Hernandez said the violence has been "very concerning" and expressed his condolences to those who have lost loved ones. He said he was aware of nine of the cases being solved.

"We take this very seriously and provide the resources necessary for justice to be served," he said.

He echoed previous statements he made to The Desert Sun in November, saying the city has considered increasing the number of deputies patrolling. Because several of the victims were

young, including two juveniles, Hernandez said continuing to invest in resources and programs aimed at youth could also help.

"For us, it's really about prevention and intervention, really trying to look at: Are there trends that are festering that we need to address?" Hernandez said. "We need to work on community policing. Perhaps we've really got to think about our social connections, churches, organizations, groups that can help people and guide them through what they're going through. Hopefully, we can continue to create more community love with one another."

Coachella Councilmember Neftali Galarza similarly said the city has focused on providing more opportunities for its youth. He mentioned that the city has arranged for office space to be leased to nonprofits cheaply, providing an opportunity to partner with them to help address related issues.

"Public safety is a number one concern to our residents, and the biggest budget line is policing and public safety," Galarza said. "What is the right solution to solve this? I think it's complicated for public officials and public administrators. I like to believe in more investment in the community, further investment in parks and recreation for youth. We've done a good job of going after grants for these projects."

Coachella is among the valley's cities that contract for police services from the sheriff's department. The department's rising costs have been a topic of debate in recent elections. Galarza said the city is continuing to research creating its own police department, which he and other councilmembers believe could keep the cost of policing down in the long run and provide the community with more control of how it is protected.

La Quinta, another contract city, also saw a rise in homicides, with two in 2022. The two killings are the second most in the last decade behind a five-homicide spike in 2019. Sheriff's Lt. Andy Martinez, who helps coordinate the deputies patrolling La Quinta, noted both suspects were family members of the victims.

"They were relatives of each other, so (those homicides) were not gang-related in any way, or we don't have a serial murderer out running the streets," Martinez told The Desert Sun.

La Quinta also reported the same number of aggravated assaults, 44, through November 2022 that it did in all of 2021. Martinez said aggravated assault statistics typically include domestic violence cases, which make up a "significant portion" of assaults reported in La Quinta.

Cathedral City Police Chief George Crum said he focused resources in 2022 on gang suppression, and as in other cities, he noted a rise in the number of guns seized. That city reported two homicides in 2022, one fewer than the year before.

"If you have some sustained teams focusing on the root problems in our individual cities, you can see some success," Crum said. "The high visibility of patrol officers in areas where we know we see higher numbers of certain crimes, interacting with the communities in those areas, that's a deterrent. When we have a decent, trusting relationship, that helps us solve crimes."

Palm Springs Police Chief Andrew Mills said his department was faced with a concerning string of violent crimes early in 2022, which he focused resources on. The city reported five homicides in 2022, two fewer than the year before.

"We had a lot of gun violence in the first part of the year, 101 felony arrests," Mills said Tuesday. "We took a couple dozen guns off the street. When you take guns off the street, out of the hands of people who shouldn't have them, that makes an impact."

Behind the drops in crime

Throughout the Coachella Valley, aggravated assaults are generally down, with most cities seeing drops from 2021 to 2022.

Indio's 225 assaults in all of 2022, for example, were down more than a third from the prior year's 341. And its reported seven homicides were one fewer than in 2021. Next door in Coachella, even as homicides increased, there were 82 assaults through September, some 30% less than the 130 in all of 2021.

Indio Police Chief Mike Washburn was cautious to credit the improvements in his city to any one effort by the department, except for the hard work of his staff. He noted during an interview Thursday that the department has increased the number of uniformed officers, including motorcycle officers, and code enforcement, while continuing to focus on the need to hire.

"We don't know what we prevent by being visible, but we know it works," Washburn said, noting numbers in almost every crime category are trending down. "We had a concerted effort to bring on more officers, even on overtime, to make sure that we've had the right number that we need on the street. I think it's an increase in visibility."

Burglaries were down in nearly every city, with substantial drops in two. While Palm Springs reported 515 burglaries in 2021, it saw 394 in 2022, according to statistics provided by the department. Palm Desert burglaries similarly dropped from 365 in 2021, to 142 last year.

Mills said the department has stressed the community can be more vigilant about reducing the opportunities for property crimes, such as by not leaving valuables in plain sight and unsecured.

"We arrested a few people who may have had a disproportionate impact, but in many ways the community can protect themselves," Mills said. "We're not going to successfully reduce crime unless we get rid of the opportunity."

Desert Hot Springs reported about 80 burglaries through September 2022, less than half what it has averaged in years prior. Shaw similarly said the department found most of these cases were crimes of opportunity repeated by the same perpetrators. Early in the year, he said, there was a string of home burglaries that officers tied to a group of juveniles.

"We got a call while one was going on, and we had figured out from the previous cases where their getaway route was," Shaw said. "And, sure enough, we got them as they were attempting to flee. It was just good work by the officers at the time."

Coachella reported 65 burglaries in 2021 and 70 through September. But as in the other cities, its rate of burglaries when controlled for population is well down from what it was a decade ago.

In 2010, Palm Springs experienced about 14 burglaries for every 1,000 residents. In 2022, preliminary data shows the rate is nearly half, closer to 7.3. In 2010, Palm Desert experienced about 13 burglaries for every 1,000 residents and now about four. Coachella experienced about 14 burglaries for 1,000 residents in 2010, and, even with a slight rise in 2022, the rate is around two.

Robberies were down or remained at 2021 levels in most of the nine cities, except a marginal rise in La Quinta and a jump in Rancho Mirage from two in 2021 to eight through September of 2022. In Cathedral City, statistics include a spike in robberies, which reports show reflects a different reporting method rather than a major increase in the crime.

Indio saw a significant drop in robberies, from 77 in 2021 to 31 through September. So did Palm Desert, which reported 33 in 2021, and a mere six through September of last year.

"We're enormous believers in community policing," said Indio's chief, Washburn. "An engaged community is a lot more than our eyes and ears. They problem solve for you."

Auto thefts a stubborn problem

Most cities are projecting auto thefts in 2022 that are just slightly lower than the year before. However, Coachella, Desert Hot Springs and Cathedral City are on track to be above the average for the prior few years.

