

C/CAG

CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY

*Atherton • Belmont • Brisbane • Burlingame • Colma • Daly City • East Palo Alto • Foster City • Half Moon Bay • Hillsborough • Menlo Park
Millbrae • Pacifica • Portola Valley • Redwood City • San Bruno • San Carlos • San Mateo • San Mateo County • South San Francisco • Woodside*

BOARD MEETING NOTICE

Meeting No. 291

- DATE:** Thursday, September 8, 2016
- TIME:** 6:30 P.M.
- PLACE:** San Mateo County Transit District Office
1250 San Carlos Avenue, Second Floor Auditorium
San Carlos, CA
- PARKING:** Available adjacent to and behind building.
Please note the underground parking garage is no longer open.
- PUBLIC TRANSIT:** SamTrans
Caltrain: San Carlos Station.
Trip Planner: <http://transit.511.org>

- 1.0 CALL TO ORDER/ ROLL CALL
- 2.0 **PLEDGE OF ALLEGIANCE**
- 3.0 PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA
Note: Public comment is limited to two minutes per speaker.
- 4.0 PRESENTATIONS/ ANNOUNCEMENTS
- 4.1 Receive a presentation on the San Mateo County Safe Routes to School Program
School Year 15-16
- 5.0 CONSENT AGENDA

Consent Agenda items are considered to be routine and will be enacted by one motion. There will be no separate discussion on these items unless members of the Board, staff or public request specific items to be removed for separate action.

- 5.1 Approval of the minutes of regular business meeting No. 290 dated August 11, 2016 ACTION p. 1
- 5.2 Review and approve the appointment of Josh Powell to fill the vacant seat representing the public on the Congestion Management & Environmental Quality (CMEQ) Committee ACTION p. 6
- 5.3 Receive a technical correction of renumbering Resolution 16-26 “Authorizing the C/CAG Chair to execute an agreement between C/CAG and Michael Baker International, Inc. in an amount not to exceed \$20,000 for website services for three years” to Resolution 16-30 INFORMATION p. 9
- 5.4 Receive a technical correction of renumbering Resolution 16-27 “Authorizing the C/CAG Chair to execute an agreement with Kimley-Horn and Associates to provide Smart Corridor Signal System Maintenance Support in an amount not to exceed \$189,000 over three years” to Resolution 16-31 INFORMATION p.11
- 5.5 Review and approval of the Finance Committee’s recommendation of no change to the C/CAG investment portfolio and accept the Quarterly Investment Report as of June 30, 2016 ACTION p. 13
- 5.6 Review and approval of Resolution 16-32 authorizing the C/CAG Chair to execute a Funding Agreement with County of San Mateo for the 2016 Aerial Imagery and LiDAR Data Acquisition Project in an amount not to exceed \$100,000 ACTION p. 19
- 6.0 REGULAR AGENDA
- 6.1 Review and approval of C/CAG legislative policies, priorities, positions, and legislative update (A position may be taken on any legislation, including legislation not previously identified). ACTION p. 26
- 6.2 Receive the initial Draft of the San Mateo Countywide Transportation Plan 2040 ACTION p. 34
- 6.3 Receive a presentation on the Smart Mobility Project ACTION p. 36
- 6.4 Review and Approval of the One Bay Area Grant 2 (OBAG 2) Transportation for Livable Communities (TLC) Program and Bicycle and Pedestrian Improvement Program (BPIP) Call for Projects. ACTION p. 37
- 6.5 Review and approval of Resolution 16-33 adopting the C/CAG Investment Policy update ACTION p. 74
- 6.6 Review and approval of Resolution 16-34 authorizing the Executive Director to enter into agreements with the Alameda County Clean Water Program and the law firm of Meyers Nave for joint legal representation of stormwater unfunded mandate test claims filed by C/CAG member agencies, at a cost not to exceed \$35,000 for Fiscal Year 2016-17 ACTION p. 91
- 7.0 COMMITTEE REPORTS
- 7.1 Committee Reports (oral reports)
- 7.2 Chairperson’s Report

- 7.3 Board members Report
- 8.0 EXECUTIVE DIRECTOR'S REPORT
- 9.0 COMMUNICATIONS - Information Only
- 9.1 Letter from Alicia C. Aguirre, Chair, City/County Association of Governments, to The Honorable Jerry Brown, Governor, State of California, dated 8/22/16. RE: SUPPORT for AB 2126 (Mullin) p. 91
- 10.0 CLOSED SESSION
- 10.1 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Subdivision (a) of Section 54956.9)

Name of case: W. Bradley Electric, Inc., for the benefit of MP Nexlevel of California, Inc., and MP Nexlevel of California, Inc., in its own capacity and as assignee of W. Bradley Electric, Inc. v. County of San Mateo
- 11.0 RECONVENE IN OPEN SESSION
- 11.1 Report out on Closed Session.
- 12.0 ADJOURNMENT

Next scheduled meeting October 13, 2016

PUBLIC NOTICING: All notices of C/CAG Board and Committee meetings will be posted at San Mateo County Transit District Office, 1250 San Carlos Ave., San Carlos, CA.

PUBLIC RECORDS: Public records that relate to any item on the open session agenda for a regular board meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members of the Board. The Board has designated the City/ County Association of Governments of San Mateo County (C/CAG), located at 555 County Center, 5th Floor, Redwood City, CA 94063, for the purpose of making those public records available for inspection. The documents are also available on the C/CAG Internet Website, at the link for agendas for upcoming meetings. The website is located at: <http://www.ccag.ca.gov>.

NOTE: Persons with disabilities who require auxiliary aids or services in attending and participating in this meeting should contact Mima Guilles at 650 599-1406, five working days prior to the meeting date.
If you have any questions about the C/CAG Board Agenda, please contact C/CAG Staff:

Executive Director: Sandy Wong 650 599-1409

Administrative Assistant: Mima Guilles 650 599-1406

MEETINGS

- September 8, 2016 C/CAG Board - SamTrans 2nd Floor Auditorium – 6:30 p.m.
- September 8, 2016 Legislative Committee - SamTrans 2nd Floor Auditorium – 5:30 p.m.
- September 15, 2016 CMP Technical Advisory Committee - SamTrans, 2nd Floor Auditorium - 1:15 p.m.
- September 15, 2016 Stormwater Committee - SamTrans, 2nd Floor Auditorium - 2:30 p.m.
- September 22, 2016 Airport Land Use Committee – 501 Primrose Road, Burlingame, CA – Council Chambers 4:00 p.m.
- September 26, 2016 Administrators' Advisory Committee - 555 County Center, 5th Flr, Redwood City – 12:00p.m.
- September 26, 2016 CMEQ Committee - San Mateo City Hall - Conference Room C – 3:00 p.m.
- September 29, 2016 Water Committee – San Mateo City Hall – Conference Room C – 5:30 p.m.
- November 16, 2016 Finance Committee – 555 County Center, 5th Flr, Redwood City – 12:00p.m.

C/CAG

CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY

*Atherton • Belmont • Brisbane • Burlingame • Colma • Daly City • East Palo Alto • Foster City • Half Moon Bay • Hillsborough • Menlo Park
Millbrae • Pacifica • Portola Valley • Redwood City • San Bruno • San Carlos • San Mateo • San Mateo County • South San Francisco • Woodside*

BOARD MEETING MINUTES

Meeting No. 290
August 11, 2016

1.0 CALL TO ORDER/ROLL CALL

Chair Alicia Aguirre called the meeting to order at 6:30 p.m. Roll call was taken.

- Cary Wiest – Atherton
- Doug Kim – Belmont
- Terry O’Connell - Brisbane
- Ricardo Ortiz – Burlingame (arrive 6:49pm)
- Diana Colvin – Colma
- Judith Christensen – Daly City
- Lisa Gauthier – East Palo Alto
- Marina Fraser – Half Moon Bay
- Marie Chuang – Hillsborough
- Catherine Carlton – Menlo Park
- Mary Ann Nihart– Pacifica
- Maryann Moise Derwin – Portola Valley
- Alicia Aguirre – Redwood City
- Irene O’Connell – San Bruno
- Cameron Johnson – San Carlos and SMCTA (arrive 6:34pm)
- Maureen Freschet – San Mateo
- Karyl Matsumoto – South San Francisco and SamTrans
- Deborah Gordon – Woodside

Absent:

- Foster City
- Millbrae
- San Mateo County

Others:

- Sandy Wong –C/CAG Executive Director
- Nirit Eriksson – C/CAG Legal Counsel
- Mima Guilles – C/CAG Staff
- Jean Higaki – C/CAG Staff
- Matt Fabry – C/CAG Staff
- John Hoang – C/CAG Staff

Tom Madelena – C/CAG Staff
Jeff Lacap – C/CAG Staff
Kim Springer – San Mateo County
Seth Miller – League of CA Cities
Matt Robinson – Shaw/ Yoder/ Antwih
Belen Seara – San Mateo County Union Community Alliance

3.0 PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

Note: Public comment is limited to two minutes per speaker.

Seth Miller, Director, League of California Cities introduces himself and takes the opportunity to address in focusing in the infrastructure investments and housing the economy.

4.0 PRESENTATIONS/ ANNOUNCEMENTS

None

5.0 CONSENT AGENDA

Consent Agenda items are considered to be routine and will be enacted by one motion. There will be no separate discussion on these items unless members of the Board, staff or public request specific items to be removed for separate action.

Board Member O’Connell (San Bruno) MOVED approval of Items 5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 5.8, 5.9, 5.10, 5.11, 5.12 and 5.13. Board Member Nihart SECONDED. **MOTION CARRIED 15-0-3.** Board Members Wiest, Carlton and Freschet Abstains item 5.1

- 5.1 Approval of the minutes of regular business meeting No. 289 dated June 9, 2016 APPROVED
- 5.2 Receive copy of agreement(s) executed by the C/CAG Chair or Executive Director consistent with C/CAG Procurement Policy:
- 5.2.1 Receive a copy of executed contract amendment No. 1 for climate data integration services between C/CAG and County of San Mateo, Information Services Department, extending the end date of the agreement to December 31, 2016 INFORMATION
- 5.3 Review FY15-16 attendance report for the C/CAG Board and Committees meetings APPROVED
- 5.4 Review and approval of Resolution 16-26 authorizing the C/CAG Chair to execute an agreement with Michael Baker International, Inc. in an amount not to exceed \$20,000 for website services for three years APPROVED
- 5.5 Review and approval of a conditionally consistent determination for the City of Belmont, 1201 Shoreway Hotel Project, General Plan Amendment and Rezoning with the Airport Land Use Compatibility Plan for the Environs of San Carlos Airport APPROVED
- 5.6 Review and approval of a consistent determination for the Town of Colma, Veterans Village Project with the Comprehensive Airport Land Use Compatibility Plan for the Environs of San Francisco

International Airport APPROVED

5.7 Review and approval of Resolution 16-29 authorizing the C/CAG Chair to execute Amendment No. 1 to an agreement between C/CAG and DNV GL for climate action planning and implementation technical assistance, adding \$10,880 for a new total not to exceed amount of \$155,880 APPROVED

5.8 Review and approve the appointment of Ray Chan, Director of Public Works, to represent the City of Millbrae on C/CAG's Stormwater Committee APPROVED

5.9 Receive updated project revisions submitted to Metropolitan Transportation Commission (MTC) for the update of the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) also known as Plan Bay Area 2040 INFORMATION

5.10 Review and approval of revisions to the Board Adopted One Bay Area Grant 2 (OBAG 2) Framework APPROVED

5.11 Review and approval of Resolution 16-27 authorizing the C/CAG Chair to execute an agreement with Kimley-Horn and Associates to provide Smart Corridor Signal System Maintenance Support in an amount not to exceed \$189,000 over three years, waiving the RFP process APPROVED

5.12 Review and approval of Resolution 16-28 authorizing the C/CAG Chair to execute a Funding Agreement with the San Mateo County Transportation Authority for development of performance measures in support of the Highway Program in an amount not to exceed \$18,000 APPROVED

5.13 Biennial review, and approval of update to, the C/CAG Conflict of Interest Code APPROVED

6.0 REGULAR AGENDA

6.1 Review and approval of C/CAG legislative policies, priorities, positions, and legislative update (A position may be taken on any legislation, including legislation not previously identified). NO ACTION

Matt Robinson from Shaw, Yoder, Antwih Inc. provided a legislative update. The house and senate are currently working together on a comprehensive transportation funding bill. The Legislative Committee recommended sending a letter of support for SB 1298 regarding Prop 218 storm water clarifications. In addition, C/CAG staff will distribute a support letter template so that jurisdictions can send a letter of support if they desire.

Board Member Gordon MOVED approval to send a letter of support for SB 1298. Board Member Nihart SECONDED. **MOTION CARRIED 18-0**

6.2 Review and approval of the definition of "proximate access" as it relates to Priority Development Areas (PDAs) in the One Bay Area 2 Grant (OBAG 2) Program APPROVED

Jean Higaki recommended the Board to review and approve of the definition of "proximate access" as it relates to Priority Development Areas (PDAs) in the One Bay Area Grant 2 (OBAG 2) Program.

Board Member O'Connell (San Bruno) MOVED approval of Item 6.2. Board Member Gauthier

SECONDED. MOTION CARRIED 18-0

- 6.3 Review the Draft One Bay Area Grant 2 (OBAG 2) Bicycle and Pedestrian Improvement Program (BPIP) Call for Projects NO ACTION

Jean Higaki recommended that the Board of Directors receive the draft One Bay Area Grant 2 (OBAG2) Bicycle and Pedestrian Improvement Program (BPIP). Final will be brought back to the Board for approval in September.

Public comment was received from the member of the public:

Belen Seara – San Mateo County Union Community Alliance

- 6.4 Review the Draft One Bay Area Grant 2 (OBAG 2) Transportation for Livable Communities (TLC) Program Call for Projects NO ACTION

Jean Higaki recommended that the Board of Directors receive the draft One Bay Area Grant 2 (OBAG 2) Transportation for Livable Communities (TLC) Program Call for Projects. Final will be brought back to the Board for approval in September.

- 6.5 Receive an Update of the San Mateo Countywide Transportation Plan Development NO ACTION

John Hoang presented the process and schedule of the San Mateo Countywide Transportation Plan development. A draft will be presented to the Board in September.

- 6.6 Review and approval of grant application submission in response to the US Department of Energy FY16 Vehicle Technologies Multi-Topic Funding Opportunity Announcement APPROVED

John Hoang recommended C/CAG Board to review and approve staff to submit a grant application in response to the US Department of Energy FY 2016 Vehicle Technologies Multi-Topic Funding Opportunity.

Board Member O’Connell (San Bruno) MOVED approval of Item 6.6. Board Member Gordon **SECONDED. MOTION CARRIED 18-0**

7.0 COMMITTEE REPORTS

7.1 Committee Reports (oral reports)

7.2 Chairperson’s Report

7.3 Board members Report

8.0 EXECUTIVE DIRECTOR’S REPORT

Sandy Wong, Executive Director announces Ellen Barton’s departure from BPAC and Eliza Yu, C/CAG

staff will continue the BPAC program.

9.0 COMMUNICATIONS - Information Only

- 9.1 Letter from Alicia C. Aguirre, Chair, City/County Association of Governments, to The Honorable Phil Ting, Chair, Assembly Budget Committee, dated 6/7/16. RE: SUPPORT for Green Infrastructure Funding
- 9.2 Letter from Alicia C. Aguirre, Chair, City/County Association of Governments, To Whom It May Concern, dated 6/9/16. RE: Active Transportation Program (ATP) Grant Proposal for Woodside Road (SR 84) School Pathway Project
- 9.3 Letter from Sandy Wong, Executive Director, City County Association of Governments, to Sean Maguire, Program Manager, Storm Water Grant Program, State Water Resources Control Board, Division of Financial Assistance, dated 7/5/15. RE: City of San Mateo Water Grant Program Implementation Grant Proposal
- 9.4 Letter from Sandy Wong, Executive Director, City County Association of Governments, to Sean Maguire, Program Manager, Storm Water Grant Program, State Water Resources Control Board, Division of Financial Assistance, dated 7/5/15. RE: City of Redwood City Water Grant Program Implementation Grant Proposal
- 9.5 Letter from Sandy Wong, Executive Director, City County Association of Governments, to All Interested Parties, dated 7/20/15. RE: Vacancy on the Congestion Management and Environmental Quality (CMEQ) Committee
- 9.6 Letter from Maryann Moise Derwin, Vice Chair, City County Association of Governments, to Assembly Member Lorena Gonzales, Chair, Assembly Appropriations Committee, dated 7/25/15. RE: OPPOSE SB 1170 (Wieckowski)
- 9.7 Letter from Sandy Wong, Executive Director, City County Association of Governments, to Interested Parties, dated 8/1/16. RE: C/CAG Resource Management and Climate Protection Committee Vacancies: Energy and Large Business/Chamber committee seats

10.0 CLOSED SESSION

10.1 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Subdivision (a) of Section 54956.9)

Name of case: W. Bradley Electric, Inc., for the benefit of MP Nexlevel of California, Inc., and MP Nexlevel of California, Inc., in its own capacity and as assignee of W. Bradley Electric, Inc. v. County of San Mateo

11.0 RECONVENE IN OPEN SESSION

11.1 No reportable action was taken.

12.0 ADJOURNMENT

C/CAG AGENDA REPORT

Date: September 8, 2016

To: C/CAG Board of Directors

From: Sandy Wong, Executive Director

Subject: Review and approve the appointment of Josh Powell to fill the vacant seat representing the public on the Congestion Management & Environmental Quality (CMEQ) Committee.

(For further information or response to questions, contact Jeff Lacap at 650-599-1455)

RECOMMENDATION

That the C/CAG Board review and approve the appointment of Josh Powell to the Congestion Management & Environmental Quality Committee to fill the seat representing the public in San Mateo County.

FISCAL IMPACT

None.