Palm Springs, for example, reported 440 auto thefts in 2021 and 317 through September. Rancho Mirage reported 97 in 2021 and 91 through September. Both are on pace to be slightly below the year prior once final numbers are reported. Indian Wells could have half the year prior's number, with 17 in 2021 and six through September.

Shaw said auto thefts have been a stubbornly persistent regional problem, but added that most vehicles are recovered in the area.

"The vast majority of the cars are being stolen and found in the Coachella Valley," Shaw said. "They take it to get from point A to point B. A lot of times it's older cars that are easy to steal or keys being left in cars."

The Cathedral City chief, Crum, said he was surprised to see certain property crimes falling last year, given that cost of living and inflation has gone up notably, which over his three decades in policing usually correlates with a rise in such offenses.

"We're costing people out of the life they may have lived prior to the pandemic," Crum said. "As people struggle financially, we, as law enforcement officers, should expect a rise in crime as a consequence."

Perception: 'What we're seeing is a swelling insecurity'

Several police and elected officials said residents' reactions to the ups and downs in crime trends have been amplified recently by how quickly information, and sometimes misinformation, is shared. They said constituents often express a belief about crime that might not reflect the actual statistics.

"You can't fight an emotional argument with data," said Mills, the chief in Palm Springs. "Regardless of what the crime data shows, for many people it's their perception that counts, and what we're seeing is a swelling insecurity."

Washburn similarly noted that he speaks with Indio residents about their perceptions of high rates of crimes that aren't backed up by the data the police department has.

"I urge people to report crime if they observe it so we have accurate data," he said. "But also don't get panicked. Tell us about your concerns, and we can provide more information about what we know is going on."

Crum said community engagement is a primary focus for Cathedral City police in 2023. He noted the pandemic made it very difficult to maintain good communication with residents during a pivotal moment in American policing, after murder of George Floyd in Minnesota in May 2020.

"I think that when you go back to May 2020, and the impact Minneapolis had on American policing, it's imperative that we stay connected," Crum said. "We have to address where our profession needs to be transformed to meet the communities we police."

Mills said that during his previous career with the San Diego Police Department, he worked events at the city's stadium, formerly the home of an NFL team. He said his department would make "hundreds of arrests in a two-hour period during some of those events."

"We had about 100,000 people at Pride this last year, and we had zero arrests related to it," Mills said. "People chose to be civil and to be kind to one another. We were safe because people chose to be safe."

Hernandez of Coachella similarly said he believes his city is headed in the right direction, even as homicides have risen, stating crime is generally down from the highs the city experienced in years past.

"We're coming out of a life-changing pandemic and, in many ways, people are disconnected; they're figuring out how to be a community again," Hernandez said.

And several people interviewed echoed that leadership through the transition will be key.

"From Washington, D.C., to local cities, it's really important how we talk to one another," Mills said. "I think you see the numbers tend to drop when the tension is lessened in a community. We in government can help set the level of civility."

Christopher Damien covers public safety and the criminal justice system. He can be reached at christopher.damien@desertsun.com or follow him at @chris_a_damien.

The Desert Sun reporter Tom Coulter contributed to this report.

ITEM 9o

Coachella Valley Association of Governments
Executive Committee
June 5, 2023

STAFF REPORT

Subject: **Annual Point-in-Time Count of Homeless Individuals**

Contact: Erica Felci, Assistant Executive Director (efelci@cvag.org)

Recommendation: Information

Background: In order to fulfill requirements from the U.S. Department of Housing and Urban Development, the Riverside County Continuum of Care (COC) coordinates a Point-in-Time (PIT) count each January to count of sheltered and unsheltered homeless persons. Each count is planned, coordinated, and carried out in partnership with local cities and agencies.

In 2021, Riverside County requested and received approval to cancel the annual unsheltered count, amid concerns of COVID-19 transmission and rising case numbers. The COC instead conducted a count of sheltered individuals, which involved analyzing data from the County's Homeless Management Information System (HMIS) and its summary reports for the sheltered count. This data was compiled from inputs from agencies and programs, including CVAG's CV Housing First program, and displayed on interactive dashboards created in partnership with the University of California, Riverside.

The volunteer-driven counting process resumed in 2022. This year, the 2023 Homeless Point-in-Time Count was conducted on January 25, 2023, with the youth count occurring over three days from January 25-27, 2023. Participation was inclusive of multiple county departments, local jurisdictions, community volunteers and local organizations. CVAG staff participated in this year's count. The County has focused on a "More Than a Count" theme and will focus on both a sheltered and unsheltered count, while providing same-day linkages to housing and aftercare services immediately following the count.

The results of Riverside County's 2023 count were released in May 2023. Countywide, a total of 3,725 individuals were counted, representing a 12 percent increase from the 3,316 individuals counted in 2022. This includes 2,441 unsheltered individuals, up 23 percent from the 1,980 counted in 2022, and 1,284 sheltered individuals, or a 4 percent decrease from 1,336 counted last year. Among the supervisorial districts, Riverside County's Fourth District– which spans eastern Riverside County and CVAG's region – represented the largest share of both categories, with 755 unsheltered individuals and 406 sheltered homeless.

In its report to the Riverside County Board of Supervisors, County staff noted that the 2023 count involved more volunteers than the previous year. Additionally, based on the surveys and engagement, County staff notes that increases in homelessness can be attributed to multiple economic and social factors such as poverty, lack of affordable housing, increasing rental costs and low vacancy rates, community and family breakdown, and physical and mental health challenges. Of the unsheltered individuals surveyed, 27 percent reported family disruption as the primary factor for their homelessness, lack of income fell second at 19 percent, and unemployment followed at 12 percent.

It will be another few weeks before the County finalizes a more detailed analysis of the numbers, including demographic breakdowns. A recap of the count in the Fourth District is provided below:

District 4

	Unsheltered 2023	Sheltered 2023	Total
Blythe	105	7	112
Cathedral City	40	5	45
Coachella	67	7	74
Desert Hot Springs	107	15	122
Indian Wells	0	0	0
Indio	108	319	427
La Quinta	4	0	4
Palm Desert	39	0	39
Palm Springs	239	29	268
Rancho Mirage	3	0	3
Unincorporated	43	24	67
Total	755	406	1161

Tanya Torno, Riverside County's Deputy Director of Housing and Workforce Solutions, provided an update to CVAG's Homelessness Committee when it met in May.