SOURCE OF FUNDS

N/A

BACKGROUND

The Congestion Management & Environmental Quality (CMEQ) Committee provides advice and recommendations to the C/CAG Board of Directors on all matters relating to traffic congestion management, travel demand management, coordination of land use and transportation planning, mobile source air quality programs, energy resources and conservation, and other environmental issues facing local jurisdictions in San Mateo County.

A recruitment letter for the vacant seat was sent to interested parties via all relevant C/CAG email distribution lists on July 20, 2016 with a due date of August 26, 2016. The recruitment letter was also posted on the C/CAG website. One individual submitted a letter of interest by the recruitment deadline:

- Josh Powell, resident of Belmont

ATTACHMENTS

1. CMEQ Committee Roster
2. Letter of Interest from Josh Powell

CMEQ Roster

Chair: Richard Garbarino
 Vice Chair: Mike O'Neill
 Staff Support: Jeff Lacap (jlacap@smcgov.org)
 (650) 599-1455

Name	Representing
Alicia Aguirre	Metropolitan Transportation Commission (MTC)
Emily Beach	City of Burlingame
Charles Stone	City of Belmont
Elizabeth Lewis	City of Atherton
Irene O'Connell	City of San Bruno
Linda Koelling	Business Community
John Keener	City of Pacifica
Lennie Roberts	Environmental Community
Mike O'Neill	City of Pacifica
Adina Levin	Agencies with Transportation Interests
Rich Garbarino	City of South San Francisco
Rick Bonilla	City of San Mateo
Vacant	Public Member
Wayne Lee	City of Millbrae
Douglas Kim	San Mateo County Transit District (SamTrans)
Elizabeth Scanlon	Peninsula Corridor Joint Powers Board (Caltrain)

From: Josh Powell <seasoup@gmail.com>
Sent: Wednesday, August 24, 2016 9:39 PM
To: Jeffrey Lacap
Subject: Re: C/CAG CMEQ Public Member Application

Jeff Lacap,

I'm writing to let you know that I am interested in the C/CAG public member vacant seat. I'm a resident of Belmont and have experience in data analysis, I currently run a data analysis team at Apple. I sit on an internal Apple steering committee guiding and coordinating various teams to share resource across important projects. Our team is a focal point of about 80 other teams that use our system to diagnose issues with their systems, and there is a constant process of evaluating, prioritizing, and implementing high priority requests.

I'm interested in the public member vacancy because as a member of the tech community, I think we bear some responsibility for the increasing population and traffic on the Peninsula and I'd like to lend my expertise in data analysis, experience in group decision making and making decisions based on the data at hand to do my part in tackling the looming infrastructure crisis. I'm also the Principal Officer for the Committee in Support of Belmont Measure I. As for the CMEQ committee itself, I am very interested in participating in the transportation planning, congestion management, travel demand management and coordination of land use and transportation planning issues and the environmental impact it has.

Thank you for your consideration and I look forward to hearing from you,
Josh Powell
[650-921-2538](tel:650-921-2538)

C/CAG AGENDA REPORT

Date: September 8, 2016
To: C/CAG Board of Directors
From: Sandy Wong, Executive Director
Subject: Receive the technical correction of renumbering Resolution 16-26 “Authorizing the C/CAG Chair to execute an agreement between C/CAG and Michael Baker International, Inc. in an amount not to exceed \$20,000 for website services for three years” to Resolution 16-30

(For further information or response to questions, contact Tom Madalena at 650-599-1460)

RECOMMENDATION

That the Board of Directors receive the technical correction of renumbering Resolution 16-26 “Authorizing the C/CAG Chair to execute an agreement between C/CAG and Michael Baker International, Inc. in an amount not to exceed \$20,000 for website services for three years” to Resolution 16-30.

FISCAL IMPACT

None

SOURCE OF FUNDS

Not applicable

BACKGROUND/ DISCUSSION

The original resolution number was in error.

ATTACHMENTS

- Resolution 16-30 (revised from 16-26)

RESOLUTION 16-30
~~RESOLUTION 16-26~~

**AUTHORIZING THE C/CAG EXECUTIVE DIRECTOR TO PAY THE BAY AREA
STORMWATER MANAGEMENT AGENCIES ASSOCIATION FOR SAN MATEO COUNTY'S
OUTSTANDING SHARE OF REGIONAL STORMWATER PROJECTS CONDUCTED BETWEEN
2009-10 AND 2015-16, IN AN AMOUNT NOT TO EXCEED \$140,961.**

RESOLVED, by the Board of Directors of the City/County Association of Governments of San Mateo County (C/CAG), that

WHEREAS, C/CAG, via its San Mateo Countywide Water Pollution Prevention Program is a member of the Bay Area Stormwater Management Agencies Association (BASMAA); and

WHEREAS, C/CAG is able to assist its member agencies more cost-effectively in meeting requirements of the Municipal Regional Permit via regional collaboration, when appropriate; and

WHEREAS, C/CAG participated via its Countywide Water Pollution Prevention Program in regional projects through BASMAA from 2009-10 through 2015-16; and

WHEREAS, C/CAG's share of the costs of these regional projects was \$644,924, the majority of which C/CAG funded through in-kind consulting services; and,

WHEREAS, C/CAG's outstanding cash share for these regional projects is \$140,961; and

WHEREAS, C/CAG has sufficient unallocated funds in its NPDES fund to cover the costs of the regional projects;

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the City/County Association of Governments of San Mateo County (C/CAG), that the C/CAG Executive Director is authorized to pay the Bay Area Stormwater Management Agencies Association for its outstanding share of regional projects conducted between 2009-10 and 2015-16, in an amount not to exceed \$140,961.

PASSED, APPROVED, AND ADOPTED, THIS 9TH DAY OF JUNE, 2016.


Alicia Aguirre, Chair

C/CAG AGENDA REPORT

Date: September 8, 2016
To: C/CAG Board of Directors
From: Sandy Wong, Executive Director
Subject: Receive the technical correction of renumbering Resolution 16-27 “Authorizing the C/CAG Chair to execute an agreement with Kimley-Horn and Associates to provide Smart Corridor Signal System Maintenance Support in an amount not to exceed \$189,000 over three years” to Resolution 16-31

(For further information or response to questions, contact John Hoang at 650-363-4105)

RECOMMENDATION

That the Board of Directors receive the technical correction of renumbering Resolution 16-27 “Authorizing the C/CAG Chair to execute an agreement with Kimley-Horn and Associates to provide Smart Corridor Signal System Maintenance Support in an amount not to exceed \$189,000 over three years” to Resolution 16-31

FISCAL IMPACT

None

SOURCE OF FUNDS

Not applicable

BACKGROUND/ DISCUSSION

The original resolution number was in error.

ATTACHMENTS

- Resolution 16-31 (revised from 16-27)

RESOLUTION 16-31
~~RESOLUTION 16-27~~

AUTHORIZING THE C/CAG EXECUTIVE DIRECTOR TO COMMIT MATCHING FUNDS OF UP TO \$109,200 FOR A BAY AREA STORMWATER MANAGEMENT AGENCIES ASSOCIATION (BASMAA) GRANT PROPOSAL TO THE U.S. ENVIRONMENTAL PROTECTION AGENCY'S SAN FRANCISCO BAY WATER QUALITY IMPROVEMENT FUND FOR PROJECTS ADDRESSING PCBs IN BUILDING MATERIALS IN ACCORDANCE WITH THE MUNICIPAL REGIONAL PERMIT.

RESOLVED, by the Board of Directors of the City/County Association of Governments of San Mateo County (C/CAG), that

WHEREAS, C/CAG's member agencies are all permittees under the Municipal Regional Stormwater Permit issued by the San Francisco Bay Regional Water Quality Control Board; and

WHEREAS, the Municipal Regional Stormwater Permit requires all 76 permittees to develop a program for managing polychlorinated biphenyls (PCBs) in building materials to prevent their release during demolition; and

WHEREAS, C/CAG, via its San Mateo Countywide Water Pollution Prevention Program is a member of the Bay Area Stormwater Management Agencies Association (BASMAA); and

WHEREAS, C/CAG is able to assist its member agencies more cost-effectively in meeting requirements of the Municipal Regional Permit via regional collaboration, when appropriate; and

WHEREAS, BASMAA members collaborated to submit a proposal to the U.S. Environmental Protection Agency under its San Francisco Bay Water Quality Improvement Fund requesting \$800,000 in grant funds for projects addressing PCBs in building materials; and

WHEREAS, C/CAG's population-based pro-rata share of \$800,000 in matching funds is \$109,200, which would be spread over a three-year timeframe; and,

WHEREAS, C/CAG's Executive Director signed a preliminary commitment letter for C/CAG's share of matching funds as part of the grant proposal; and

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the City/County Association of Governments of San Mateo County (C/CAG), that the C/CAG Executive Director is authorized to commit matching funds up to \$109,200 for a Bay Area Stormwater Management Agencies Association grant proposal to the U.S. Environmental Protection Agency for projects addressing PCBs in building materials in accordance with requirements in the Municipal Regional Permit.

PASSED, APPROVED, AND ADOPTED, THIS 9TH DAY OF JUNE, 2016.


Alicia Aguirre, Chair

C/CAG AGENDA REPORT

Date: September 8, 2016

To: C/CAG Board of Directors

From: Sandy Wong, Executive Director

Subject: Review and approval of the Finance Committee's recommendation of no change to the C/CAG investment portfolio and accept the Quarterly Investment Report as of June 30, 2016.

(For further information or questions contact Jean Higaki at 599-1462)

RECOMMENDATION

That the C/CAG Board review and approve the Finance Committee's recommendation of no change to the C/CAG investment portfolio and accept the Quarterly Investment Report as of June 30, 2016.

FISCAL IMPACT

Potential for higher or lower yields and risk associated with C/CAG investments.

SOURCE OF FUNDS

The Investment Policy applies to all C/CAG funds held by the C/CAG Financial Agent (City of San Carlos).

BACKGROUND

According to the C/CAG Investment Policy adopted on December 10, 2015:

"The portfolio should be analyzed not less than quarterly by the C/CAG Finance Committee, and modified as appropriate periodically as recommended by the Finance Committee and approved by the C/CAG Board, to respond to changing circumstances in order to achieve the Safety of Principal."

The Finance Committee will seek to provide a balance between the various investments and maturities in order to give C/CAG the optimum combination of Safety of Principal, necessary liquidity, and optimal yield based on cash flow projections.

A summary of the April, May, and June 2016 earning rates are as follows:

	Local Agency Investment Fund (LAIF)	San Mateo County Investment Pool (COPOOL)
April	0.525%	0.760%
May	0.552%	0.855%
June	0.576%	1.070%

On November 13, 2013 the C/CAG Board approved the C/CAG investment portfolio as follows:

Local Agency Investment Fund (LAIF) 50% to 70%
 San Mateo County Investment Pool (COPOOL) 30% to 50%

On August 24, 2016 the Finance Committee reviewed the investment portfolio and recommended no change to the investment portfolio at this time.

The investment portfolio as of June 30, 2016 is as follows:

	3/31/2016		6/30/2016	
	Amount	Percent	Amount	Percent
LAIF	\$12,136,268	60%	\$12,200,510	60%
COPOOL	\$8,138,072	40%	\$8,154,442	40%
Total	\$20,274,340	100%	\$20,354,953	100%

Per a request by the C/CAG Board, the Finance Committee to consider the feasibility of an alternative investment portfolio mix, including investment outside of the LAIF funds and POOL funds. The Finance Committee deferred making a recommendation and directed staff to gather further information.

ATTACHMENTS

1. Quarterly Investment Report as of June 30, 2016 from San Carlos

C/CAG
CITY/COUNTY ASSOCIATION OF GOVERNMENTS
of San Mateo County

Board of Directors Agenda Report

To: Sandy Wong, Executive Director
From: Carrie Tam, Financial Services Manager
Date: August 24, 2016

SUBJECT: Quarterly Investment Report as of June 30, 2016

RECOMMENDATION:

It is recommended that the C/CAG Board review and accept the Quarterly Investment Report.

ANALYSIS:

The attached investment report indicates that on June 30, 2016, funds in the amount of \$20,354,953 were invested producing a weighted average yield of 0.69%. Of the total investment portfolio, 59.9% of funds were invested in the Local Agency Investment Fund (LAIF) and 40.1% in the San Mateo County Investment Pool (COPOOL). These percentages are within the range specified by the CCAG Board. Accrued interest earnings for this quarter totaled \$35,087. At the CCAG Finance Committee meeting in November 2015, the Committee set a goal to keep the investment with the County at 40%-42% of the total pooled investment to earn higher interest. The portfolio mix reflects the recommended percentage invested in the County Investment Pool.

Below is a summary of the changes from the prior quarter:

	Qtr Ended 6/30/16	Qtr Ended 3/31/16	Increase (Decrease)
Total Portfolio	\$ 20,354,953	\$ 20,274,340	\$ 80,613
Weighted Average Yield	0.69%	0.60%	0.09%
Accrued Interest Earnings	\$ 35,087	\$ 30,612	\$ 4,475

The higher portfolio balance combining with a slightly higher weighted average yield resulted in higher interest earnings for this quarter.

Historical cash flow trends are compared to current cash flow requirements on an ongoing basis to ensure that C/CAG's investment portfolio will remain sufficiently liquid to meet all reasonably anticipated operating requirements. As of June 30, 2016, the portfolio contains sufficient liquidity to meet the next six months of expected expenditures by C/CAG. All investments are in compliance with the Investment Policy. Attachment 2 shows a historical comparison of the portfolio for the past nine quarters.

The primary objective of the investment policy of the CCAG remains to be the SAFETY OF PRINCIPAL. The permitted investments section of the investment policy also states:

Local Agency Investment Fund (LAIF) which is a State of California managed investment pool, and San Mateo County Investment pool, may be used up to the maximum permitted by California State Law. A review of the pool/fund is required when they are part of the list of authorized investments.

The Investment Advisory Committee has reviewed and approved the attached Investment Report.

Attachments

- 1 – Investment Portfolio Summary for the Quarter Ended June 30, 2016
- 2 – Historical Summary of Investment Portfolio

CITY & COUNTY ASSOCIATION OF GOVERNMENTS

SUMMARY OF ALL INVESTMENTS

For Quarter Ending June 30, 2016

Category	Weighted Average Interest Rate	Historical Book Value	% of Portfolio	GASB 31 ADJ Market Value
Liquid Investments:				
Local Agency Investment Fund (LAIF)	0.55%	12,200,510	59.9%	12,208,089
San Mateo County Investment Pool (COPOOL)	0.89%	8,154,442	40.1%	8,179,395
Agency Securities				
<i>none</i>				
Total - Investments	0.69%	20,354,953	100%	20,387,484
GRAND TOTAL OF PORTFOLIO	0.69%	\$ 20,354,953	100%	\$ 20,387,484

Total Interest Earned This Quarter	35,087
Total Interest Earned (Loss) Fiscal Year-to-Date	111,548

Note: CCAG Board approved the following investment portfolio mix at its November 14, 2013 meeting:

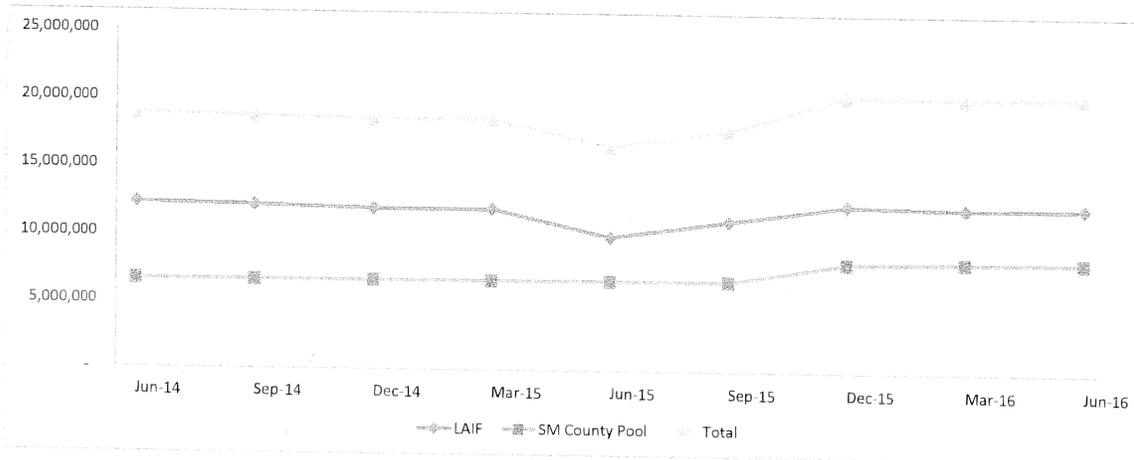
LAIF - 50% to 70%

COPOOL - 30% to 50%

At the CCAG Finance Committee meeting in November, the Committee set a goal to keep the investment with the County at 40%-42% of the total pooled investment to earn higher interest.

*Difference in value between Historical Value and Market Value may be due to timing of purchase. Investments in the investment pools may have been purchased when interest rates were lower or higher than the end date of this report. As interest rates increase or decrease, the value of the investment pools will decrease or increase accordingly. However, interest rate fluctuations does not have any impact to CCAG's balance in the investment pools. The market values are presented as a reference only.

City and County Association of Governments Historical Summary of Investment Portfolio June 30, 2016



Note: The chart type has been changed from Column to Line after receiving feedback from CCAG's Finance Committee

City/County Association of Governments Investment Portfolio

	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16
LAIF	12,230,010	12,086,243	11,893,287	11,900,778	9,908,457	11,116,115	12,324,374	12,136,268	12,200,510
SM County Pool	6,549,782	6,559,603	6,570,236	6,581,700	6,601,123	6,612,375	8,024,431	8,138,072	8,154,442
Total	18,779,792	18,645,846	18,463,523	18,482,478	16,509,580	17,728,490	20,348,805	20,274,340	20,354,953

At the CCAG Finance Committee meeting in November 2015, the Committee set a goal to keep the investment with the County at 40%-42% of the total pooled investment to earn higher interest. As a result, \$1.4 million was transferred to CCAG's County Investment Pool account in the second quarter of FY2015-16. An additional \$100,000 was transferred to the County Pool in third quarter to reach the recommended 40%. There were no additional transfers made in the fourth quarter.