Fiscal Analysis: There is no cost to CVAG for this report.

Attachment: Housing and Workforce Solutions' 2023 Homeless Point-In Time Count Report

HWS HOUSING AND WORKFORCE SOLUTIONS
ENGAGE. ENCOURAGE. EQUIP.

2023
Riverside County
Continuum of Care

HOMELESS POINT-IN-TIME COUNT

Summary

The federally mandated count of people experiencing sheltered and unsheltered homelessness on a single night was conducted January 25, 2023. The data collected is used to demonstrate the need for services, resource planning, and to inform the community about homelessness.

More than a Count

2023 POINT-IN-TIME COUNT

3,725 total

12% Increase from 3,316 (2022 PIT Count)

Unsheltered 2,441

23% Increase from 1,980 (2022 PIT Count)

Sheltered 1,284

4% decrease from 1,336 (2022 PIT Count)

Sheltered Annual Totals

and % change from previous year

2019	2020	2021	2022
766	729	998	1,336
21% increase	5% decrease	37% increase	34% increase

1,284 Sheltered Total

By Supervisory District	District
District 1	396
District 2	112
District 3	206
District 4	406
District 5	164

Subpopulation

58	75	101	132
Veterans	Transition Age Youth	Seniors (62+)	Households with Children
18% Increase	No Change	26% Decrease	11% Increase

% change from previous year

2,441 Unsheltered Total

By Supervisory District	District
District 1	742
District 2	260
District 3	131
District 4	755
District 5	553

Subpopulation

198	154	156	11
**Veterans	Transition Age Youth	Seniors (62+)	Households with Children
36% Increase	35% Decrease	47% Increase	22% Increase

% change from previous year

Unsheltered Annual Totals

and % change from previous year

2018	2019	2020	2022
1,685	2,045	2,155	1,980
3% increase	21% increase	5% increase	8% decrease

***2021 Unsheltered PIT Count was not conducted as a result of COVID exemption**

** number reported is extrapolated, total unsheltered interviewed veterans is 100 (30% increase from 2022)

SUB-POPULATION TOTALS

256 Veterans

31% Increase

143 Households with Children

12% Increase

229 Transition Age Youth (18-24)

27% Decrease

257 Seniors 62+

6% Increase

21%

Unsheltered Persons Experiencing First Time Homelessnes

Top 3 *Primary* Factors

Contributing to Unsheltered Homelessness Reported

1. Family Disruption *27%*
2. Lack of Income *19%*
3. Unemployment *12%*

MORE THAN A COUNT INITIATIVE

32% of surveyed individuals requested post-count services

784 individuals referred to services

Top 3 requested services

1. *Housing Services*
2. *Calfresh & Cashaid*
3. *Food Pantries*

Unsheltered Interviewed Only

District and City Breakdown

*Data displayed is based on newly adopted district boundaries

District 1

	Unsheltered 2023	Sheltered 2023	Total
Perris	90	24	114
Riverside	605	372	977
Wildomar	10	36	46
Unincorporated	47	0	47
Total	752	432	1184

District 2

	Unsheltered 2023	Sheltered 2023	Total
Canyon Lake	0	0	0
Corona	65	50	115
Eastvale	7	18	25
Jurupa Valley***	79	3	82
Norco	13	9	22
Lake Elsinore	78	32	110
Unincorporated	18	0	18
Total	260	112	372

District 3

	Unsheltered 2023	Sheltered 2023	Total
Menifee	25	0	25
Murrieta	33	132	165
Temecula	35	38	73
Unincorporated	28	0	28
Total	121	170	291

District 4

	Unsheltered 2023	Sheltered 2023	Total
Blythe	105	7	112
Cathedral City	40	5	45
Coachella	67	7	74
Desert Hot Springs	107	15	122
Indian Wells	0	0	0
Indio	108	319	427
La Quinta	4	0	4
Palm Desert	39	0	39
Palm Springs	239	29	268
Rancho Mirage	3	0	3
Unincorporated	43	24	67
Total	755	406	1161

District 5

	Unsheltered 2023	Sheltered 2023	Total
Banning	40	50	90
Beaumont	33	0	33
Calimesa	8	0	8
Hemet	207	66	273
Moreno Valley	77	24	101
San Jacinto	120	24	144
Unincorporated	68	0	68
Total	553	164	717

IMPACT REPORT

FY 2022/2023

CoC 22/23 FY IMPACT

TOTAL
Unique Individuals Served
14,388

More Shelter Beds

Emergency Shelter
Enrollments
4,860

STREET OUTREACH
Enrollments
6,250

Outreach

Permanently Housed
Enrollments
4,685

SAR ENCAMPMENT RESPONSE
Enrollments
271

More Permanent Housing

HOMELESSNESS PREVENTION
Persons Impacted (HMIS & United Lift- 8,111)
10,080

Encampment Response

HOMELESS FUNDING & PROGRAMS FOR RIVERSIDE COUNTY

CONTINUUM OF CARE
TOTAL $62M

- HUD CoC — $14.2M 20 Projects
- CESH — $1.4M 4 Projects
- ESG & ESG CV — $1.7M 4 Projects
- HHAP — $9.7M 30 Projects
- HHIP — $35M 31 Projects

HOUSING AUTHORITY
TOTAL $87.7M

- HUD-VASH — $6.8M 798 Vouchers
- MAINSTREAM — $1.8M 203 Vouchers
- Family Unification Program — $1.5M 180 Vouchers
- Housing Choice Voucher — $77.6M 9,068 Projects

HOUSING & COMMUNITY DEVELOPMENT
TOTAL $320.7

- Homekey — $20M 183 Housing Units
- CDBG, ESG & ESG-CV — $8.7M 25 Projects
- County Funding — $236.9M 1,808 Housing Units
- United Lift — $55.1M 8,111 Households

ITEM 9p

Coachella Valley Association of Governments
Executive Committee
June 5, 2023

STAFF REPORT

Subject: **Member jurisdictions' contributions to CV Housing First**

Contact: Erica Felci, Assistant Executive Director (efelci@cvag.org)

Recommendation: Information

Background: In 2021, at the recommendation of the CVAG Homelessness Committee, the CVAG Executive Committee authorized the Executive Director to negotiate and execute Memorandums of Understanding (MOU) with member jurisdictions to secure multi-year funding commitments for the CV Housing First program. Since then, CVAG staff has been working to secure MOUs with member jurisdictions, which would secure $100,000 a year through at least fiscal year 2023/24. Since the last update, the Cities of Coachella and Palm Springs have voted to support multi-year MOUs. In addition, the City of La Quinta authorized a one-year contribution. CVAG staff continues to reach out to member jurisdictions to seek their consideration and approval of the funding agreements.

A chart recapping the payments made this fiscal year and the status of the MOUs is attached.

Fiscal Analysis: The CV Housing First program, including the staffing and program operations, is funded by contributions from member jurisdictions and grants. CVAG's city and tribal member jurisdictions are each asked to contribute $100,000 a year for the operations. Riverside County's contribution through June 2026 is for $359,711 annually. Agua Caliente Band of Cahuilla Indians contributed $25,000.

Support for the CV Housing First program, and the transition to in-house operations, has been resounding. But staff is still coordinating payments from several jurisdictions.

City	Paid for FY 22/23	MOU
Cathedral City	Awaiting payment	Approved
Coachella	Awaiting payment	Recently approved
Desert Hot Springs	$100,000	Pending with City Staff
Indian Wells	$100,000	Approved
Indio	$100,000	Approved

La Quinta	Awaiting payment	Recently approved
Palm Desert	$100,000	Approved
Palm Springs	$100,000	Recently approved
Rancho Mirage	$100,000	Pending with City Staff

ITEM 9q

Coachella Valley Association of Governments
Executive Committee
June 5, 2023

STAFF REPORT

Subject: **Attendance at CVAG's Standing Committee Meetings**

Contact: Erica Felci, Assistant Executive Director (efelci@cvag.org)

Recommendation: Information

Background: All meetings of CVAG's standing committees are subject to the Ralph M. Brown Act (Gov. Code §§ 54950 *et seq*.), and must be open and public so that any member of the public may attend and participate in the meetings. Starting in March 2020, Governor Newsom issued a series of executive orders aimed at preventing the spread of COVID-19, as it was determined that social distancing was an important factor addressing the pandemic. Among these were Executive Orders N-25-20, N-29-20 and N-35-20 (collectively, the "Brown Act Orders") that waived the teleconferencing requirements of the Brown Act to allow legislative bodies to meet virtually.

On February 28, 2023, California's emergency order related to the COVID-19 pandemic ended. While the state Legislature has passed a number of bills related to the Brown Act, CVAG has followed the lead of its member jurisdictions and returned to in-person meetings with members having an option to use Zoom videoconference from a publicly noticed location.

CVAG's virtual meetings were well attended, to the point that CVAG staff stopped the historic practice of checking with members to ensure there would be a quorum. But since resuming its in-person meetings in April 2023, CVAG staff has resumed the emailed reminders to ensure a quorum of members will be in attendance. For almost every meeting, CVAG staff has also had to call members directly. At the most recent Homelessness, Public Safety and Energy & Environmental Resources Committee meetings, staff could not confirm a quorum until just before the meeting started.

The attendance record for the Executive Committee is presented in this agenda packet as Item 9a. The attendance records for CVAG's policy committees are attached to this staff report for members' additional information. CVAG's meeting policy states "a vacancy may also be declared by majority vote of the committee after more than three consecutive absences of one of its committee members or less than a minimum attendance of 50% of committee meetings." This summer, CVAG staff will review the attendance records and reach out to member jurisdictions who consistently miss meetings to see about appointing a different representative or whether they want to vacate the position.

Fiscal Analysis: There is no cost to CVAG for this update.

Attachments: Attendance records for CVAG's Transportation, Public Safety, Energy & Environmental Resources and Homelessness Committees

FY 2022/2023 TRANSPORTATION COMMITTEE ATTENDANCE ROSTER

CVAG JURISDICTION	JUL	AUG	SEPT (Aug 29)	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Blythe	-	-	✓	-	✓	-	-	✓	-	✓	-	
Cathedral City	-	-	✓	-	✓	-	-	✓	-	✓	-	
Coachella	-	-	✓	-	✓	-	-	✓	-	✓	-	
Desert Hot Springs	-	-	✓	-	✓	-	-	✓	-	✓	-	
Indian Wells	-	-	✓	-	✓	-	-	✓	-	✓	-	
Indio	-	-	✓	-	✓	-	-	✓	-	✓	-	
La Quinta	-	-	✓	-	✓	-	-	✓	-	✓	-	
Palm Desert	-	-	✓	-	✓	-	-	✓	-	✓	-	
Palm Springs	-	-	✓	-	✓	-	-	✓	-		-	
Rancho Mirage	-	-	✓	-	✓	-	-	✓	-	✓	-	
Riverside County	-	-	✓	-	✓	-	-	✓	-	✓	-	
Agua Caliente Band of Cahuilla Indians	-	-	✓	-	✓	-	-		-		-	
Torres Martinez Desert Cahuilla Indians	**	**	**	**	**	**	**		-		-	

Absent	
No Meeting	-
Holiday	H
Vacancy	**
In Attendance	✓

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS
PUBLIC SAFETY COMMITTEE
ATTENDANCE RECORD
FY2022-2023

Voting Members	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	ATTENDED
Aqua Caliente Band of Cahuilla Indians		●	●		●			●			●		5 out of 5
City of Blythe		○	○		○			●			●		2 out of 5
City of Cathedral City		●	●		●			●			●		5 out of 5
City of Coachella		○	○		○			●			●		2 out of 5
City of Desert Hot Springs		●	○		○			●			○		2 out of 5
City of Indian Wells		●	●		○			○			●		3 out of 5
City of Indio		●	●		●			●			●		5 out of 5
City of La Quinta		●	●		●			●			●		5 out of 5
City of Palm Desert		●	●		●			●			●		5 out of 5
City of Palm Springs		○	●		●			●			●		4 out of 5
City of Rancho Mirage		●	●		●			●			●		5 out of 5
Torres Martinez Desert Cahuilla Indians		*	*		*			○			○		0 out of 5
Riverside County		●	●		●			●			●		5 out of 5
Total Attendance Per Meeting		**9**	**9**		**8**			**11**			**11**		