C/CAG AGENDA REPORT

Date: September 8, 2016

To: City/County Association of Governments Board of Directors

From: Sandy Wong, Executive Director

Subject: Review and approval of Resolution 16-32 authorizing the C/CAG Chair to execute a Funding Agreement with County of San Mateo for the 2016 Aerial Imagery and LiDAR Data Acquisition Project in an amount not to exceed \$100,000

(For further information or response to questions, contact John Hoang at 650-363-4105)

RECOMMENDATION

That the Board review and approval of Resolution 16-32 authorizing the C/CAG Chair to execute a Funding Agreement with County of San Mateo for the 2016 Aerial Imagery and LiDAR Data Acquisition Project in an amount not to exceed \$100,000.

FISCAL IMPACT

Up to \$100,000

SOURCE OF FUNDS

Transportation Funds

BACKGROUND

The County of San Mateo Information Service Department seeks funding assistance for the County led project to acquire new aerial imagery and LiDAR (Light Detection and Ranging) data covering all of San Mateo County. County staff presented the project to the C/CAG Congestion Management Program Technical Advisory Committee (TAC) in April/June, providing samples of functionalities and benefits of the imagery and data including possible uses applicable for transportation and infrastructure planning, urban and environmental planning, as well as public safety projects.

It was proposed that if C/CAG and/or cities are interested in jointly funding the project with the County, then C/CAG and member agencies/cities can have access to all the imagery and data collected by the County. C/CAG staff surveyed all the TAC members and all cities regarding their interest in accessing the aerial imagery and LiDAR data with the intent that if enough cities are supportive of the proposed project then C/CAG would consider contributing funds to the project on behalf of the cities, which will enable all cities in County access to the information for free. A number of cities responded positively, indicating interest in the imagery and support for the project. Cities responded in favor of the project therefore staff propose contributing up to \$100,000 towards the project on behalf of all the

cities (member agencies), which will enable all 20 cities, SamTrans, the San Mateo County Transportation Authority, and other local agencies access to the aerial imagery and LiDAR data for free. The final contribution amount will be determined based on final cost of the project. The County is in the process of selecting a consultant and the total project cost has not been determined. C/CAG's contribution to the project will be based on the final cost, up to a maximum of \$100,000.

ATTACHMENTS

- Resolution 16-32
- Funding Agreement with County of San Mateo

RESOLUTION 16-32

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY (C/CAG)
AUTHORIZING THE C/CAG CHAIR TO EXECUTE
A FUNDING AGREEMENT WITH COUNTY OF SAN MATEO FOR
THE 2016 AERIAL IMAGERY AND LIDAR DATA ACQUISITION PROJECT
IN AN AMOUNT NOT TO EXCEED \$100,000**

WHEREAS, C/CAG is the Congestion Management Agency for San Mateo County; and

WHEREAS, C/CAG is a joint powers agency formed for the purpose of preparation, adoption and monitoring of a variety of county-wide state-mandated plans; and

WHEREAS, C/CAG's member agencies utilizes mapping data for various planning and design activities and benefits from access to the new aerial imagery and LiDAR data; and

WHEREAS, C/CAG accepts the recommendation of the Congestion Management Program Technical Advisory Committee (TAC) to provide funds to the County of San Mateo for the 2016 Aerial Imagery and LiDAR Data Acquisition Project; and

WHEREAS, the new aerial imagery and LiDAR data will be provide to the 20 cities and other public agencies within San Mateo County at no cost; and

WHEREAS, C/CAG desires to enter into a funding agreement with County of San Mateo in an amount not to exceed \$100,000 on behalf of the cities.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the City/County Association of Governments of San Mateo County that the C/CAG Chair is authorized to execute a Funding Agreement between C/CAG and County of San Mateo for the 2016 Aerial Imagery and LiDAR Data Acquisition Project in an amount not to exceed \$100,000. It is also resolved that the C/CAG Executive Director is authorized to negotiate the final terms of said agreement prior to its execution by the C/CAG Chair, subject to approval as to form by the C/CAG Legal Counsel.

PASSED, APPROVED, AND ADOPTED THIS 8TH DAY OF SEPTEMBER, 2016.

Alicia C. Aguirre, Chair

**FUNDING AGREEMENT
BETWEEN
CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY
AND
COUNTY OF SAN MATEO
FOR
THE 2016 AERIAL IMAGERY AND LIDAR DATA ACQUISITION PROJECT**

THIS AGREEMENT, entered into this _____ day of _____ 2016, by and between the CITY/COUNTY ASSOCIATION OF GOVERNMENTS, a Joint Powers Agency within the County of San Mateo, hereinafter called "C/CAG" and the COUNTY OF SAN MATEO, a public agency, hereinafter called "COUNTY."

WITNESSETH

WHEREAS, C/CAG, on behalf of its member agencies, agree to assist the COUNTY with funding of the 2016 Aerial Imagery and LiDAR Data Acquisition Project (PROJECT); and

WHEREAS, the (PROJECT) will acquire Aerial Imagery and LiDAR Data of San Mateo County; and

WHEREAS, C/CAG will provide a cost-share of up to a maximum of \$100,000, for the PROJECT; and

WHEREAS the COUNTY has retained a consultant to provide services as described in Exhibit A and will provide a cost-share of the remaining cost of the project, up to a maximum of \$ _____; and

WHEREAS, the Parties have agreed that the COUNTY will contract with a consultant to the perform scope of work as described in Exhibit A.

NOW, THEREFORE, IT IS HEREBY AGREED by the parties hereto, as follows:

1. SCOPE OF SERVICES

The COUNTY shall serve as the lead agency for the PROJECT as described in Exhibit A.

2. TIME OF PERFORMANCE

This Agreement is effective as of _____, and will terminate on December 31, 2017. Either party may terminate the Agreement without cause by providing thirty (30) days' advance written notice to the other party.

3. FUNDING AND METHOD OF PAYMENT

- a) C/CAG agrees to pay the COUNTY up to \$100,000 for the PROJECT, on a reimbursement basis.

- b) The COUNTY shall submit billings accompanied by the activity reports and paid invoices issued by the COUNTY'S contractor or COUNTY's progress payments as proof that PROJECT services were rendered and paid for by the COUNTY, delivered or mailed to C/CAG as follows:

City/County Association of Governments
555 County Center, 5th Floor
Redwood City, CA 94063
Attention: John Hoang

- c) Upon receipt of the invoice and its accompanying documentation, C/CAG shall pay the amount claimed under each invoice, up to the maximum amount available pursuant to this Agreement, within thirty (30) days of receipt of the invoice.
- d) Subject to duly executed amendments, it is expressly understood and agreed that in no event will the total funding commitment under this agreement exceed \$100,000, unless revised in writing and approved by C/CAG and the COUNTY.

4. AMENDMENTS

Any changes in the services to be performed under this Agreement shall be incorporated in written amendments, which shall specify the changes in work performed and any adjustments in compensation and schedule. All amendments shall be executed by C/CAG and the COUNTY. No claim for additional compensation or extension of time shall be recognized unless contained in a duly executed amendment.

5. NOTICES

All notices or other communications to either party by the other shall be deemed given when made in writing and delivered or mailed to such party at their respective addresses as follows:

To C/CAG: City/County Association of Governments
555 County Center, 5th Floor
Redwood City, CA 94063
Attention: John Hoang

To The COUNTY: County of San Mateo
567 El Camino Real
San Bruno, CA 94066-4247
Attention: Beverly Thames

6. INDEPENDENT CONTRACTOR

The parties agree and understand that the work/services performed by either of the parties or any consultant retained by either of the parties under this Agreement are performed as independent contractors and not as employees or agents of the other party. Nothing herein shall be deemed to create any joint venture or partnership arrangement between the COUNTY and C/CAG.

7. MUTUAL HOLD HARMLESS

- a. The COUNTY shall defend, save harmless and indemnify C/CAG, and its directors, officers, agents and employees from any and all claims for injuries or damage to persons and/or property which arise out of the terms and conditions of this Agreement and which result from the negligent acts or omissions of the COUNTY, its directors, officers, agents and/or employees.
- b. C/CAG shall defend, save harmless, and indemnify the COUNTY, and its directors, officers, agents and employees from any and all claims for injuries or damage to persons and/or property which arise out of the terms and conditions of this Agreement and which result from the negligent acts or omissions of C/CAG, its directors, officers, agents and/or employees.
- c. In the event of concurrent negligence of the COUNTY, its directors, officers, agents and/or employees, and C/CAG, its directors, officers, agents and/or employees, then the liability for any and all claims for injuries or damage to persons and/or property which arise out of terms and conditions of this Agreement shall be apportioned according to the California theory of comparative negligence.

IN WITNESS WHEREOF, the Agreement has been executed by the parties hereto as of the day and year first written above.

COUNTY OF SAN MATEO

CITY/COUNTY ASSOCIATION OF
GOVERNMENTS

Alicia C. Aguirre, C/CAG Chair

Approved as to form:

Attorney for the COUNTY

Counsel for C/CAG

EXHIBIT A

1. Acquire 6" Digital Orthorectified Aerial Imagery
2. Acquire High Resolution Airborne Light Detection and Ranging (LiDAR) Data and Products:
 - a. 2-m Digital Terrain Model (DEM)
 - b. 1-ft Contour lines
 - c. Building footprints

C/CAG AGENDA REPORT

Date: September 8, 2016

To: C/CAG Board of Directors

From: Sandy Wong, Executive Director

Subject: Review and approval of C/CAG legislative policies, priorities, positions, and legislative update (A position may be taken on any legislation, including legislation not previously identified)

(For further information or questions contact Jean Higaki at 599-1462)

RECOMMENDATION

Review and approval of C/CAG legislative policies, priorities, positions, and legislative update (A position may be taken on any legislation, including legislation not previously identified)

FISCAL IMPACT

Unknown.

SOURCE OF FUNDS

N/A

BACKGROUND

The C/CAG Legislative Committee receives monthly written reports and oral briefings from the C/CAG's State legislative advocates. Important or interesting issues that arise out of that meeting are reported to the Board.

The State Legislature was off in July and reconvened on August 1, 2016. The last day of formal session is August 31, 2016. The Governor has till end of September to sign any bill from the last day of session. Special session continues until the end of November.

Attached are letters of support for the revised joint transportation funding bill proposed by the two transportation committee chairs SBX1 1 (Beall) and ABX1 26 (Frazier). These two bills are identical.

ATTACHMENTS

1. September 2016 Legislative update from Shaw/ Yoder/ Antwih, Inc.
2. Full Legislative information is available for specific bills at <http://leginfo.legislature.ca.gov/>
3. Support letters for SBX1 1 (Beall) and ABX1 26 (Frazier)
4. Summary of the Frazier – Beall Transportation Funding package.



SHAW/YODER/ANTWIH, INC.
LEGISLATIVE ADVOCACY • ASSOCIATION MANAGEMENT

DATE: August 26, 2016
TO: Board Members, City/County Association of Governments, San Mateo County
FROM: Andrew Antwih and Matt Robinson, Shaw / Yoder / Antwih, Inc.
RE: STATE LEGISLATIVE UPDATE – September 2016

Legislative Update

The Legislature will adjourn the 2015-16 session on August 31 and return for the 2017-18 Legislative Session in December. In this report we discuss the latest on transportation funding, Cap and Trade, and highlight the most relevant bills – bills on which the Board has adopted a position – introduced in the second half of the 2015-16 Regular Session; please see ***Bills of Interest***, below.

Joint Transportation Funding Proposal Released

On August 24, Senator Jim Beall and Assembly Member Jim Frazier unveiled a joint transportation funding proposal designed to repair and maintain state highways and local roads, improve trade corridors, and support public transit & active transportation. The \$7.4 billion a year transportation funding proposal, includes a combination of new revenues, additional investments of Cap and Trade auction proceeds, accelerated loan repayments, Caltrans efficiencies & streamlined project delivery, accountability measures, and constitutional protections.

More specifically, the proposal would:

- Eliminate the Board of Equalization’s annual adjustment of the gas excise tax, increase the gas excise tax by 17 cents and index it to the Consumer Price Index (generating \$3.6 billion annually)
- Increase the diesel excise tax by 30 cents and index it to the Consumer Price Index (generating \$900 million annually)
- Increase the incremental diesel sales tax to 5.25% and index the increment to the Consumer Price Index (generating \$216 million annually)
- Increase the vehicle registration fee by \$38 and index it to the Consumer Price Index (generating \$1.3 billion annually)
- Introduce an annual zero-emission vehicle fee of \$165 per vehicle and index it to the Consumer Price Index (generating \$16 million annually)
- Redirect vehicle weight fees that are currently allocated to transportation debt service to transportation purposes (repurposing \$1 billion over five years)
- Allocate additional Cap and Trade auction proceeds as follows:
 - +10% to the Transit and Intercity Rail Capital Program (netting \$200 million annually)
 - +5% to the Low Carbon Transit Operations Program (netting \$100 million annually)
- Identify miscellaneous transportation revenues (netting \$149 million annually)
- Require repayment of outstanding transportation loans over two years (freeing \$746 million in one-time revenue)

The proposal would set aside \$200 million of annual revenues to counties that adopt local sales tax measures and \$80 million of annual revenues to the California Transportation Commission for the Active Transportation Program, and otherwise directs revenue on a 50-50 split between state and local agencies for transportation maintenance and rehabilitation needs.

Finally, the bill would: put into place constitutional protections that would prohibit the Legislature from borrowing or redirecting new revenues for purposes other than those specifically outlined in Article 19 of the State Constitution; create the Office of the Inspector General; and, put into place efficiency measures, such as CEQA streamlining and advanced mitigation, designed to expedite project delivery and reduce overall project costs.

As the Special Session on transportation continues, we will report to the Board any progress in moving this funding plan forward.

Cap and Trade

Currently, AB 32, the California Global Warming Solutions Act of 2006, requires the state to reduce greenhouse gas (GHG) emissions to 1990 levels by 2020. For the past two years, members of the Legislature have worked to extend AB 32 beyond 2020. On August 24, the Legislature passed SB 32 (Pavley). SB 32 would establish a statewide GHG emissions target for 2030 of 40 percent below 1990 levels. SB 32 **did not** extend and/or clarify the ability of the Air Resources Board (ARB) to implement the market-based compliance mechanism known as Cap and Trade.

On August 16, ARB held the first auction of the 2016-17 Fiscal Year under its Cap and Trade program and the results of the auction and the state's share of revenue from the allowances sold was extremely disappointing. ARB won't know for certain the revenues to the state until September 12, but early estimates indicate the state took in roughly \$8.5 million. This marks the second consecutive auction that produced far less revenue than originally anticipated. The Governor's May Revise estimated approximately \$2 billion in revenue would be collected over the four auctions held in 2016-17.

Finally, primarily as a result of higher than expected revenues in 2014-15 and the inability of the Legislature and the Governor to reach agreement on how to spend available revenues in 2015-16 (the 40 percent not continuously appropriated), approximately \$1.4 billion in available revenue sits in the Greenhouse Gas Reduction Fund, held over from previous years. The Legislature and the Governor are currently in discussions on how to spend this funding.