Ex Officio / Non-Voting Members	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	ATTENDED
Agua Caliente		●	●		●			●			○		4 out of 5
California Highway Patrol		●	●		●			○			○		3 out of 5
Cathedral City Fire		●	○		●			○			●		3 out of 5
Cathedral City Police		●	●		●			○			●		4 out of 5
County Probation Department		●	●		●			○			○		3 out of 5
Desert Hot Springs Police		○	●		●			●			●		4 out of 5
District Attorney's Office		○	○		○			○			●		1 out of 5
Indio Police		●	○		○			●			○		2 out of 5
Palm Desert Sheriff Station		●	●		○			○			○		2 out of 5
Palm Springs Fire		●	●		●			●			●		5 out of 5
Palm Springs Police		●	●		○			●			○		3 out of 5
Riverside County Fire		○	●		○			●			○		2 out of 5
Riverside County Sheriff		●	●		○			●			○		3 out of 5
Thermal Sheriff Station		○	○		○			○			○		0 out of 5
U.S. Border Patrol		○	○		○			○			○		0 out of 5
Total Attendance Per Meeting		**10**	**10**		**7**			**7**			**5**		

No Meeting
Vacant *
Present ●
Absent ○

ENERGY AND ENVIRONMENTAL RESOURCES COMMITTEE
ATTENDANCE RECORD
FY 2022-2023

VOTING MEMBERS	**JUL**	**AUG**	**SEP**	**OCT**	**NOV**	**DEC**	**JAN**	**FEB**	**MAR**	**APR**	**MAY**	**JUNE**
Agua Caliente Band of Cahuilla Indians	-	-		-	✓	-	-		-	✓	✓	
City of Blythe	-	-		-		-	-		-	✓	✓	
City of Cathedral City	-	-	✓	-		-	-	✓	-	✓		
City of Coachella	-	-	✓	-		-	-	✓	-	✓	✓	
Coachella Valley Water District	-	-		-		-	-		-			
City of Desert Hot Springs	-	-	✓	-		-	-	✓	-		✓	
Imperial Irrigation District	-	-	✓	-	✓	-	-		-	✓		
City of Indian Wells	-	-		-		-	-	✓	-	✓	✓	
City of Indio	-	-	✓	-	✓	-	-	✓	-	✓	✓	
City of La Quinta	-	-	✓	-	✓	-	-	✓	-	✓	✓	
Mission Springs Water District	-	-	✓	-	✓	-	-	✓	-	✓		
City of Palm Desert	-	-	✓	-	✓	-	-	✓	-	✓	✓	
City of Palm Springs	-	-	✓	-	✓	-	-	✓	-	✓		
City of Rancho Mirage	-	-		-	✓	-	-	✓	-	✓	✓	
Riverside County - District 4	-	-	✓	-		-	-	✓	-		✓	
Torres Martinez Desert Cahuilla Indians	-	-	**	-	**	-	-		-			

EX-OFFICIO / NON-VOTING MEMBERS												
Desert Water Agency	-	-		-		-	-		-			
Riverside County - District 5	-	-	✓	-	✓	-	-		-			

Absent		No Meeting	-
Vacancy	**	Present	✓

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS
HOMELESSNESS COMMITTEE
ATTENDANCE RECORD
FY2022-2023

Voting Members	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TENDED	
Agua Caliente Band of Cahuilla Indians			●		●			●		○	○		3	out of 5
City of Blythe			○		●			○		●	●		3	out of 5
City of Cathedral City			●		●			●		●	●		5	out of 5
City of Coachella			○		○			●		○	●		2	out of 5
Desert Healthcare District			●		●			●		●	○		4	out of 5
City of Desert Hot Springs			●		●			●		●	●		5	out of 5
City of Indian Wells			●		●			●		●	●		5	out of 5
City of Indio			●		●			○		●	●		4	out of 5
City of La Quinta			●		●			●		●	●		5	out of 5
City of Palm Desert			●		●			○		●	●		4	out of 5
City of Palm Springs			●		○			●		○	●		3	out of 5
City of Rancho Mirage			●		●			●		●	●		5	out of 5
County of Riverside			●		●			●		●	●		5	out of 5
Torres Martinez Desert Cahuilla Indians			*		*			●		○	●		2	out of 5
Total Attendance Per Meeting			**11**		**11**			**11**		**10**	**12**			

Ex Officio / Non-Voting Members	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TENDED	
Coachella Valley Housing Coalition			○		○			○		○	○		0	out of 5
Coachella Valley Rescue Mission			○		○			○		●	○		1	out of 5
HomeAid Inland Empire			*		*			*		*	*		0	out of 5
Martha's Village and Kitchen			●		○			○		○	○		1	out of 5
The Salvation Army (vacant)			*		*			*		*	*		0	out of 5
Shelter From the Storm			●		●			○		○	●		3	out of 5
Total Attendance Per Meeting			**2**		**1**			**0**		**1**	**1**			

No Meeting
Vacant *
Present ●
Absent ○

Legislative Report June 2023

The first suspense file of 2023 was mostly good for cities. Multiple high-priority, positive measures passed out of suspense with little to no amendments, and several problematic measures were held or significantly amended.

A twice-yearly process, the suspense file allows the powerful appropriations committees to review the fiscal impact of bills before they go to the respective legislative floor for a full debate. Of the 1,171 bills sent to the suspense file, the committees killed just over 300. The surviving measures must pass their house of origin by June 2.

During his May Revision, the Governor urged lawmakers to avoid sending him bills with hefty price tags. The Legislative Analyst's Office initially called that budget proposal "predicated on optimistic estimates." Today, they followed up with a much more dire prediction. In other words, there is a significant amount of work left in the year and limited funding. Below is a breakdown of the top bills that made it off suspense — and those that did not escape the chopping block.

Community Services

Two high-priority behavioral health measures, SB 43 (Eggman) and SB 363 (Eggman) advanced to the Senate floor. Both bills seek to modernize parts of California's behavioral health treatment system to ensure that people with the most acute needs receive the care they need. The two measures support Cal Cities' 2023 Advocacy Priorities, which seeks to secure increased funding and resources to prevent and reduce homelessness.

Although the Legislature has placed a lot of emphasis on accountability tied to state funding this session, lawmakers elected to hold SB 7 (Blakespear) and AB 550 (Schiavo) on suspense. SB 7 would have created new housing obligations for cities based on their point-in-time counts; AB 550 would have required cities to annually agendize those results and discuss plans to solve related issues. While Cal Cities appreciated the intent of SB 7 and AB 550, it had a concern position for both bills. What cities need the most to make meaningful progress is ongoing funding.