Special Session Bills

ABX1 1 (Alejo) Vehicle Weight Fees

This bill would undo the statutory scheme that allows vehicles weight fees from being transferred to the general fund from the State Highway Account to pay debt-service on transportation bonds and requires the repayment of any outstanding loans from transportation funds by December 31, 2018. **The Board is in SUPPORT of this bill.**

SBX1 1 (Beall) and ABX1 26 (Frazier) Transportation Funding

As discussed in detail above, these bills would increase several taxes and fees to address issues of deferred maintenance on state highways and local streets and roads, as well as provide new funding for public transit. Specifically, this bill would increase both the gasoline and diesel excise taxes by 17 and 30 cents, respectively; increase the vehicle registration fee by \$38; create a new \$165 vehicle registration fee applicable to zero-emission motor vehicles; increase Cap and Trade funding for transit; increase the sales tax on diesel by 3.5% for the State Transit Assistance Program, limit the borrowing of weight-fee revenues, and repay outstanding transportation loans. As a result, transportation funding would increase by approximately \$7.4 billion per year. **The Board is in Support of the previous version of SBX1 1. We recommend the Board SUPPORT both of these bills.**

ABX1 7 (Nezarian) and SBX1 8 (Hill) Cap and Trade Increase for Rail and Transit

This bill would increase the amount of funding continuously appropriated to two Cap and Trade programs dedicated to transit - 20% of the annual proceeds to the Transit and Intercity Rail Capital Program and 10% of the annual proceeds to the Low Carbon Transit Operations Program. **The Board is in SUPPORT of these bills.**

Regular Session Bills of Interest

ACA 4 (Frazier) Lower-Voter Threshold for Transportation Taxes

This bill would lower voter approval requirements from two-thirds to 55 percent for the imposition of special taxes used to provide funding for transportation purposes. **The Board is in SUPPORT of this bill.**

AB 516 (Mullin) Temporary License Plates – SIGNED BY THE GOVERNOR ON JULY 25

This bill would, beginning January 1, 2017, require the Department of Motor Vehicles (DMV) to develop a temporary license plate to be displayed on vehicles sold in California and creates new fees and penalties associated with the processing and display of the temporary tag. **The Board is in SUPPORT of this bill.**

AB 2126 (Mullin) Alternative Project Delivery

This bill would increase the number of projects for which Caltrans has the authority to use the construction manager/general contractor (CM/GC) method of procurement from six to 12. **The Board is in SUPPORT of this bill.**

SB 885 (Wolk) Construction Contract Indemnity – THIS BILL WAS HEAD

This bill would specify that for construction contracts entered into on or after January 1, 2017, that a design professional only has the duty to defend against claims or lawsuits pertaining to negligence, recklessness, or willful misconduct of the design professional. Under the bill, a design professional would not have a duty to defend claims or lawsuits against any other person or entity arising from a construction project, except that person's or entity's reasonable defense costs arising out of the design professional's degree of fault. **The Board STRONGLY OPPOSES this bill.**

SB 1128 (Glazer) Bay Area Commute Benefit Policy

Current law authorizes, until January 1, 2017, the Metropolitan Transportation Commission and the Bay Area Quality Management District to jointly adopt and enforce an ordinance requiring employers to take a more active role in providing commute benefits to their employees, with the goal of attracting new riders to public transit; and, delivering air quality benefits, traffic congestion relief and additional fare revenue to help sustain and grow quality public transit service. Under this ordinance, impacted employers were required to offer their employees one of a series of commute benefits. This bill would indefinitely extend the statutory authorization for the Bay Area commute benefit ordinance. **The Board is in SUPPORT of this bill.**

SB 1170 (Wieckowski) Stormwater Pollution Prevention Plans – THIS BILL WAS HELD

This bill prohibits a public entity, charter city, or charter county from delegating to a contractor the development of a plan used to prevent or reduce water pollution or runoff on a public works contract and prohibits from requiring a contractor on a public works contract that includes compliance with a plan to assume responsibility for the completeness and accuracy of a plan developed by that entity. **The Board STRONGLY OPPOSES this bill.**

SB 1298 (Hertzberg) Stormwater Funding

This bill makes changes to the Proposition 218 Omnibus Implementation Act by adding a definition for "sewer" to mean "services and systems provided by all real estate, fixtures, and personal property owned, controlled, operated, or managed in connection with or to facilitate sewage collection, treatment, or disposition for sanitary or drainage purposes, including lateral and connecting sewers, interceptors, trunk and outfall lines, sanitary sewage treatment or disposal plants or works, drains, conduits, outlets for surface water or **storm waters**, and any and all other works, property, or structures necessary or convenient for the collection or disposal of sewage, industrial waste, or surface water or **storm waters**." **The Board is in STRONG SUPPORT of this bill.**

C/CAG

CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY

Atherton • Belmont • Brisbane • Burlingame • Colma • Daly City • East Palo Alto • Foster City • Half Moon Bay • Hillsborough • Menlo Park • Millbrae • Pacifica • Portola Valley • Redwood City • San Bruno • San Carlos • San Mateo • San Mateo County • South San Francisco • Woodside

September 8, 2016

The Honorable Jim Beall
Chair, Senate Transportation and Housing Committee
State Capitol, Room 2209
Sacramento, CA 95814

RE: **SUPPORT** for SBX1 1 (Beall)

Dear Assembly Member Frazier:

The City/County Association of Governments of San Mateo County (C/CAG), the Congestion Management Agency (CMA) for San Mateo County, is pleased to write to you today in **SUPPORT** of SBX1 1 (Beall). This bill would establish a multi-faceted transportation funding package, resulting in \$7.4 billion in transportation funding.

San Mateo County faces significant funding shortfalls to maintain our local streets & roads and improve the state highway system in our county. To fully address our local street and road funding shortfall, San Mateo County would need almost \$1.6 billion over the next 10 years. This bill, through a combination of fuel taxes, vehicle registration fees, Cap and Trade revenues, and revenue protections, would provide billions of dollars over that same timeframe to cities and counties and reestablish the state transportation improvement program (STIP). Of the new revenue generated, approximately \$2.5 billion would be distributed to cities and counties and substantial investments would be made in our state highways, in goods movement, and in transit. Additionally, this bill returns truck weight fee revenue to the State Highway Account.

We **SUPPORT** SBX1 1 and appreciate your efforts to provide both state and local agencies the additional resources necessary to address our transportation infrastructure needs. Please feel free to contact Sandy Wong, the C/CAG Executive Director, at slwong@smcgov.org with any questions or concerns.

Sincerely,

Alicia Aguirre, Chair
City/County Association of Governments of San Mateo County

Cc: Assembly Member Richard Gordon
Assembly Member Kevin Mullin
Assembly Member Phil Ting
Senator Jerry Hill

C/CAG

CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY

Atherton • Belmont • Brisbane • Burlingame • Colma • Daly City • East Palo Alto • Foster City • Half Moon Bay • Hillsborough • Menlo Park • Millbrae • Pacifica • Portola Valley • Redwood City • San Bruno • San Carlos • San Mateo • San Mateo County • South San Francisco • Woodside

September 8, 2016

The Honorable Jim Frazier
Chair, Assembly Transportation Committee
1020 N Street, Room 112
Sacramento, CA 95814

RE: **SUPPORT** for ABX1 26 (Frazier)

Dear Assembly Member Frazier:

The City/County Association of Governments of San Mateo County (C/CAG), the Congestion Management Agency (CMA) for San Mateo County, is pleased to write to you today in **SUPPORT** of ABX1 26 (Frazier). This bill would establish a multi-faceted transportation funding package, resulting in \$7.4 billion in transportation funding.

San Mateo County faces significant funding shortfalls to maintain our local streets & roads and improve the state highway system in our county. To fully address our local street and road funding shortfall, San Mateo County would need almost \$1.6 billion over the next 10 years. This bill, through a combination of fuel taxes, vehicle registration fees, Cap and Trade revenues, and revenue protections, would provide billions of dollars over that same timeframe to cities and counties and reestablish the state transportation improvement program (STIP). Of the new revenue generated, approximately \$2.5 billion would be distributed to cities and counties and substantial investments would be made in our state highways, in goods movement, and in transit. Additionally, this bill returns truck weight fee revenue to the State Highway Account.

We **SUPPORT** ABX1 26 and appreciate your efforts to provide both state and local agencies the additional resources necessary to address our transportation infrastructure needs. Please feel free to contact Sandy Wong, the C/CAG Executive Director, at slwong@smcgov.org with any questions or concerns.

Sincerely,

Alicia Aguirre, Chair
City/County Association of Governments of San Mateo County

Cc: Assembly Member Richard Gordon
Assembly Member Kevin Mullin
Assembly Member Phil Ting
Senator Jerry Hill

Frazier – Beall Transportation Funding Package

- A \$7.4 billion annual funding package to repair and maintain our state and local roads, improve our trade corridors, and support public transit and active transportation.
- A \$706 million repayment of outstanding transportation loans for state and local roads.
- Eliminates the BOE “true up” that causes funding uncertainty and is responsible for drastic cuts to regional transportation projects.
- Indexes transportation taxes and fees to the California CPI to keep pace with inflation.
- Reforms and accountability for state and local governments to protect taxpayers.
- Streamlines transportation project delivery to help complete projects quicker and cheaper.
- Protects transportation revenue from being diverted for non-transportation purposes. *
- Helps local governments raise revenue at home to meet the needs of their communities.*

New Annual Funding

- **State** -- \$2.9 billion annually for maintenance and rehabilitation of the state highway system.
- **Locals** -- \$2.5 billion annually for maintenance and rehabilitation of local streets and roads.
- **Regions** -- \$534 million annually to help restore the cuts to the State Transportation Improvement Program (STIP).
- **Transit** -- \$516 million annually for transit capital projects and operations.
- **Freight** -- \$900 million annually for goods movement.
- **Active Transportation** -- \$80 million annually, with up to \$150 million possible through Caltrans efficiencies, for bicycle and pedestrian projects.
- Constitutional Amendment to help locals raise funding at home by lowering the voter threshold for transportation tax measures to 55 percent.*

Reforms and Accountability

- Restores the independence of the California Transportation Commission (CTC).
- Creates the Office of Transportation Inspector General to oversee all state spending on transportation.
- Increases CTC oversight and approval of the State Highway Operations and Protection (SHOPP) program.
- Requires local governments to report streets and roads projects to the CTC and continue their own funding commitments to the local system.

Streamlining Project Delivery

- Permanently extends existing CEQA exemption for improvements in the existing roadway.
- Permanently extends existing federal NEPA delegation for Caltrans.
- Creates an Advance Mitigation program for transportation projects to help plan ahead for needed environmental mitigation.

New Annual Funding Sources

- Gasoline Excise Tax -- \$2.5 billion (17 cents per gallon increase)
- End the BOE “true up” -- \$1.1 billion
- Diesel Excise Tax -- \$900 million (30 cents per gallon increase)
- Vehicle Registration Fee -- \$1.3 billion (\$38 per year increase)
- Zero Emission Vehicle Registration Fee -- \$16 million (\$165 per year starting in 2nd year)
- Truck Weight Fees -- \$1 billion (Return to transportation over five years)
- Diesel Sales Tax -- \$216 million (3.5% increase)
- Cap and Trade -- \$300 million (from unallocated C&T funds)
- Miscellaneous transportation revenues -- \$149 million

Keeping Promises and Protecting Revenues

- One-time repayment of outstanding loans from transportation programs over two years. (\$706 million)
- Return of truck weight fees to transportation projects over five years. (\$1 billion)
- Constitutional amendment to ensure new funding cannot be diverted for non-transportation uses.

**These provisions will be in companion bills.*

C/CAG AGENDA REPORT

Date: September 8, 2016

To: City/County Association of Governments Board of Directors

From: Sandy Wong, Executive Director

Subject: Receive the initial draft of the San Mateo Countywide Transportation Plan 2040

(For further information or response to questions, contact John Hoang at 650-363-4105)

RECOMMENDATION

That the C/CAG Board receives the initial draft of the San Mateo Countywide Transportation Plan 2040.

FISCAL IMPACT

\$185,000

SOURCE OF FUNDS

C/CAG Transportation Fund; San Mateo County Transportation Authority (TA); SamTrans

BACKGROUND

Per State legislation, Bay Area counties are authorized to develop Countywide Transportation Plans (CTPs) on a voluntary basis. California Government Codes suggests the content to be included in CTPs, the relationships between the CTP and Regional Transportation Plan/Sustainable Community Strategy (RTP/SCS) and between the CTP and the county's Congestion Management Plan (CMP).

The CTP is intended to provide a long-range comprehensive transportation planning document that establishes a framework to systematically address transportation goals and objectives and promote consistency between transportation plans and programs within San Mateo County. The long-range transportation planning context is important given the complexity of the transportation system.

C/CAG adopted its first CTP in 2001 (CTP 2010). The process of updating the CTP was initiated in 2010, in which C/CAG staff worked closely with a Working Group consisting of city planners and other key stakeholders to develop various components of the CTP. C/CAG staff continued efforts to develop the draft CTP in 2012, utilizing materials generated from earlier work. The CTP work was put on hold due to the anticipated update of the Metropolitan Transportation Commission's (MTC's) CTP Guidelines, which was issued in September 2014.

Development Process

In February 2016, C/CAG executed a Memorandum of Understanding (MOU) with project partners TA and SamTrans to update the San Mateo Countywide Transportation Plan, referred to as the SMCTP 2040. A Project Team, comprised of key staff from C/CAG, TA, SamTrans, and Caltrain,

was established to provide overall guidance and direction to the consultant towards the development of the SMCTP 2040. In addition to the Project Team, the Congestion Management and Environmental Quality (CMEQ) Committee, designated as the Policy Advisory Committee (PAC), serves in an advisory role to ensure that the SMCTP 2040 is developed in a comprehensive manner taking into consideration shared goals and varying perspectives.

SMCTP 2040 Update

At the August 11, 2016 meeting, the C/CAG Board received a status update of the development process for the San Mateo Countywide Transportation Plan and received general information about the challenges and opportunities, the approach in addressing key strategies, program areas, and major initiatives to be addressed as part of the CTP update. Since then, the Project Team has been working towards finalizing the initial draft SMCTP 2040 for public review.

The SMCTP 2040 comprises of the following transportation related program areas: Land Use and Transportation Linkage, Roadway System, Bicycle and Pedestrians, Public Transportation, Transportation System Management, Parking, Modal Connectivity, and Goods Movement, as well as financial considerations. Each program areas include background descriptions, identification of issues, and a framework that addresses specific vision, goals, policies, and objectives.

For this meeting, a more detailed presentation on the individual program areas and key topics will be provided to the C/CAG Board for discussion and input. With the Board's receipt of the Draft SMCTP 2040, staff will proceed with planning for the public outreach phase, which includes creation of a webpage for posting the draft document for review and receiving comments online, and holding three public workshops. The public workshops, which will be scheduled in the early evening hours, are tentatively scheduled during the last week of September and first week of October. There will be a minimum of three workshops to be held throughout the County, covering the north, south, and coast side parts of the County. In addition, the Project Team will reach out to other agencies and organizations, as needed, to cast a wider net for input.

Comments received will be considered prior to finalizing the draft document. It is anticipated that the final SMCTP 2040 will be completed by the end of the year, with the C/CAG Board adoption planned for December 2016.

ATTACHMENTS

- Initial Draft San Mateo Countywide Transportation Plan 2040

(The document is available online at the C/CAG website at <http://ccag.ca.gov/>)

C/CAG AGENDA REPORT

Date: September 8, 2016
 To: City/County Association of Governments Board of Directors
 From: Sandy Wong, Executive Director
 Subject: Receive a presentation on the Smart Mobility Project

(For further information or response to questions, contact John Hoang at 650-363-4105)

RECOMMENDATION

That the C/CAG Board receives a presentation on the Smart Mobility Project.

FISCAL IMPACT

\$25,000 over two years

SOURCE OF FUNDS

Congestion Relief Plan

BACKGROUND

C/CAG partners with Joint Venture Silicon Valley (JVSV) to support the development of the Smart Mobility Project concept, which strives for the integration of transportation related technology, policies, programs, and procedures. One goal of the project is to explore ways to provide faster and more reliable commute options through public/private partnerships to accelerate the development and deployment of web-based transportation software applications, expanding access to alternative transportation options and reducing single-occupancy commutes.

The purpose of this presentation is to provide the C/CAG Board information on ideas, opportunities and challenges in addressing commute mode shift for traffic congestion relief and reduction in vehicle miles traveled. Potential solutions include concepts for the integration of enterprise commute trip reduction software with smartphone mobility aggregation, viability of pricing as a motivation for mode shift, availability of new commute options, as well as overcoming systematic obstacles.

ATTACHMENTS

None

C/CAG AGENDA REPORT

Date: September 8, 2016

To: C/CAG Board of Directors

From: Sandy Wong, Executive Director

Subject: Review and Approval of the One Bay Area Grant 2 (OBAG 2) Transportation for Livable Communities (TLC) Program and Bicycle and Pedestrian Improvement Program (BPIP) Call for Projects.

(For further information, contact Jean Higaki at 650-599-1462)

RECOMMENDATION

That the C/CAG Board review and approve of the One Bay Area Grant 2 (OBAG 2) Transportation for Livable Communities (TLC) Program and Bicycle and Pedestrian Improvement Program (BPIP) Call for Projects.

FISCAL IMPACT

Not applicable.

SOURCE OF FUNDS

Federal funds allocated by the Metropolitan Transportation Commission (MTC) via OBAG 2 include Congestion Mitigation and Air Quality (CMAQ) funds and Surface Transportation Program (STP) funds.

BACKGROUND

The OBAG 2 TLC and BPIP call for projects was presented to the C/CAG Board for review at the August 11, 2016 meeting. The original plan was to have Board approval in August, however, on July, 27, 2016 the MTC Commission required the Congestion Management Agencies (CMAs) “to adopt a specific scoring methodology for selecting projects within PDAs or Transit Priority Areas (TPAs) that rewards jurisdictions with the most effective housing anti-displacement policies.” In response to that, C/CAG staff presented the draft scoring criterion to the C/CAG committees in August. In addition, the MTC adopted an anti-displacement requirement which is described on the attached “OBAG 2 Eligibility and Requirements.”

On November 18, 2015, MTC and ABAG adopted Resolution 4202 outlining and approving the OBAG 2 Grant Program. OBAG 2 is composed two fund sources, Surface Transportation Program (STP) and Congestion Mitigation and Air Quality (CMAQ) and covers (five years) FY 2017/18 through FY 2021/22.

On May 12, 2016 the C/CAG Board adopted the funding Framework for the One Bay Area Grant 2 (OBAG 2) in San Mateo County. Subsequent to the C/CAG Board's adoption of the framework, the federal Fixing America's Surface Transportation (FAST) Act provided additional STP/ CMAQ funds resulting in an additional \$2.69 million for the county share. On August 11, 2016 the C/CAG Board adopted the revised OBAG 2 framework. The revised framework increased the TLC and BPIP allocation amount from \$5,421,000 to \$5,926,000.

Bicycle and Pedestrian Improvement Program (BPIP)

\$5,926,000 will be directed for competition in the Bicycle and Pedestrian Improvement Program to fund a wide range of bicycle and pedestrian improvements.

Below is the proposed schedule for the BPIP program:

Action	Tentative Dates
Call for Projects approved by the Board	September 8, 2016
Call for Projects Issued to the Agencies/ Public	Mid - September 2016
Workshop held for project applicants	Last week September 2016
Application due date	November 18, 2016
Screening of applications	November 2016
Sponsor Presentations to BPAC	Jan/Feb 2017
BPAC Project Funding Recommendation	March/ April 2017
Project list approved by the Board	May 2017
Project list to MTC	June 2017
Project submissions due in FMS	Late Summer 2017

BPIP Committee Review and New Changes

A previous version of scoring criteria for the BPIP program was presented to the BPAC on May 26, 2016. The BPAC recommended approval of the scoring criteria as presented to the C/CAG Board on August 11, 2016.

On July 27, 2016, the MTC Commission adopted revisions to the project selection requirements for the county program that requires the CMAs “to adopt a specific scoring methodology for selecting projects within PDAs or Transit Priority Areas (TPAs) that rewards jurisdictions with the most effective housing anti-displacement policies.”