Cal Cities is also focused on finding ways to address the statewide substance use crisis and was pleased to see AB 33 (Bains) and SB 19 (Seyarto) pass off the suspense file. The measures would help better coordinate the state's efforts to reduce fentanyl deaths and prevent overdoses. Unfortunately, the Cal Cities-supported AB 24 (Haney) — which would have required bars, gas stations, public libraries, and residential hotels to have opioid overdose reversal kits — was held.

Other priority bills include:
AB 595 (Essayli) Animal shelters: 72-hour public notice: euthanasia: study
Cal Cities Position: Oppose (Status: Held)
AB 67 (Muratsuchi) Homeless Courts Pilot Program
Cal Cities Position: Support (Status: Passed)
AB 262 (Holden) Children's camps: safety and regulation
Cal Cities Position: Support (Status: Passed)
AB 531 (Irwin) Veterans Housing and Homeless Prevention Bond Act of 2024
Cal Cities Position: Support (Status: Passed)

AB 963 (Schiavo) The End the Foster Care-to-Homelessness Pipeline Act
Cal Cities Position: Support (Status: Held)
AB 1215 (W. Carrillo) Pets Assistance With Support Grant Program: homeless shelters: domestic violence shelters: pets
Cal Cities Position: Support (Status: Passed as amended)
AB 1321 (Bonta) California Coordinated Neighborhood and Community Services Grant Program
Cal Cities Position: Support (Status: Passed)
SB 37 (Caballero) Older Adults and Adults with Disabilities Housing Stability Act
Cal Cities Position: Support (Status: Held)
SB 321 (Ashby) Literacy: libraries: Local Public Library Partnership Program
Cal Cities Position: Support (Status: Passed)

Housing, Community, and Economic Development

Since most housing and land use bills have little direct cost to the state, these measures are usually not placed on the suspense file. Instead, they move directly out of their appropriations committee to the Assembly or Senate floor for a vote. Still, lawmakers took action on several priority housing bills in appropriations, most notably SB 423 (Wiener).

The measure — which was significantly amended in committee — would modify and expand SB 35 (Wiener, 2017). Under the expansion, all cities would need to approve certain multifamily housing developments by-right, without discretion, public input, or environmental review. Cal Cities opposes the measure and is asking cities to send letters and sign on to a coalition letter.

AB 1490 (Lee) also passed out of the Assembly Appropriations Committee. The author recently amended the measure to allow cities to maintain greater discretion over certain housing projects, conduct environmental reviews, and impose objective design standards. While these amendments are helpful, the measure continues to limit cities' ability to enforce maximum density, maximum floor area ratio, additional parking, or additional open space standards. Cal Cities remains opposed to the measure and is seeking additional amendments to address these concerns.

Other priority bills include:
AB 309 (Lee) Social Housing Act
Cal Cities Position: Opposed unless amended (Status: Passed as amended)
AB 519 (Schiavo) Affordable Housing Finance Workgroup: affordable housing: consolidated application process
Cal Cities Position: Support (Status: Passed)
SB 4 (Wiener) Planning and zoning: housing development: higher education institutions and religious institutions
Cal Cities Position: Support if amended (Status: Passed as amended)
SB 634 (Becker) Low Barrier Navigation Center: opportunity housing: use by right: building standards
Cal Cities Position: Opposed unless amended (Status: Held)

Public Safety

Although Cal Cities suffered a setback earlier this year with Proposition 47 reform, the results of the first suspense file were much more favorable for cities. SB 719 (Becker), a measure that would have required law enforcement agencies to allow real-time access to their radio communications, was held in suspense. The proposed bill ran in direct conflict with federal privacy laws and would have required cities to make costly equipment procurements or decryptions.

AB 642 (Ting) was also held on suspense. Cal Cities opposed this measure, as it would have set arbitrary parameters for the usage of facial recognition software in officer-worn cameras. Investigators throughout the state have used this technology to solve crimes and prohibiting it would be a disservice to public safety.

Cal Cities is also opposed to AB 742 (Jackson), which passed off suspense with amendments. This measure would prohibit the use of police canines when apprehending and arresting suspects. K9s are an important, non-lethal tool that helps law enforcement de-escalate dynamic, life-threatening situations. Proposed measures like these do not properly take into account community realities. De-escalation needs additional investment, not restriction.

Other priority bills include:
AB 40 (Rodriguez) Emergency medical services
Cal Cities Position: Support (Status: Passed as amended)
AB 462 (Ramos) Overdose response teams
Cal Cities Position: Support (Status: Held)
AB 474 (Rodriguez) State Threat Assessment Center: transnational criminal organizations
Cal Cities Position: Support (Status: Passed)
AB 701 (Villapudua) Controlled substances: fentanyl
Cal Cities Position: Support (Status: Passed)
AB 1168 (Bennett) Emergency medical services (EMS): prehospital EMS
Cal Cities Position: Sponsor (Status: Passed)
AB 1360 (McCarty) Hope California: Secured Residential Treatment Pilot Program
Cal Cities Position: Support (Status: Passed)
SB 641 (Roth) Public health: alcohol and drug programs: naloxone
Cal Cities Position: Support (Status: Passed)

Revenue and Taxation

Against the backdrop of a $31.5 billion budget deficit, fluctuating revenue forecasts, and economic uncertainty, the appropriations committees approved several measures with significant fiscal impacts. How the Legislature and Governor tackle these factors will be the defining issue of this session and a top priority for Cal Cities. One thing is clear, there will be plenty of fiscal fireworks.

For now, it's all good news for cities. A Cal Cities-sponsored measure, AB 972 (Maienschein), passed off suspense. The bill would coordinate, align, and streamline local government assistance resources to ensure every community has the same opportunity to compete for state funding opportunities by convening a statewide, cross-agency working group.

SB 569 (Glazer) — also supported by Cal Cities — passed off suspense as well. This bill would provide financial relief to over 3 million low-and middle-income renters by increasing the renter's tax credit for inflation going forward and expanding eligibility to low-income renters.