Two options were presented for consideration by the BPAC to address the anti-displacement scoring methodology requirement. One option was to modify the affordable housing criteria to award projects based on adopted specific housing preservation/ community stabilization policies but keep the existing criterion cap at five points. The second option was to increase the weight of this modified criterion to ten points by shifting five points away from the council and community support criterion.

On August 25, 2016, the BPAC recommended to reward projects located in PDAs or Transit Priority Areas (TPA) up to five points, based on the number of affordable housing preservation strategies and or community stabilization policies adopted and applying to that PDA.

Transportation for Livable Communities (TLC)

\$5,926,000 will be directed for competition in the TLC Program to fund a wide range improvements and facilities that support and promote alternative transportation modes rather than the single-occupant automobile. Below is the proposed schedule for the TLC program:

Action	Tentative Dates
Call for Projects approved by the Board	September 8, 2016
Call for Projects Issued to the Agencies/ Public	Mid - September 2016
Workshop held for project applicants	Last week September 2016
Application due date	November 18, 2016
Screening of applications	November 2016
Selection panel meeting	January 2017
Project list presented to CMP TAC	March/ April 2017
Project list presented to CMEQ	March/ April 2017
Project list approved by the Board	May 2017
Project list to MTC	June 2017
Project submissions due in FMS	Late Summer 2017

TLC Committee Review

A previous version of scoring criteria for the TLC program was presented to the Congestion Management Program Technical Advisory Committee (CMP TAC) and Congestion Management & Environmental Quality Committee (CMEQ) in June. Modifications from the CMP TAC and CMEQ were incorporated and presented to the C/CAG Board on August 11, 2016.

TLC New Changes

On July 27, 2016, the MTC Commission adopted revisions to the project selection requirements for the county program that requires the CMAs “to adopt a specific scoring methodology for selecting projects within PDAs or Transit Priority Areas (TPAs) that rewards jurisdictions with the most effective housing anti-displacement policies.”

Two options were presented for consideration by the CMP TAC and CMEQ to address the anti-displacement scoring methodology requirement. One option was to modify the affordable housing criteria to award projects based on adopted specific housing preservation/ community stabilization policies but keep the existing criterion cap at five points. The second option was to increase the weight of this modified criterion to ten points by shifting five points away from the project readiness design criterion.

On August 18, 2016, the CMP TAC recommended to reward projects located in PDAs or Transit Priority Areas (TPA) up to five points, based on the number of affordable housing preservation strategies and or community stabilization policies adopted and applying to that PDA. On August 29, 2016, the CMEQ deliberated on the item and recommended sending a letter to the C/CAG Board. This letter is attached (Attachment 7).

ATTACHMENTS

1. OBAG 2 Eligibility and Requirements
2. Preservation Strategies/ Community Stabilization Policy (examples)
3. OBAG 2 Overall Program Goals Requirements and Minimum Screening Requirements
4. BPIP Scoring Criteria
5. BPIP Call for Projects Announcement
6. BPIP Application
7. Letter from CMEQ Committee to the C/CAG Board regarding TLC anti-displacement scoring
8. TLC Scoring Criteria
9. TLC Call for Projects Announcement
10. TLC Application

OBAG 2 Eligibility and Requirements

Highlights of the MTC OBAG 2 adopted proposal:

- OBAG 2 allows CMAs the flexibility to invest in various transportation categories, such as Local Streets and Roads Preservation, Bicycle and Pedestrian Improvements, Transportation for Livable Communities, Planning, and outreach activities.
- During OBAG 1 the Safe Routes to School and the Federal-Aid Secondary (rural roads) programs were provided to San Mateo County outside of the OBAG umbrella. MTC has shifted these programs under the OBAG 2 process.
- For San Mateo County, 70% of all funds must be spent in Priority Development Areas (PDAs), however Safe Routes to School is not subject to the PDA spending requirement.
- Projects can count towards a PDA if it connects or provides proximate access to a PDA.
- Pedestrian and bike project eligibility will be expanded to not be limited to the regional bike network.
- Minimum OBAG 2 grant size for this county is \$250,000. All project funds must be rounded to the thousands for programming.
- Each jurisdiction must identify and maintain a single point of contact for the implementation of all FHWA projects from inception to project close-out.
- Per MTC Resolution No. 3036 Request for obligation deadlines are November 1 of the prior program year in order to obligate funds by January 31 of the program year (e.g. if program year is 2018 delivery deadline is November 1, 2017.)

Eligibility Requirements

In order to be eligible for any funding related to the OBAG 2 funding, a jurisdiction must comply with the following requirements:

Anti-Displacement Requirement – When MTC adopted Resolution 4202 in November 2015, MTC staff was directed to develop anti-displacement policy recommendations. On July 27, 2016 the MTC adopted the following requirement in order to be eligible for OBAG 2 funds:

“All cities and counties must adopt a surplus land resolution by the date the CMAs submit their OBAG 2 project recommendations to MTC. The resolution must verify that any disposition of surplus land undertaken by the jurisdiction complies with the State Surplus Land Act, as amended by AB 2135, 2014. MTC will issue guidance to assist cities and counties in drafting a resolution to meet this requirement. This guidance will be posted on the OBAG 2 website: <http://mtc.ca.gov/our-work/fund-invest/federal-funding/obag-2>.”

At this time the resolution requirement shall not apply to charter cities unless and until a final court decision is rendered that charter cities are subject to the provisions of the Act.

Complete Street Requirements - Jurisdictions that have not updated their circulation element after 2010 to meet the State’s Complete Streets Act requirements will need to adopt a complete streets resolution per the MTC model used for OBAG 1, if they have not already done so.

Housing Element Requirement - Agencies must have housing elements adopted by the California Department of Housing and Community Development (HDC) by May 31, 2015. Agencies must continue to submit the annual housing Element Report to HCD to remain eligible for funding.

As of February 2016, all jurisdictions in San Mateo County were in compliance with the Complete Streets and Housing Element requirements.

Preservation Strategies/ Community Stabilization Policy (examples)

Dedicated affordable housing actions to prevent or mitigate displacement of existing tenants due to escalating rents

- 1 Just Cause Eviction Ordinance
- 2 Rent Stabilization or Rent Control
- 3 Rent review board and/or mediation
- 4 Mobile Home Rent Control
- 5 SRO (Single-Room Occupancy) Preservation
- 6 Condominium Conversion Regulations
- 7 Foreclosure Assistance
- 8 Locally Required Relocation Assistance (all Federal projects have relocation requirement)
- 9 Minimum Lease Terms for rentals
- 10 Voluntary (“Good Behavior”) Rent Program
- 11 Rental Repair and Rehabilitation Program
- 12 Landlord-Tenant Fair Housing Counseling
- 13 Tenant Anti-Harassment Policies
- 14 Source of Income Non-Discrimination Ordinance

“Transit priority area” means “an area within one-half mile of a major transit stop that is existing or planned, if the planned stop is scheduled to be completed within the planning horizon included in a Transportation Improvement Program adopted pursuant to Section 450.216 or 450.322 of Title 23 of the Code of Federal Regulations.”

“Major transit stop” means “a site containing an existing rail transit station, a ferry terminal served by either a bus or rail transit service, or the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods.” Other relevant definitions are contained in the new Public Resource Code Section 21099.

C/CAG OneBayArea Grant 2 (OBAG 2) Screening Requirements Fiscal Years 2017/2018 – 2021/2022 MTC OBAG 2 Overall Program Goals Requirements and Minimum Screening Requirements	
Overall OBAG 2 Requirements	MTC's funding approach to integrate the region's federal transportation program with California's climate law (Senate Bill 375, Steinberg, 2008) and the Sustainable Communities Strategy. MTC OBAG program goals are intended to reward local agencies that accept housing allocations through the Regional Housing Need Allocation (RHNA) process, produce housing, and target project investments to the region's Priority Development Areas (PDAs).
MTC OBAG Program Goals	MTC requires a minimum of 70% of all OBAG funds be invested in ABAG approved Priority Development Areas (PDAs) or in proximate access to PDAs. Safe Routes to School is not subject to this requirement.
70% of OBAG Funds spent in PDAs	Countywide, half of all OBAG funds must be obligated by January 31, 2020. All remaining OBAG funds must be obligated by January 31, 2023. Non-infrastructure projects and Preliminary Engineering (PE) phases are expected to be programmed and obligated in the first program year.
Timely Use of Funds	
Minimum Screening Requirements	
CMAQ fund source	Project must be for new or expanded transportation projects that reduce emissions. Maintenance projects are not allowed. Local Streets and Roads is funded through STP fund sources.
Construction Phase	Project cannot be a design only project. Project funds may cover some design cost but project must include a fully funded construction phase. Non-infrastructure projects (e.g. Educational and Outreach) are federally categorized as a construction phase.
Map project location in relation to a PDA	All project locations must be mapped. Projects not located directly in a PDA must show where project is located in proximity to a PDA. See attached definition of "proximate access to a PDA". See scoring criteria for further information.
Online Complete Street Checklist	The MTC Complete Streets online checklist must be completed for each project application.
MTC OBAG 2 Checklist for Local Compliance	Applicant agency is required to fill out and submit the MTC OBAG 2 Checklist for Local Compliance with MTC Resolution No. 4202
Minimum Local Match	Federally required 11.47% of total project cost in local funds (non-federal cash match). For capital improvement projects, fully funding with design with local funds towards overall project match (toll credits) is highly encouraged.
Local Match Limitations	No "in-kind" match allowed. For capital improvement projects, fully funding with design with local funds towards overall project match (toll credits) is highly encouraged.
Single Point of Contact	Every recipient of OBAG 2 funds will need to identify and maintain a single point of contact for the implementation of all FHWA administered funds within that agency. This person must have sufficient knowledge in the federal-aid delivery process to coordinate issues and questions that may arise from project inception to project close-out.
Eligible Applicants	Federally recognized local agencies in San Mateo County (e.g. Cities, County, San Mateo County Transportation Authority, San Mateo County Transit District) and entities with existing executed Master Agreements with Caltrans Local Assistance.
Minimum/ Maximum Grant Size	Minimum \$250,000 per project. Maximum grant funds per project is \$1,000,000. Maximum allowable grant funds per jurisdiction is \$1,500,000 (for BPIP and TLC combined).
Housing Element	Applicant agency is required to have its general plan housing element adopted and certified by the California Department of Housing and Community Development (HCD) for 2014-22 RHNA prior to June 30, 2016. The agency's annual housing Housing Element Report must be submitted to HCD each year through the end of the OBAG 2 program (FY 2022) in order to be eligible for funding.
Complete Streets Resolution or Letter	Applicant agency must have an MTC approved complete streets policy resolution no later than December 31, 2016. A jurisdiction can also meet this requirement through a general plan that complies with the Complete Streets Act of 2008 after January 1, 2010.
Surplus Lands Resolution	Applicant agency must meet MTC's Surplus Land Requirement for OBAG 2 prior to CMA submitting it's program, through adoption of a resolution demonstrating compliance with the State's Surplus Land Act (AB 2135 amended). Charter Cities are exempt unless and until a final court decision in rendered that charter cities are subject to the provisions of the act.

C/CAG OneBayArea Grant (OBAG) Scoring Criteria
 Fiscal Years 2017/2018 – 2021/2022
Bicycle/Pedestrian Improvement Program

Program Goals	<ul style="list-style-type: none"> • Encourage active transportation. • Build out the bicycle and pedestrian network. • Reduce vehicle trips. 	
Eligible Types of Projects	<ul style="list-style-type: none"> • New construction and major reconstructions of paths, tracks, or areas for the use by pedestrian or other non-motorized means of transportation when economically feasible and in the public interest. • Permanent bicycle racks. • Other improvements include bulb outs, sidewalk widening, cross walk enhancements, audible signal modification, mid-block crossings, pedestrian street lighting, pedestrian medians and refuges. • Signal modification for bicycle detection. • Secure bicycle storage facilities and other facilities, including bicycle lanes, for the convenience and protection of bicyclists, in both public and private areas • Outreach and educational programs. <p>* Note: Fund source is intended to reduce vehicle trips and must not fund exclusively recreational projects. Facility hours of operations must reasonably support bicycle/ pedestrian needs during commute hours.</p>	
Fund Source		
CMAQ fund source	Project must be for new or expanded transportation project. Maintenance projects are not allowed.	
Scoring Criteria		
		Maximum Score
Location in relation to a Priority Development Area	Projects are located in a PDA or in Proximity to a PDA (Note: MTC mandates that 70% of all OBAG funds are to be located in a PDA or in proximate access to a PDA) (In a PDA =10pts, In proximate access to a PDA =5pts)	10
RHNA/ Housing Production	Jurisdiction formula based on MTC OBAG distribution factors, which is based on population, RHNA, and housing production.	5
Location in a BAAQMD CARE Communities	If project is in a BAAQMD defined CARE community or freight transportation center or improvements implement "Best Practices" as identified by the Air District's Planning Healthy Places guidelines. (0-2)	2
Community of Concern	Project location in relation to Communities of Concern (COC) as defined by MTC or locally identified as part of Community based Transportation Plans. Project is identified in one of the Community Based Transportation Plans developed in San Mateo County or the Countywide Transportation Plan for Low Income Communities. (Project is in a CBTP -10pts, Project is located in or serves a COC -5pts)	10
Affordable Housing	Project is located in a PDA or Transit Priority Area (TPA) that has affordable housing preservation strategies and/ or community stabilization policies (Anti-Displacement). (1-2 policies = 2 pts, 3-6 policies = 3 pts, 7-9 policies = 4 pts, 10-14 policies = 5 pts)	5
User Benefit	Project has a high need (2 points) Project is a safety project (3 points) Project is expected to have high use (3 points) Project is expected to have a high return on investment (2 points) Project meets the intent and goals of the program (4 points)	14
Planning	Project is listed in an adopted planning document (e.g. bike plan, pedestrian plan, or area planning document).	5
Connectivity/ Improves Transportation Choices	Project connects or improves access to housing/ jobs/ "high quality" transit (4 points) Project connects a gap in a bicycle or pedestrian network. (4 points) Project encourages multi modal access with a "complete streets" approach. (4 points) Project is located in or near dense job centers, in proximity to transit, and housing with reduced parking requirements and travel demand Management (TDM) programs or Project improves transportation choices for all income levels (2 points)	14
Support	Project has council approval and community support.	10
Match Funds	Project exceeds the minimum match for the project (11.47-20% -2pts, 21-30%-5pts, 30%-40 -7 pts, 40%+- 10pts)	10
Readiness	Project is free of Right of Way complications (project has secured encroachment permits, or is entirely on city property)	5
	Project has secured all regulatory agency permits (e.g. BCDC, RWQCB, CCC, USFWS)	5
	Project is 100% designed (1-5)	5

C/CAG

CITY/COUNTY ASSOCIATION OF
GOVERNMENTS OF SAN MATEO COUNTY

Atherton • Belmont • Brisbane • Burlingame • Colma • Daly City • East Palo Alto • Foster City • Half Moon Bay • Hillsborough • Menlo Park • Millbrae • Pacifica • Portola Valley • Redwood City • San Bruno • San Carlos • San Mateo • San Mateo County • South San Francisco • Woodside

One Bay Area Grant 2 (OBAG 2) Program Call for Projects Bicycle Pedestrian Improvement Program (BPIP) Fiscal Years 2017/2018 -2021/2022 Issued September 12, 2016

The San Mateo City/County Association of Governments (C/CAG) is pleased to announce a Call for Bicycle Pedestrian Improvement Program (BPIP) projects under Metropolitan Transportation Commission's (MTC) One Bay Area Grant 2 (OBAG 2) Program.

The BPIP Program is a component of OBAG 2. For the Fiscal Year 2017/2018 - 2021/2022 there is a total of \$5,926,000 in Federal Congestion Mitigation and Air Quality Improvement (CMAQ) Program funds available on a competitive basis for this program.

The minimum grant amount is set at \$250,000. The maximum grant amount per project is \$1,000,000. The maximum amount that can be allocated per agency is \$1,500,000 for both the Transportation for Livable Communities (TLC) and the BPIP combined. Project applicants are limited to Caltrans recognized Local Public Agencies (LPAs) in San Mateo County such as Cities and Towns, the County of San Mateo, the San Mateo County Transit District (SamTrans), the Peninsula Corridor Joint Powers Board (JPB) or the San Mateo County Transportation Authority (SMCTA). For a listing of eligible local agencies see: <http://www.dot.ca.gov/dist4/ola/contact/sm.pdf>.

Project sponsors may not apply to both the TLC and BPIP for the same project. Project sponsors should review the program goals and typical project types associated with each program and submit an application for the most suitable program. Applications will be screened for duplication. Project sponsor may combine their OBAG 2 Local Streets and Roads (LSR) project with a TLC project; however it will not count as "match" in an application as both funds sources are Federal.

Bicycle and Pedestrian Improvement Program (BPIP)

The Bicycle and Pedestrian Improvement Program (BPIP) support bicycle and pedestrian projects in San Mateo County. This program is designed to build upon and enhance the San Mateo County bicycle network and pedestrian environment to encourage the use of active transportation such as walking or bicycling. The goal of this program is to continue to build out bicycle and pedestrian improvements to better connect San Mateo County to local destinations and the multimodal transportation network.

The BPIP may fund a wide variety of bicycle and pedestrian improvements such as Class I, II, III, and IV bicycle facilities; cycle tracks; bicycle education, outreach, sharing and parking; sidewalks, ramps, pathways and pedestrian bridges; user safety and supporting facilities; and traffic signal actuation. Bicycle and pedestrian projects may be located on or off the federal-aid highway system.

This program is intended to address air pollution reduction by reducing vehicle trips and supporting bicycle/ pedestrian commuter needs. Projects must not be exclusively recreational in nature as they should be commute oriented as required for eligibility for federal Congestion Mitigation and Air Quality Improvement (CMAQ) Program funds.

BPAC Field Reviews

In lieu of a project field review, project sponsors are encouraged to submit a field video (up to 5 minute maximum) with the application. This field video is not required but may improve a project score. The field video should show the project location and highlight issues and how the project will address those issues. This video will not take the place of the BPAC project presentation and should not be included in the BPAC project presentation.

Proximate Access to Priority Development Areas (PDA)

MTC requires that a minimum of 70% of all OBAG funds be invested in Priority Development Areas (PDAs). A project lying outside the limits of a PDA may count towards the minimum if it directly connects to or provides proximate access to a PDA.

The following definition of “proximate access to a PDA” for OBAG was approved by the C/CAG Board of Directors on August 11, 2016. By meeting any one of the six categories below, a project would meet the definition of proximate access to a PDA. The proposed six categories are:

1. The project provides direct access to a PDA (ie. a road, sidewalk, or bike lane that leads directly into a PDA); or
2. The project is within one mile of a PDA boundary; or
3. The project is located on a street that hosts a transit route, which directly leads to a PDA; or
4. The project is located within ½ mile of one or more stops for two or more public or shuttle bus lines, or within ½ mile of a rail station or regional transit station, that is connected to a PDA; or
5. The project provides a connection between a Transit Oriented Development (TOD), as defined by C/CAG, and a PDA. (A TOD is previously defined by C/CAG as permanent high-density residential housing with a minimum density of 40 units per net acre, located within 1/3 mile from a Caltrain or BART station or on a frontage parcel of the El Camino Real/Mission Street in San Mateo County.); or
6. The project is a bicycle/pedestrian facility that is included in an adopted bicycle/pedestrian plan within San Mateo County and is part of a network that leads to a PDA.

Jurisdiction and Project Requirements

Selected projects will be subject to federal, state, and regional delivery requirements as noted in MTC Resolution No. 3606. (http://mtc.ca.gov/sites/default/files/MTC_Res_3606.pdf)

- Jurisdiction must be in compliance with the Regional Project Funding Delivery Policy requirements at the time of project application.
- Jurisdiction must comply with all FHWA and Caltrans Local Assistance and MTC project delivery and reporting requirements.
- Every recipient of funds will need to identify a current single point of contact (SPOC) for the implementation of all FHWA administered funds within that jurisdiction. This person must have sufficient knowledge in the federal-aid delivery process to coordinate issues and questions that may arise from project inception to project close-out.
- Jurisdiction must provide a minimum FHWA required local match of 11.47%.
- Request for obligation deadlines are November 1 of the prior program year in order to obligate funds by January 31 of the program year (e.g. if program year is 2018 delivery deadline is November 1, 2017)
- Jurisdiction is to submit a “resolution of local support” prior to programming. The template for the resolution of local support can be found at: <http://mtc.ca.gov/our-work/fund-invest/federal-funding/obag-2>
- Jurisdiction is to input project information into the MTC Fund Management System (FMS) project application no later than August 15, 2017.

Please see the attached C/CAG OBAG 2 Call for Projects Guidelines for eligibility, program goals, screening requirements, and scoring criteria. Adhere to the information stated in the scoring criteria in your application. Applications should be no more than 20 pages. Please submit **16 hard copies** (one reproducible) and 1 electronic copy (disk or flash drive). Applications must be completed using the Microsoft Word project application form posted at <http://ccag.ca.gov/opportunities/call-for-projects/>.

Applications are due by **November 18, 2016 by 5:00 p.m.** Please send your hard copies to:

Jean Higaki, C/CAG
555 County Center, 5th Floor
Redwood City, CA 94063

Additional information regarding regional OBAG requirements and policies can be found at: http://mtc.ca.gov/sites/default/files/RES-4202_approved_0.pdf.

For any questions regarding the OBAG2 program or application process, please contact Jean Higaki at 650-599-1462 or jhigaki@smcgov.org.

C/CAG ONE BAY AREA GRANT 2 PROGRAM (OBAG 2)
Bicycle Pedestrian Improvement Program (BPIP)
APPLICATION FOR FISCAL YEARS 2017/2018 - 2021/2022

Section 1: General Project Information

1) General Project Information

Sponsor Agency:

Implementing Agency:

Funds Requested
Minimum \$250,000
Maximum \$1,000,000:

Note:

- Maximum amount that can be awarded per project is \$1,000,000.
- The maximum allowable grant fund per jurisdiction is \$1,500,000 (for BPIP and TLC combined).

2) Single point of contact for all Federal Aid projects in your agency:

Name:

Title:

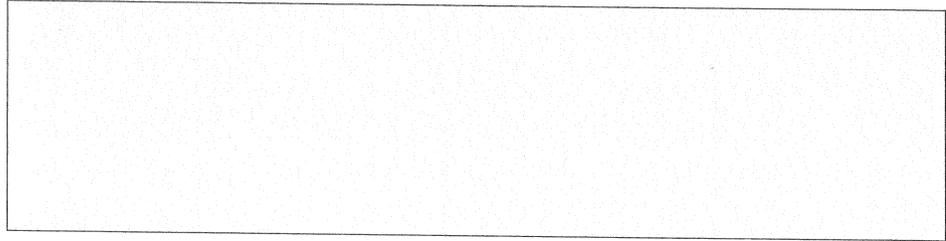
Agency:

Phone Number:

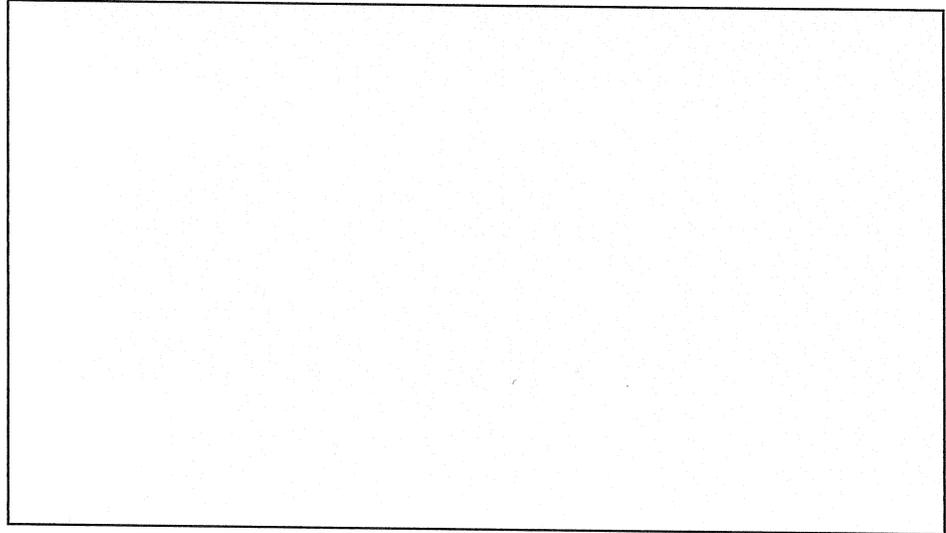
Email Address:

Section 2: Project Description

Project
Description:



Project
Location/Limits:
*(Include streets,
cross streets,
and project
limits, as
appropriate)*



Section 3: Screening Requirements

1) Required attachment for all capital projects, map(s) that include the following elements (Please limit size to 11x17):

- Project location in relation to an ABAG approved Priority Development Area (PDA). Include the PDA name and map the ABAG PDA boundary. Include measurements if supporting a “proximate access” claim.
- If project meets the definition of “proximate access” to a PDA, show details on a map and describe how it meets the definition on Question 4.
- Attach a proposed project sketch or conceptual layout. For example; a location indicator map may be more appropriate for a pedestrian countdown signal head project while a conceptual layout is applicable for a trail or bike lane installation. If multiple types of improvements are proposed throughout the project limits (e.g. a combination of Class 1 and Class 3 bicycle facilities), clearly indicate the limits of each type of improvement on the map.

- Differentiate existing and new facilities, as applicable (e.g. bikeways, sidewalks, crosswalks, traffic signals, etc.) If this project is closing a gap, clearly illustrate how the project will achieve this.
- Show nearby transit facilities, activity centers and regional connectors (to the extent feasible).

2) Required for all projects, fill out Complete Streets online project and checklist information at

http://completestreets.mtc.ca.gov/external_user_sessions/new

- Create and fill out information for a new project
- Create and fill out information for a new checklist. Associate new checklist to the newly created project.

What is the inputted Project Name?

What is the inputted Checklist Name?

3) Required for all projects, fill out and attach the “One Bay Area Grant (OBAG 2) Checklist for Local Compliance with MTC Resolution No. 4202” found at <http://ccag.ca.gov/obag-2-call-for-projects/>.

- Yes – The checklist is attached.
- No – The checklist will be completed prior to C/CAG approval of award.

4) Is this project located within the boundary of an ABAG approved PDA?

- Yes – Project location is shown relative to PDA on the required map.
- No

a. If not, is this project within proximate access to an ABAG approved PDA?

- Yes – Please see attached definition of “proximate access to a PDA” and include documentation that supports this claim on attached map.

Indicate how the project meets at least one of the definition of proximity to a PDA:

No

Note: MTC mandates that 70% of all funds are to be located in a PDA or in proximate access to a PDA.

5) Project Cost by Phase

Please fill in the funding table below.

	Requested OBAG Funds	Indicate Local Cash Match and/ or Toll Credits (minimum 11.47%)	Other Project Funds	Total Project Funds
Preliminary Engineering				
Construction Capital				
Construction Support				
Total				

Is this still a viable project if partially funded? Please explain below.

Yes

No

Describe the source of "Other Project Funds":

Section 4: Scoring Criteria

1) Is project in a BAAQMD defined CARE community or freight transportation center? See <http://www.baaqmd.gov/plans-and-climate/community-air-risk-evaluation-care-program>

- Yes
- No

a) Do improvements implement “Best Practices” as identified by the Air District's Planning Healthy Places guidelines? See http://www.baaqmd.gov/~media/files/planning-and-research/planning-healthy-places/php_may20_2016-pdf.pdf?la=en

Describe the “Best Practices” utilized.

2) Is this project identified in a Community Based Transportation Plan developed in San Mateo County or in the Countywide Transportation Plan for Low Income Communities? See <http://mtc.ca.gov/our-work/plans-projects/other-plans/community-based-transportation-plans> or <http://ccag.ca.gov/programs/transportation-plans/>

- Yes

If yes, please site the planning document and strategy number

- No

a) Is this project located in or does this project serve a Community of Concern (COC) as defined by MTC or locally identified as part of Community Based Transportation Plans? See <http://mtc.maps.arcgis.com/home/webmap/viewer.html?webmap=6395becf0324b7c9aa2887cc46ada11>

Yes

Please describe how this project serves a COC or the CBTP community

No

3) Is this project located in a PDA or TPA that has affordable housing preservations strategies and/ or community stabilization policies?

Yes

If yes, please list the policies in place and provide verification (e.g. web links or ordinance/ resolution numbers).

No

4) Describe the user benefit of the proposed project.

Describe the following:

- Project need
- Expected use
- Expected return on investment.

a) Is this project a safety project?

Yes

If yes, please describe/substantiate the safety problem to be addressed.

No

Describe how the project meets the goals and intent of the program

5) Is this project identified in an adopted planning document (e.g. bike plan, pedestrian plan, or other area planning document)?

Yes

If yes, please provide the plan names, adopted date, and page number. Provide a web link if available.

No

6) Does this project provide connectivity or improve transportation choices?

Describe how the project improves access to housing/ jobs/ high quality transit.

Describe how the project addresses a gap in a bicycle or pedestrian network.

Describe how the project encourages multi modal access with a "complete streets" approach.

Please describe if the project is located in dense job centers, near transit, or near housing with reduced parking requirements or travel demand management (TDM) programs? And/ or describe how the project improves transportation choices for all income levels?

7) Does this project have local community support and/ or council approval?

- Yes – Attach any supporting documentation (e.g. letters of support).

If yes, please describe the community involvement and/ or evidence of local support.

- No

8) Readiness

Is this project located entirely within the sponsor's right of way? Is the project expected to need utility relocations?

- Yes
 No

If no, please list if any permits and/ or easements been identified and/or acquired?

Is this project near the coast, bay front, refuge, or other environmentally sensitive areas? Does this project require agreements with other jurisdictions or regulatory agencies? Is the project's schedule dependent on the progress of another project?

Yes

If yes, list expected studies/ permits or environmental issues? Describe any project dependencies.

No

Is this project designed?

Yes

If yes, indicate and substantiate status (e.g. 35%, 65%, 90%). Indicate if the design has been reviewed by Caltrans design or Caltrans permit office.

No

9) Please input the project schedule

	Date
Planning Complete	
Environmental Studies	
NEPA and CEQA Approval	
R/W Certification	
Complete PS&E	
Obtain E-76 from Caltrans	
Ready to Advertise	
Contract Award	

In lieu of a project field review, project sponsors are encouraged to submit a field video (up to 5 minute maximum) with the application. This field video is not required but may improve a project score. The field video should show the project location and highlight issues and how the project will address those issues. This video does not take the place of the BPAC project presentation and should not be included in the project presentation. Is a field review included in this application?

- Yes – A field video file is included with the electronic application on a disk or flash drive.
- No – A field video is not included.

Note: Half of all OBAG2 funds must be submitted for construction obligation by January 31, 2020. All Preliminary Engineering (PE) and non-infrastructure funds must be programmed and obligated no later than January 31, 2018. All remaining OBAG2 funds must be submitted for construction obligation by January 1, 2023.

Date: September 8, 2016

To: C/CAG Board of Directors

From: Sandy Wong, Executive Director

Subject: Message from the Congestion Management & Environmental Quality Committee.
(For further information, contact Sandy Wong at 650.599.1409)

At the August 29, 2016 meeting, the Congestion Management & Environmental Quality (CMEQ) Committee deliberated on its meeting agenda item #8 – Review and recommend approval of the One Bay Area Grant 2 (OBAG 2) Transportation for Livable Communities (TLC) Program Call for Projects.

There was an “affordable housing preservations and community stabilization” (also known as anti-displacement) component in the staff recommended scoring criteria for the Call for Projects. As presented to the CMEQ on August 29th, staff recommended assigning up to a maximum of 5 or 10 points to projects that are located in a PDAs or Transit Priority Areas that have affordable housing preservation strategies and/or community stabilization policies. Staff provided an example list of Preservation Strategies and Community Stabilization Policies.

The CMEQ committee had extensive discussion on this item. The committee is deeply concerned with the issue of affordable housing as well as anti-displacement in San Mateo County. Due to lack of information and insufficient time to conduct proper analysis on the effectiveness of the various anti-displacement policies, the committee did not take an action to make a recommendation on agenda item #8. The committee directed me to send this message to the C/CAG Board of Directors.

C/CAG OneBayArea Grant (OBAG) Scoring Criteria Fiscal Years 2017/2018 – 2021/2022 Transportation For Livable Communities (TLC) Program		
Program Goals	<ul style="list-style-type: none"> • Create enjoyable and safe multi modal experiences. • Facilitate multi modal mobility. • Enhance connections between alternative modes of transportation. • Enhancements that support community based transportation that brings vibrancy to downtown areas, commercial cores, high density neighborhoods, and transit corridors. <p>Note: TLC projects must facilitate multimodal transportation (e.g. no landscape only projects)</p>	
Eligible Types of Projects	<ul style="list-style-type: none"> • Streetscape improvements such as improved sidewalks, street furniture and fixtures, pedestrian scaled lighting, way finding signage, landscaping, and bicycle pedestrian treatments that focus on high-impact, multi-modal improvements. Project must contain multi-modal elements (no beautification/ landscape only projects). • Complete streets improvements such as bulb outs, sidewalk widening, cross walk enhancements, audible signal modification, mid-block crossings, pedestrian street lighting, pedestrian medians and refuges. • Transit station improvements (plaza, station access, bike parking), transit access projects (connecting housing to jobs and mixed land use to transit). • Transportation Demand Management project such as car sharing, vanpooling coordination and information, and Clipper related projects. <p>Note: TLC projects must facilitate multimodal transportation</p>	
Fund Source		
CMAQ fund source	Project must be for new or expanded transportation project. Maintenance projects are not allowed.	
Scoring Criteria		
		Maximum Score
Location in relation to a Priority Development Area	Projects are located in a PDA or in Proximity to a PDA (Note: MTC mandates that 70% of all OBAG funds are to be located in a PDA or in proximate access to a PDA) (In a PDA =10pts, within 1/4 mi of a PDA=8pts, within 1/2 mi of a PDA = 5pts, within 1 mi of a PDA or in proximate access to a PDA = 2pts)	10
RHNA/ Housing Production	Jurisdiction formula based on MTC OBAG distribution factors, which is based on population, RHNA, and housing production. (1-5)	5
Location in a BAAQMD CARE Communities	If project is in a BAAQMD defined CARE community or freight transportation center or improvements implement "Best Practices" as identified by the Air District's Planning Healthy Places guidelines. (0-2)	2
Community of Concern	Project location in relation to Communities of Concern (COC) as defined by MTC or locally identified as part of Community based Transportation Plans. Project is identified in one of the Community Based Transportation Plans developed in San Mateo County or the Countywide Transportation Plan for Low Income Communities. (Project is in a CBTP or Countywide Transportation Plan for Low Income Communities = 5pts, Project is located in or serves a COC = 3pts)	5
Affordable Housing	Project is located in a PDA or Transit Priority Area (TPA) that has affordable housing preservation strategies and/ or community stabilization policies. (Anti-Displacement) (1-2 policies = 2 pts, 3-6 policies = 3 pts, 7-9 policies = 4 pts, 10-14 policies = 5 pts)	5
User Benefit	Project has a high need (3 points) Project is a safety project (4 points) Project is expected to have high use (4 points) Project is expected to have a high return on investment (3 points) Project meets the intent and goals of the program (5 points)	19
Planning	Project is listed in an adopted planning document (e.g. bike plan, pedestrian plan, station area plan, transit plan, or other area planning document). (1-5)	5
Connectivity/ Improves Transportation Choices	Project connects or improves access to housing/ jobs/ "high quality" transit (4 points) Project connects a gap in a bicycle or pedestrian network. (4 points) Project encourages multi modal access with a "complete streets" approach. (4 points) Project is located in or near dense job centers, in proximity to transit, and housing with reduced parking requirements and travel demand Management (TDM) programs or Project improves transportation choices for all income levels (4 points)	16
Support	Project has council approval and/ or community support. (1-5)	5
Match Funds	Project exceeds the minimum match for the project (11.47% minimum) - (1-10)	10
Readiness	Project is free of Right of Way complications (project has secured encroachment permits, or is entirely on city property). (1-4)	4
	Project has secured all required regulatory agency permits (e.g. BCDC, RWQCB, CCC, USFWS). (1-4)	4
	Project is designed (0-100%). (1-10)	10

C/CAG
 CITY/COUNTY ASSOCIATION OF
 GOVERNMENTS OF SAN MATEO COUNTY

Atherton • Belmont • Brisbane • Burlingame • Colma • Daly City • East Palo Alto • Foster City • Half Moon Bay • Hillsborough • Menlo Park • Millbrae • Pacifica • Portola Valley • Redwood City • San Bruno • San Carlos • San Mateo • San Mateo County • South San Francisco • Woodside

**One Bay Area Grant 2 (OBAG 2) Program Call for Projects
 Transportation for Livable Communities (TLC)
 Fiscal Years 2017/2018 -2021/2022
 Issued September 12, 2016**

The San Mateo City/County Association of Governments (C/CAG) is pleased to announce a Call for Transportation for Livable Communities (TLC) projects under Metropolitan Transportation Commission's (MTC) One Bay Area Grant 2 (OBAG 2) Program.