Other priority bills include:
AB 84 (Ward) Property tax: welfare exemption: affordable housing
Cal Cities Position: Concerns (Status: Passed as amended)
SB 96 (Portantino) Historic Venue Restoration and Resiliency Act
Cal Cities Position: Support (Status: Passed)
SB 588 (Allen) Property taxation: welfare exemption: lower income households: cap
Cal Cities Position: Concerns (Status: Passed)
SB 584 (Limón D) Laborforce housing: Short-Term Rental Tax Law.

This bill would impose a statewide 15 percent tax on the occupancy of short-term rentals. Proceeds of the tax would be used to provide grants for the creation of "laborforce housing."
Cal Cities Position: Pending
Note: We have been working with the author and they have asked us for amendments. This may become a 2 year bill

Transportation, Communications, and Public Works

This year, the Legislature advanced several bills related to electric vehicle (EV) charging stations, including AB 1504 (McCarty). Earlier versions of this measure would have forced cities to permit, by-right, EV charging stations and battery storage devices in the public right of way. Cal Cities secured several hard-won amendments to the bill, which was then ultimately held in suspense.

In more good news, a longstanding Cal Cities priority, AB 41 (Holden), advanced to the Assembly floor. The bill would update certain anti-discrimination requirements to increase access to high-quality video and broadband services in low-income and unserved communities.

The Cal Cities-opposed AB 965 (Carrillo) also moved forward. The bill would require a local agency to batch process broadband permits. Cal Cities successfully forced amendments that struck out harmful provisions to cities and is seeking further changes so that the bill reflects existing federal requirements and provides more flexibility to cities.

Other priority measures include:
SB 706 (Caballero) Progressive Design Build: Local Project Delivery Methods
Cal Cities Position: Co-Sponsors/Support (Status: Passed)
AB 400 (Rubio, Blanca) Design Build: Local Project Delivery Methods
Cal Cities Position: Co-Sponsor/Support (Status: Passed)
AB 334 (Rubio, Blanca) Public Contracts: Conflicts of Interest
Cal Cities Position: Support (Status: Passed)
AB 744 (Carrillo) Transportation Planning: Use of Data
Cal Cities Position: Support (Status: Passed as amended)
AB 1637 (Irwin) Gov Domain Names
Cal Cities Position: Opposed (Status: Passed as amended)
AB 735 (Berman) Utility Workforce Development
Cal Cities Position: Support (Status: Held)

SB 670 (Allen) Vehicles Miles Traveled
Cal Cities Position: Concerns (Status: Held)
AB 1297 (Quirk-Silva) Public Bathroom: Inventories
Cal Cities Position: Concerns (Status: Passed)
AB 1594 (Garcia) Medium- and Heavy-Duty ZEV: Public Fleets
Cal Cities Position: Support (Status: Passed as amended)

Environmental Quality

The appropriations committees approved several key environmental measures, including AB 573 (E. Garcia). The bill would address one of Cal Cities' top priorities: securing more flexibility for cities' SB 1383 (Lara, 2016) organic waste diversion requirements. AB 573 would help cities in the state's rural and border regions meet SB 1383's compost procurement targets when in-state facilities are unavailable or cost-prohibitive.

Cal Cities is also focused on ways to increase affordable housing production. One overlooked issue is the burdensome and slow timelines associated with connecting homes and commercial projects to the electric grid. The Cal Cities-supported AB 50 (Wood) — which passed out of the Assembly Appropriations Committee — would help speed up the process. The bill would require the California Public Utilities Commission to establish clear expectations for how quickly utilities are expected to deliver service to new customers. AB 50 also seeks to improve utility planning and information sharing.

Other bills include:
SB 272 (Laird) Sea Level Rise Planning
Cal Cities Position: Neutral (Status: Passed as amended)
SB 69 (Cortese) CEQA Document Requests
Cal Cities Position: Oppose Unless Amended (Status: Passed as amended)
AB 460 (Bauer-Kahan) State Water Board Authority
Cal Cities Position: Pending (Status: Passed as amended)
AB 1572 (Friedman) Non-functional Turf (Passed as amended)
Cal Cities Position: Oppose Unless Amended (Status: Passed as amended)

Governance, Transparency, and Labor Relations

Of Cal Cities' seven policy areas, the governance space yielded the least favorable outcomes for cities. SB 252 (Gonzalez) — which would require CalPERS to divest from fossil fuels by 2031 — made it out of the Senate Appropriations Committee. At a time when local budgets are tight and CalPERS' financial returns are uncertain, this bill could significantly increase cost pressures on local budgets.

It is critical that CalPERS has healthy investment returns. Divestment makes achieving the returns needed to maintain the plans' fiscal health more challenging. Cal Cities opposes SB 252 (Gonzalez).

AB 1484 (Zbur) and AB 504 (Reyes) also moved off the suspense file with minimal changes. Both bills would make it harder to provide essential services. AB 1484 would allow temporary employees to be automatically included in the same bargaining unit as permanent employees at the request of the bargaining unit. AB 504 would allow public employees to participate in strikes even if they are not

members of the striking union by declaring sympathy striking a human right. Cal Cities opposes both measures.

ITEM 10b

Coachella Valley Association of Governments
Executive Committee
June 5, 2023

STAFF REPORT

Subject: **Update on State and Federal Advocacy Efforts**

Contact: Emmanuel Martinez, Program Manager – External Affairs (emartinez@cvag.org)

Recommendation: Information

Background: As part of CVAG's legislative advocacy efforts, staff regularly provides an update to the Executive Committee about legislation being tracked in Sacramento and Washington D.C.

Since the last legislative update, the California State Legislature has held multiple policy committee hearings to move bills through the legislative process as well as to negotiate a final budget package. The fate of many bills is determined by their fiscal impacts and deadlines, which occurred in May. This results in a significant number of bills being held in appropriations "suspense" file due to their costs, effectively rendering them as two-year bills. The Legislature had until June 2 to pass bills introduced in their respective houses. The next critical deadline is June 15, which is when the budget must be passed by both houses by midnight.

As it relates to priority legislation, there are few key bills that staff and CVAG's lobbyist, the Politico Group, are monitoring and engaging on that are broadly related to transportation funding. Specifically, staff and lobbying team have been closely monitoring AB 6 and AB 7 both by Assemblymember Laura Friedman, who serves as chair of the Assembly Transportation Committee. As a continuation of her efforts from last year, these bills would generally restrict how local transportation funds can be used, usurping local control over local project prioritization. Specifically, AB 6 provides the California Air Resources Board with increased discretion and oversight in the approval process of a metropolitan planning organization's Sustainable Communities Strategy and the methodology used to calculate greenhouse gas reductions. Additionally, in its current form, AB 7 would change how the state selects projects by incorporating multiple environmental and disadvantaged community criteria that would make it difficult to for local projects to receive state funding. Moreover, there are impending amendments would introduce new concepts that could make the bill more problematic. Despite the collaboration via the working group, and in consultation and coordination with Riverside County Transportation Commission, CVAG staff and lobbying team will increase opposition efforts should the provisions that make the bill problematic not be addressed. At the time of this staff report, Both AB 6 and AB 7 are on the Assembly floor for consideration. Should they pass to the Senate, CVAG staff will coordinate with RCTC to address the concerns with these measures.

Related to legislation that hinder the scope of projects that can be funded with state and local funds, AB 1525 by Assemblymember Bonta would enact similar provisions to those in AB 6 and 7. Specifically, AB 1525 would require that the California Transportation Commission and the Department of Transportation to develop criteria that directs 60 percent of state funds to priority

populations, which uses the CalEnviroScreen to help identify. Because the bill does not define "priority populations" it provides discretion to both transportation agencies to define the term, which could be problematic and unfavorable to CVAG through the rule making process. Additionally, CVAG would caution that the use of CalEnviroScreen to define disadvantaged communities is not good for the region, as it doesn't reflect the true socioeconomic diversity of the Coachella Valley and have made it more difficult for the region to compete for funding and projects. In light of the significant opposition and fiscal cost to implement, this bill was held under submission by the Assembly Appropriations Committee and is now a two-year bill. CVAG staff will continue to monitor these efforts and, should the bill move forward, will increase its opposition efforts in the next legislative cycle.

Fiscally, the State has focused significant attention recently on the state budget. On May 12, Governor Newsom released his May Revision to the 2023-24 budget, which includes a projected shortfall of $31.5 billion. This represents a $9.3 billion increase in the estimated budget shortfall since the January Budget, although it is less than the $40 billion deficit that many budget-watchers in Sacramento were projecting. The May Revision largely maintains the Governor's proposed General Fund transportation investments, cuts, and deferrals from the January Budget, with one additional exchange of $150 million in General Fund for state highway funds for port-related infrastructure projects. While there is no specific proposal for additional state funding for public transit operations support, the May Revision expresses the Administration's intent to work with the Legislature on potential near- and long-term solutions to support the viability of transit across the state.

To solve the additional shortfall, the May Revision relies on additional permanent spending reductions and pullbacks; deferred spending; fund shifts and borrowing; new revenue, largely in the healthcare area; and a withdrawal from the State's Safety Net Reserve to avert cuts to health and human services programs. The Governor's May Revision does not propose to draw on reserves from the Budget Stabilization Account due to significant uncertainty in tax revenue and the economy, including the federal debt limit debate which could have impacts to the global economy, additional interest rate increases which could further slow the economy, uncertainty in financial institutions, and delayed tax receipts in California due to catastrophic winter storm events (approximately $42 billion in tax receipts will not materialize until October 2023). Some specific highlights are as follows:

Transportation: The May Revision proposes to shift $150 million one-time General Fund to the State Highway Account (SHA) for port and goods movement projects. In total, the Governor is proposing to shift $650 million in one-time General Fund to the SHA which will have impacts to the State Highway Operation and Protection Program (SHOPP) in out years.

Infrastructure: Despite the state budget deficit, the May Revision estimates that the state will spend $180 billion over the next decade on roads, bridges, clean energy, public transit, water infrastructure and conveyance, broadband and other critical infrastructure from state and federal sources. The May Revision proposes statutory changes to expedite infrastructure projects that advance the state's climate, equity, and economic goals and maximize federal funding return. Details of the policy proposal are anticipated in the coming weeks.

Zero Emission Vehicles: The May Revise proposes to shift $635 million General Fund ($500 million in 2023-24) over three years to the Greenhouse Gas Reduction Fund (GGRF) to support the state's ongoing transition to ZEVs.

Climate Resilience Bond: The Governor's May Revision proposes to shift $1.1 billion in General Fund from climate resilience programs to a future climate bond proposal, to be developed in

collaboration with the Legislature. Specific program impacts include water recycling, community Resilience Centers, Transformative Climate Communities, regional resilience program, urban greening, statewide parks program and sustainable groundwater management act implementation. Notably, it includes $169 million for the Salton Sea restoration.

Housing: The May Revision maintains the $350 million in cuts and potential trigger restorations from the Governor's budget, defers an additional $345 million General Fund for acquisitions of foreclosed properties by non-profits to create affordable housing, and makes a $17.5 million General Fund reduction to a $25 million program for adaptive reuse of commercial and industrial structures for housing that failed to attract applications for the full amount of available funding.

The Governor and Legislature have a constitutional deadline of June 15 to adopt a balanced budget. However, as has been recent practice, additional budget bills amending the June 15 budget, as well as trailer bills that make policy changes to implement the budget, can and will be debated and adopted after the deadline — likely through the end of the legislative session on September 15.

As it relates to federal legislative matters, as part of the FY 2024 appropriations process, CVAG staff submitted Congressionally Directed Spending Requests to Sen. Alex Padilla, Sen. Dianne Feinstein, Rep. Raul Ruiz and Rep. Ken Calvert to assist with unfunded segments of the CV Sync project located on Avenue 44 in the City of Indio and Portola Avenue in the City of Palm Desert. The request for these segments totaled $3,877,767. Sen. Padilla moved CVAG's request forward to the Appropriations Committee, where it will receive further review. CVAG staff will monitor this request as well as other requests submitted by CVAG member agencies and will report on their outcomes at a future meeting.

Fiscal Analysis: There are no fiscal impacts for this report. Costs of tracking state legislation are part of the contract with the Politico Group.

The Ferguson Group, who has been representing CVAG in Washington D.C., is no longer on retainer for CVAG. After careful consideration of return on investment and opportunities to secure dollars, the decision was made to not extend the contract past its April 2023 expiration. Because a significant amount of federal funds is distributed to the states, CVAG staff noted that resources are better optimized by focusing on state programs and policies that can assist CVAG's priority projects. Politico is also a part of the state's Infrastructure Investment and Jobs Act working group, which tracks and monitors the implementation of federally funded state programs.