The TLC Program is a component of OBAG 2. For the Fiscal Year 2017/2018 - 2021/2022 there is a total of \$5,926,000 in Federal Congestion Mitigation and Air Quality Improvement (CMAQ) Program funds available on a competitive basis for this program.

The minimum grant amount is set at \$250,000. The maximum grant amount per project is \$1,000,000. The maximum amount that can be allocated per agency is \$1,500,000 for both the TLC and the Bicycle and Pedestrian Improvement Program (BPIP) combined. Project applicants are limited to Caltrans recognized Local Public Agencies (LPAs) in San Mateo County such as Cities and Towns, the County of San Mateo, the San Mateo County Transit District (SamTrans), the Peninsula Corridor Joint Powers Board (JPB) or the San Mateo County Transportation Authority (SMCTA). For a listing of eligible local agencies see: <http://www.dot.ca.gov/dist4/ola/contact/sm.pdf>.

Project sponsors may not apply to both the TLC and BPIP for the same project. Project sponsors should review the program goals and typical project types associated with each program and submit an application for the most suitable program. Applications will be screened for duplication. Project sponsor may combine their OBAG 2 Local Streets and Roads (LSR) project with a TLC project; however it will not count as "match" in an application as both funds sources are Federal.

Transportation for Livable Communities (TLC) Program

The TLC Program is a transportation funding program that aims to fund a wide range improvements and facilities that support and promote alternative transportation modes rather than the single-occupant automobile. The program is intended to support community based transportation projects that will reduce air pollution in downtown areas, commercial cores, high-density neighborhoods, and transit corridors. A wide range of improvements include but are not limited to transit station improvements (plazas, station access, and bicycle parking),

Bicycle and pedestrian “complete street” improvements, and multi-modal streetscape improvements (pedestrian scaled lighting, way finding signage, and bicycle/ pedestrian treatments). Projects must be able to support alternative transportation modes (no landscape only projects). Projects must result in a capital improvement and cannot be planning only.

The TLC Program helps to construct these amenities in an effort to revitalize public spaces and promote and enhance alternative transportation such that citizens will be more inclined to utilize alternative transportation as a result of the built environment being made safer and more attractive to use. These enhancements should encourage citizens to visit downtowns, retail corridors and transit corridors without the use of the single-occupant automobile.

Proximate Access to Priority Development Areas (PDA)

MTC requires that a minimum of 70% of all OBAG funds be invested in Priority Development Areas (PDAs). A project lying outside the limits of a PDA may count towards the minimum if it directly connects to or provides proximate access to a PDA.

The following definition of “proximate access to a PDA” for OBAG was approved by the C/CAG Board of Directors on August 11, 2016. By meeting any one of the six categories below, a project would meet the definition of proximate access to a PDA. The proposed six categories are:

1. The project provides direct access to a PDA (ie. a road, sidewalk, or bike lane that leads directly into a PDA); or
2. The project is within one mile of a PDA boundary; or
3. The project is located on a street that hosts a transit route, which directly leads to a PDA; or
4. The project is located within ½ mile of one or more stops for two or more public or shuttle bus lines, or within ½ mile of a rail station or regional transit station, that is connected to a PDA; or
5. The project provides a connection between a Transit Oriented Development (TOD), as defined by C/CAG, and a PDA. (A TOD is previously defined by C/CAG as permanent high-density residential housing with a minimum density of 40 units per net acre, located within 1/3 mile from a Caltrain or BART station or on a frontage parcel of the El Camino Real/Mission Street in San Mateo County.); or
6. The project is a bicycle/pedestrian facility that is included in an adopted bicycle/pedestrian plan within San Mateo County and is part of a network that leads to a PDA.

Jurisdiction and Project Requirements

Selected projects will be subject to federal, state, and regional delivery requirements as noted in MTC Resolution No. 3606. (http://mtc.ca.gov/sites/default/files/MTC_Res_3606.pdf)

- Jurisdiction must be in compliance with the Regional Project Funding Delivery Policy requirements at the time of project application.
- Jurisdiction must comply with all FHWA and Caltrans Local Assistance and

MTC project delivery and reporting requirements.

- Every recipient of funds will need to identify a current single point of contact (SPOC) for the implementation of all FHWA administered funds within that jurisdiction. This person must have sufficient knowledge in the federal-aid delivery process to coordinate issues and questions that may arise from project inception to project close-out.
- Jurisdiction must provide a minimum FHWA required local match of 11.47%.
- Request for obligation deadlines are November 1 of the prior program year in order to obligate funds by January 31 of the program year (e.g. if program year is 2018 delivery deadline is November 1, 2017)
- Jurisdiction is to submit a “resolution of local support” prior to programming. The template for the resolution of local support can be found at: <http://mtc.ca.gov/our-work/fund-invest/federal-funding/obag-2>
- Jurisdiction is to input project information into the MTC Fund Management System (FMS) project application no later than August 15, 2017.

Please see the attached C/CAG OBAG 2 Call for Projects Guidelines for eligibility, program goals, screening requirements, and scoring criteria. Adhere to the information stated in the scoring criteria in your application. Applications should be no more than 20 pages. Please submit **6 hard copies** (one reproducible) and 1 electronic copy (disk or flash drive). Applications must be completed using the Microsoft Word project application form posted at <http://ccag.ca.gov/opportunities/call-for-projects/>.

Applications are due by **November 18, 2016 by 5:00 p.m.** Please send your hard copies to:

Jean Higaki, C/CAG
555 County Center, 5th Floor
Redwood City, CA 94063

Additional information regarding regional OBAG requirements and policies can be found at: http://mtc.ca.gov/sites/default/files/RES-4202_approved_0.pdf

For any questions regarding the OBAG2 program or application process, please contact Jean Higaki at 650-599-1462 or jhigaki@smcgov.org.

C/CAG ONE BAY AREA GRANT 2 PROGRAM (OBAG 2)
Transportation for Livable Communities
(TLC) Program

APPLICATION FOR FISCAL YEARS 2017/2018 - 2021/2022

Section 1: General Project Information

1) General Project Information

Sponsor Agency:

Implementing Agency:

Funds Requested
Minimum \$250,000
Maximum \$1,000,000:

Note:

- Maximum amount that can be awarded per project is \$1,000,000.
- The maximum allowable grant fund per jurisdiction is \$1,500,000 (for BPIP and TLC combined).

2) Single point of contact for all Federal Aid projects in your agency:

Name:

Title:

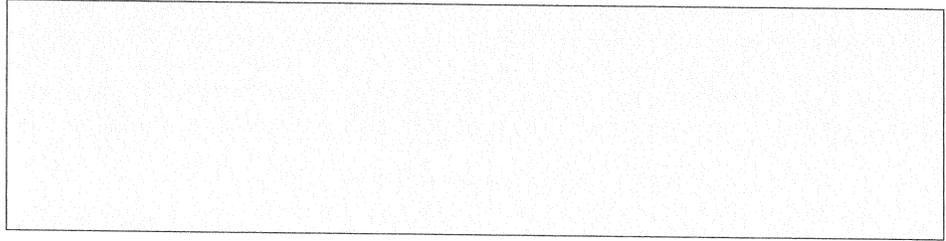
Agency:

Phone Number:

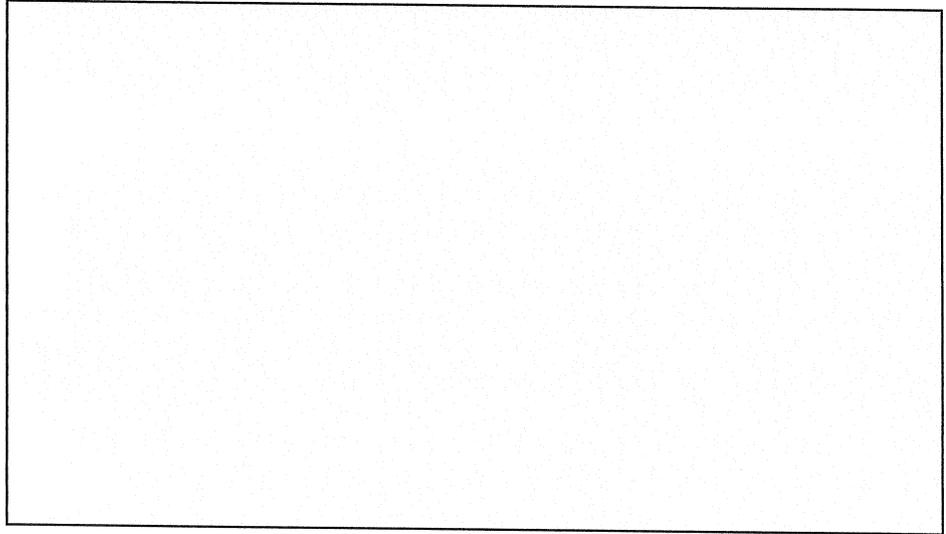
Email Address:

Section 2: Project Description

Project
Description:



Project
Location/Limits:
*(Include streets,
cross streets,
and project
limits, as
appropriate)*



Section 3: Screening Requirements

1) **Required attachment for all capital projects, map(s) that include the following elements (Please limit size to 11x17):**

- Project location in relation to an ABAG approved Priority Development Area (PDA). Include the PDA name and map the ABAG PDA boundary. Include measurements if supporting a “proximate access” claim.
- If project meets the definition of “proximate access” to a PDA, show details on a map and describe how it meets the definition on Question 4.
- Attach a proposed project sketch or conceptual layout. For example; a location indicator map may be more appropriate for a pedestrian countdown signal head project while a conceptual layout is applicable for a trail or bike lane installation. If multiple types of improvements are proposed throughout the project limits (e.g. a combination of Class 1 and Class 3 bicycle facilities), clearly indicate the limits of each type of improvement on the map.

- Differentiate existing and new facilities, as applicable (e.g. bikeways, sidewalks, crosswalks, traffic signals, etc.) If this project is closing a gap, clearly illustrate how the project will achieve this.
- Show nearby transit facilities, activity centers and regional connectors (to the extent feasible).

2) Required for all projects, fill out Complete Streets online project and checklist information at

http://completestreets.mtc.ca.gov/external_user_sessions/new

- Create and fill out information for a new project
- Create and fill out information for a new checklist. Associate new checklist to the newly created project.

What is the inputted Project Name?

What is the inputted Checklist Name?

3) Required for all projects, fill out and attach the “One Bay Area Grant (OBAG 2) Checklist for Local Compliance with MTC Resolution No. 4202” found at <http://ccag.ca.gov/obag-2-call-for-projects/>.

- Yes – The checklist is attached.
- No – The checklist will be completed prior to C/CAG approval of award.

4) Is this project located within the boundary of an ABAG approved PDA?

- Yes – Project location is shown relative to PDA on the required map.
- No

a. If not, is this project within proximate access to an ABAG approved PDA?

- Yes – Please see attached definition of “proximate access to a PDA” and include documentation that supports this claim on attached map.

Indicate how the project meets at least one of the definition of proximity to a PDA:

No

Note: MTC mandates that 70% of all funds are to be located in a PDA or in proximate access to a PDA.

5) Project Cost by Phase

Please fill in the funding table below.

	Requested OBAG Funds	Indicate Local Cash Match and/ or Toll Credits (minimum 11.47%)	Other Project Funds	Total Project Funds
Preliminary Engineering				
Construction Capital				
Construction Support				
Total				

Is this still a viable project if partially funded? Please explain below.

Yes

No

Describe the source of "Other Project Funds":

Section 4: Scoring Criteria

1) Is project in a BAAQMD defined CARE community or freight transportation center? See <http://www.baaqmd.gov/plans-and-climate/community-air-risk-evaluation-care-program>

Yes

No

a) Do improvements implement “Best Practices” as identified by the Air District's Planning Healthy Places guidelines? See http://www.baaqmd.gov/~media/files/planning-and-research/planning-healthy-places/php_may20_2016-pdf?la=en

Describe the “Best Practices” utilized.

2) Is this project identified in a Community Based Transportation Plan developed in San Mateo County or in the Countywide Transportation Plan for Low Income Communities? See <http://mtc.ca.gov/our-work/plans-projects/other-plans/community-based-transportation-plans> or <http://ccag.ca.gov/programs/transportation-plans/>

Yes

If yes, please site the planning document and strategy number

No

a) Is this project located in or does this project serve a Community of Concern (COC) as defined by MTC or locally identified as part of Community Based Transportation Plans? See <http://mtc.maps.arcgis.com/home/webmap/viewer.html?webmap=6395becf0324b7c9aa2887cc46ada11>

Yes

Please describe how this project serves a COC or the CBTP community

No

3) Is this project located in a PDA or TPA that has affordable housing preservations strategies and/ or community stabilization policies?

Yes

If yes, please list the policies in place and provide verification (e.g. web links or ordinance/ resolution numbers).

No

4) Describe the user benefit of the proposed project.

Describe the following:

- Project need
- Expected use
- Expected return on investment.

a) Is this project a safety project?

Yes

If yes, please describe/substantiate the safety problem to be addressed.

No

Describe how the project meets the goals and intent of the program

5) Is this project identified in an adopted planning document (e.g. bike plan, pedestrian plan, station area plan, transit plan, or other area planning document)?

Yes

If yes, please provide the plan names, adopted date, and page number. Provide a web link if available.

No

6) Does this project provide connectivity or improve transportation choices?

Describe how the project improves access to housing/ jobs/ high quality transit.

Describe how the project addresses a gap in a bicycle or pedestrian network.

Describe how the project encourages multi modal access with a "complete streets" approach.

Please describe if the project is located in dense job centers, near transit, or near housing with reduced parking requirements or travel demand management (TDM) programs? And/ or describe how the project improves transportation choices for all income levels?

7) Does this project have local community support and/ or council approval?

- Yes – Attach any supporting documentation (e.g. letters of support).

If yes, please describe the community involvement and/ or evidence of local support.

- No

8) Readiness

Is this project located entirely within the sponsor's right of way? Is the project expected to need utility relocations?

- Yes
- No

If no, please list if any permits and/ or easements been identified and/or acquired?

Is this project near the coast, bay front, refuge, or other environmentally sensitive areas? Does this project require agreements with other jurisdictions or regulatory agencies? Is the project's schedule dependent on the progress of another project?

Yes

If yes, list expected studies/ permits or environmental issues? Describe any project dependencies.

No

Is this project designed?

Yes

If yes, indicate and substantiate status (e.g. 35%, 65%, 90%). Indicate if the design has been reviewed by Caltrans design or Caltrans permit office.

No

9) Please input the project schedule

	Date
Planning Complete	
Environmental Studies	
NEPA and CEQA Approval	
R/W Certification	
Complete PS&E	
Obtain E-76 from Caltrans	
Ready to Advertise	
Contract Award	

Note: Half of all OBAG2 funds must be submitted for construction obligation by January 31, 2020. All Preliminary Engineering (PE) and non-infrastructure funds must be programmed and obligated no later than January 31, 2018. All remaining OBAG2 funds must be submitted for construction obligation by January 1, 2023.

C/CAG AGENDA REPORT

Date: September 8, 2016
To: C/CAG Board of Directors
From: Sandy Wong, Executive Director
Subject: Review and approval of Resolution 16-33 adopting the C/CAG Investment Policy update

(For further information or questions contact Sandy Wong at 599-1409)

RECOMMENDATION

That the C/CAG Board review and approve Resolution 16-33 adopting the C/CAG Investment Policy update.

FISCAL IMPACT

Adoption of the Investment Policy will affect the return on investments and impact the safety of the principal.

SOURCE OF FUNDS

The Investment Policy applies to all C/CAG funds held by the C/CAG Financial Agent (City of San Carlos).

BACKGROUND

The C/CAG Investment Policy stated that the policy shall be reviewed at least annually, and that it shall be adopted by resolution of the C/CAG Board on an annual basis. The last update of the C/CAG Investment Policy was adopted by the C/CAG Board in December 2015. On August 24, 2016, the Finance Committee reviewed and recommended approval of the C/CAG investment policy update.

Proposed modification to the C/CAG Investment Policy is attached, with track changes, edits are shown with underline and ~~strikethrough~~.

ATTACHMENT

1. Resolution 16-33
2. C/CAG Investment Policy update (with track changes)

RESOLUTION 16-33

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY (C/CAG) ADOPTING THE C/CAG INVESTMENT POLICY UPDATE

RESOLVED, by the Board of Directors of the City/County Association of Governments of San Mateo County (C/CAG); that,

WHEREAS, the City of San Carlos is the Fiscal Agent for C/CAG; and

WHEREAS, the City of San Carlos invests the C/CAG funds under its control; and

WHEREAS, it is important for the C/CAG Board to provide clear Investment Policy direction; and

WHEREAS, C/CAG shall review and adopt its investment policy at least annually; and

WHEREAS, the proposed C/CAG investment policy update has been reviewed and recommended by its Finance Committee.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the City/County Association of Governments of San Mateo County that the attached C/CAG Investment Policy is approved and adopted.

PASSED, APPROVED, AND ADOPTED, THIS 8TH DAY OF SEPTEMBER 2016.

Alicia C. Aguirre, Chair

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY
(C/CAG)**

INVESTMENT POLICY

Adopted on ~~December 10, 2015~~ August 24, September 8, 2016

POLICY

The investment of the funds of the City and County Association of Governments (C/CAG) is directed to the goals of safety, liquidity and yield. This Investment Policy incorporates the policies defined by the certified investment policy standards recommended by the Association of Public Treasurers. The authority governing investments for municipal governments is set forth in the California Government Code, Sections 53601 through 53659. C/CAG's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with state and local law.

The three objectives, in priority order, of the investment policy of the City and County Association of Governments are:

- 1- SAFETY OF PRINCIPAL - The primary objective of the investment policy of the City and County Association of Governments is SAFETY OF PRINCIPAL. Investments shall be placed in those securities as outlined by type and maturity sector in this document to achieve this objective. The portfolio should be analyzed not less than quarterly by the C/CAG Finance Committee and modified as appropriate periodically as recommended by the Finance Committee and approved by the C/CAG Board, to respond to changing circumstances in order to achieve the Safety of Principal.
- 2- LIQUIDITY TO MEET NEEDS - Effective cash flow management and resulting cash investment practices are recognized as essential to good fiscal management and control. The portfolio should have adequate liquidity to meet the immediate and short term needs.
- 3- RETURN ON INVESTMENT - A reasonable return on investment should be pursued. Safety of Principal should not be reduced in order to achieve higher yield.

C/CAG's investment portfolio shall be designed and managed in a manner responsive to the public trust and consistent with State and local law. Portfolio management requires continual analysis and as a result the balance between the various investments and maturities may change in order to give C/CAG the optimum combination of Safety of Principal, necessary liquidity, and optimal yield based on cash flow projections.

SCOPE

The investment policy applies to all financial assets of the City and County Association of Governments as accounted for in the Annual Financial Statements. Policy statements outlined in this document focus on C/CAG's pooled funds.

PRUDENCE

The standard to be used by investment officials shall be that of a "prudent investor" and shall be applied in the context of managing all aspects of the overall portfolio. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

It is C/CAG's full intent, at the time of purchase, to hold all investments until maturity to ensure the return of all invested principal dollars.

However, it is realized that market prices of securities will vary depending on economic and interest rate conditions at any point in time. It is further recognized that in a well-diversified investment portfolio, occasional measured losses are inevitable due to economic, bond market or individual security credit analysis. These occasional losses must be considered within the context of the overall investment program objectives and the resultant long-term rate of return.

The Administrative Services Director of the City of San Carlos (City) and other individuals assigned to manage the investment portfolio, acting within the intent and scope of the investment policy and other written procedures and exercising due diligence, shall be relieved of personal responsibility and liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

OBJECTIVES

Safety of Principal

Safety of principal is the foremost objective of the City and County Association of Governments. Each investment transaction shall seek to ensure that capital losses are avoided, whether from securities default, broker-dealer default or erosion of market value. C/CAG shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.

Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in investment grade securities and by diversifying the investment portfolio so that the failure of any one issuer does not unduly harm C/CAG's capital base and cash flow.

Market risk, defined as market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by limiting the average maturity of C/CAG's investment portfolio to two years, the maximum maturity of any one security to five years, structuring the portfolio based on historic and current cash flow analysis eliminating the need to sell securities

prior to maturity and avoiding the purchase of long term securities for the sole purpose of short term speculation.

Liquidity

Historical cash flow trends are compared to current cash flow requirements on an ongoing basis in an effort to ensure that C/CAG's investment portfolio will remain sufficiently liquid to enable C/CAG to meet all reasonably anticipated operating requirements. The C/CAG Executive Director will provide a projected cash flow schedule in consultation with the C/CAG Chair.

MATURITY MATRIX

Maturities of investments will be selected based on liquidity requirements to minimize interest rate risk and maximize earnings. Current and expected yield curve analysis will be monitored and the portfolio will be invested accordingly. The weighted average maturity of the pooled portfolio should not exceed two years and the following percentages of the portfolio should be invested in the following maturity sectors:

Maturity Range	Suggested Percentage
1 day to 7 days	10 to 50%
7 days to 180	10 to 30%
180 days to 360 days	10 to 30%
1 year to 2 years	10 to 20%
2 years to 3 years	0 to 20%
3 years to 4 years	0 to 20%
4 years to 5 years	0 to 20%

No more than 30% of the portfolio shall have a maturity of 2-5 years.

PERFORMANCE EVALUATION

Day to day management of C/CAG's portfolio is conducted by the C/CAG Fiscal Agent Financial Services Manager. Investment performance is monitored and evaluated by the Fiscal Agent's Investment Committee and provided to the **C/CAG Finance Committee** and C/CAG Board on a quarterly basis. Investment performance statistics and activity reports are generated on a quarterly basis for review by the Fiscal Agent's Investment Committee and presentation to the **C/CAG Finance Committee**, and to the C/CAG Board. Annually, a statement of investment policy, and any proposed changes to the policy, will be rendered to the **C/CAG Finance Committee** and to the C/CAG Board for consideration at a public meeting.

C/CAG's investment portfolio is designed to at least attain a market average rate of return through economic cycles. The market average rate of return is defined as average return on the Local Agency Investment Fund (assuming the State does not adversely affect LAIF's returns due to budget constraints).

DELEGATION OF AUTHORITY

The Joint Powers Authority Agreement of the City and County Association of Governments of San Mateo County and the authority granted by the C/CAG Board, assign the responsibility of investing unexpended cash to the City's Administrative Services Director. Daily management responsibility of the investment program may be delegated to the City's Financial Services Manager, who shall establish procedures for the operation consistent with this investment policy. For the longer term investments the C/CAG Fiscal Agent shall invest in accordance with the directions provided by C/CAG Board.

FISCAL AGENT INVESTMENT COMMITTEE

An investment committee consisting of the City of San Carlos Treasurer, City Manager, and Administrative Services Director shall be established to provide general oversight and direction concerning the policy related to management of C/CAG's investment pool. The Financial Services Manager shall not be a member of the committee but shall serve in a staff and advisory capacity. The committee shall review and approve quarterly investment reports prepared by the Finance Department and reviewed by the Financial Services Manager or meet as necessary to discuss changes to the report or the investment strategy. The Investment Committee serving as the legislative body of the Investment Policy will have the quarterly reports for their review within thirty (30) days following the end of the quarter covered by the report as per Section 53646 (b)(1) of the California Government Code.

ETHICS AND CONFLICTS OF INTEREST

The **C/CAG Finance Committee**, Officers, and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program, or impairs their ability to make impartial investment decisions. Additionally the Fiscal Agent's Administrative Services Director and the Financial Services Manager are required to annually file applicable financial disclosures (Form 700 etc.) as required by the Fair Political Practices Commission (FPPC).

SAFEKEEPING OF SECURITIES

To protect against fraud or embezzlement or losses caused by collapse of an individual securities dealer, all securities owned by C/CAG shall be held in safekeeping by a third party bank trust department, acting as agent for C/CAG under the terms of a custody agreement. All trades executed by a dealer will settle delivery versus payment (DVP) through C/CAG's safekeeping agent.

A receipt shall be provided for securities held in custody for C/CAG and shall be monitored by the Fiscal Agent's Administrative Services Director to verify investment holdings.

All exceptions to this safekeeping policy must be approved by the Fiscal Agent's Administrative Services Director in written form and included in the quarterly reporting to the C/CAG Board.

INTERNAL CONTROL

Separation of functions between the Fiscal Agent's Administrative Services Director or Financial Services Manager and/or the Senior Accountant is designed to provide an ongoing internal review to prevent the potential for converting assets or concealing transactions.

Investment decisions are made by the Fiscal Agent's Administrative Services Director, executed by the Fiscal Agent's Administrative Services Director or Financial Services Manager and confirmed by the Senior Accountant. All wire transfers initiated by the Fiscal Agent's Administrative Services Director or Financial Services Manager must be reconfirmed by the appropriate financial institution to the Senior Accountant. Proper documentation obtained from confirmation and cash disbursement wire transfers is required for each investment transaction. Timely bank reconciliation is conducted to ensure proper handling of all transactions.

The investment portfolio and all related transactions are reviewed and balanced to appropriate general ledger accounts by the Fiscal Agent's Senior Accountant on a monthly basis. An independent analysis by an external auditor shall be conducted annually to review and perform procedure testing on the Agency's cash and investments that have a material impact on the financial statements. The Fiscal Agent's Administrative Services Director and/or C/CAG Executive Director shall review and assure compliance with investment process and procedures.

REPORTING

The Fiscal Agent's Investment Committee shall review and render quarterly reports to the C/CAG Executive Director and to the C/CAG Board which shall include the face amount of the cash investment, the classification of the investment, the name of the institution or entity, the rate of interest, the maturity date, the current market value and accrued interest due for all securities. The quarterly reports will be submitted to the Fiscal Agent's Investment Committee within thirty (30) days following the end of the quarter covered by the report as per Section 53646 (b)(1) of the California Government Code. Once approved by the Fiscal Agent's Investment Committee, the report is submitted to the C/CAG Executive Director and the C/CAG Finance Committee for review. The quarterly reports shall be placed on C/CAG's meeting agenda for its review and approval no later than 75 days after the quarter ends. If there are no C/CAG meetings within the 75-day period, the quarterly report shall be presented to the Finance Committee at the soonest possible meeting thereafter.

QUALIFIED BROKER/DEALERS

C/CAG shall transact business only with banks, savings and loans, and with broker/dealers registered with the State of California or the Securities and Exchange Committee. The broker/dealers should be primary or regional dealers. C/CAG and the Fiscal Agent currently do not maintain a list of broker/dealers approved to do business with the City. When necessary, C/CAG and/or the Fiscal Agent shall go through the Request for Proposal processes to select the broker/dealers. Investment staff shall investigate dealers wishing to do business with C/CAG's staff to determine if they are adequately capitalized, have pending legal action against the firm or the individual broker and make markets in the securities appropriate to C/CAG's needs. C/CAG's investment policy shall be made available on C/CAG's website.

COLLATERAL REQUIREMENTS

Collateral is required for investments in certificates of deposit. In order to reduce market risk, the collateral level will be at least 110% of market value of principal and accrued interest. Collaterals should be held by an independent third party. Collaterals should be required for investments in CDs in excess of FDIC insured amounts.

AUTHORIZED INVESTMENTS

Investment of C/CAG's funds is governed by the California Government Code Sections 53600 et seq. The level of investment in all areas will be reviewed by the C/CAG Executive Director. Within the context of the limitations, the following investments are authorized, as further limited herein:

1. United States Treasury Bills, Bonds, and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no percentage limitation of the portfolio that can be invested in this category, although a five-year maturity limitation is applicable.
 2. Local Agency Investment Fund (LAIF) which is a State of California managed investment pool, and San Mateo County Investment pool, may be used up to the maximum permitted by California State Law. A review of the pool/fund is required when they are part of the list of authorized investments, with the knowledge that the pool/fund may include some investments allowed by statute but not explicitly identified in this investment policy.
 32. Obligations issued by the Government National Mortgage Association (GNMA), the Federal Farm Credit System (FFCB), the Federal Home Loan Bank Board (FHLB), the Federal National Mortgage Association (FNMA), the Student Loan Marketing Association (SLMA), and the Federal Home Loan Mortgage Corporation (FHLMC). There is no percentage limitation of the portfolio that can be invested in this category, although a five-year maturity limitation is applicable.
- Investments detailed in items ~~3-4~~ through 10 are further restricted to a percentage of the cost value of the portfolio in any single issuer name to a maximum of 5%. The total value invested in any one issuer shall not exceed 5% of the issuer's net worth. Again, a five-year maximum maturity limitation is applicable unless further restricted by this policy.
34. Bills of exchange or time drafts drawn on and accepted by commercial banks, otherwise known as banker's acceptances. Banker's acceptances purchased may not exceed 180 days to maturity or ~~30~~40% of the cost value of the portfolio.
 45. Commercial paper ranked "A-1" or higher, ~~or the equivalent~~the highest letter and number rating by a Nationally Recognized Statistical Rating Organization (NRSRO), such as Standard & Poor's Ratings Services, Moody's Investors Services, or Fitch Ratings, Inc., and issued by domestic corporations having assets in excess of \$500,000,000 and having

an A or better rating on its long term debentures as provided by NRSRO. Purchases of eligible commercial paper may not exceed 270 days to maturity nor represent more than 5% of the outstanding paper of the issuing corporation. Purchases of commercial paper may not exceed 25% of the cost value of the portfolio.

- ~~2.6.~~ Negotiable Certificates of Deposit issued by nationally or state chartered banks (FDIC insured institutions) or state or federal savings institutions. Purchases of negotiable certificates of deposit may not exceed 30% of total portfolio. A maturity limitation of five years is applicable.
- ~~3.~~ ~~Local Agency Investment Fund (LAIF) which is a State of California managed investment pool, and San Mateo County Investment pool, may be used up to the maximum permitted by California State Law. A review of the pool/fund is required when they are part of the list of authorized investments, with the knowledge that the pool/fund may include some investments allowed by statute but not explicitly identified in this investment policy.~~
7. Time deposits, non-negotiable and collateralized in accordance with the California Government Code, may be purchased through banks or savings and loan associations. Since time deposits are not liquid, no more than ~~25~~30% of the investment portfolio may be invested in this investment type.
8. Medium Term Corporate Notes, with a maximum maturity of five years may be purchased. Securities eligible for investment shall be rated A or better by an NRSRO. Purchase of medium term notes may not exceed 30% of the market value of the portfolio and no more than 5% of the market value of the portfolio may be invested in notes issued by one corporation. Commercial paper holdings should also be included when calculating the limitation. The C/CAG portfolio should also be included when calculating the 5% limitation.
9. Ineligible investments are those that are not described herein, including but not limited to, common stocks and long term (over five years in maturity) notes and bonds are prohibited from use in this portfolio. It is noted that special circumstances may arise that necessitate the purchase of securities beyond the five-year limitation. On such occasions, requests must be reviewed by the C/CAG Executive Director and approved by the C/CAG Board prior to purchase.
10. Various daily money market funds administered for or by trustees, paying agents and custodian banks contracted by the City and County Association of Governments may be purchased as allowed under State of California Government Code. Only funds holding U.S. Treasury or Government agency obligations can be utilized.

The following summary of maximum percentage limits, by instrument, is established for C/CAG's total pooled funds portfolio:

Authorized Investment Type	Government Code	Maximum Maturity	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (LAIF)	16429.1	Upon Demand	N/A	As approved by the C/CAG Board but no more than \$50 <u>65</u> million permitted by LAIF.	N/A
San Mateo County Investment Pool	53684	Upon Demand	N/A	As approved by the C/CAG Board	N/A
Treasury Obligations (bills, notes & bonds)	53601(b)	5 Years	N/A	100%	N/A
US Government Agency and Federal Agency Securities	53601(f)	5 Years	N/A	100%	N/A
Bankers Acceptances	53601(g)	180 Days	N/A	30 <u>40</u> %	(A), (B)
Commercial Paper	53601(h)	270 Days	A-1 Highest letter and number rating by an NRSRO	25%	(A), (B)
Negotiable Certificates of Deposit	53601(i)	5 Years	N/A	30%	(A), (B)
Time Certificates of Deposit – Banks or Savings and Loans	53601.8	5 Years	N/A	25 <u>30</u> %	(A), (B)
Medium Term Corporate Notes	53601(k)	5 Years	A	30%	(A), (B)

(A) 5% of outstanding paper of issuing corporation

(B) 5% of the portfolio in one corporation

DERIVATIVE INVESTMENTS

Derivatives are investments whose value is "derived" from a benchmark or index. That benchmark can be almost any financial measure from interest rates to commodity and stock prices. The use of derivatives is prohibited under this policy.

LEGISLATIVE CHANGES

Any State of California legislative action that further restricts allowable maturities, investment type, or percentage allocations will be incorporated into the City and County Association of Governments' Investment Policy and supersede any and all previous applicable language.

INTEREST EARNINGS

All moneys earned and collected from investments authorized in this policy shall be allocated quarterly based on the cash balance in each fund at quarter end as percentage of the entire pooled portfolio.

LIMITING MARKET VALUE EROSION

The longer the maturity of securities, the greater is their market price volatility. Therefore, it is the general policy of C/CAG to limit the potential effects from erosion in market values by adhering to the following guidelines:

All immediate and anticipated liquidity requirements will be addressed prior to purchasing all investments.

Maturity dates for long-term investments will coincide with significant cash flow requirements where possible, to assist with short term cash requirements at maturity.

All long-term securities will be purchased with the intent to hold all investments to maturity under then prevailing economic conditions. However, economic or market conditions may change, making it in C/CAG's best interest to sell or trade a security prior to maturity.

PORTFOLIO MANAGEMENT ACTIVITY

The investment program shall seek to augment returns consistent with the intent of this policy, identified risk limitations and prudent investment principals. These objectives will be achieved by use of the following strategies:

Active Portfolio Management. Through active fund and cash flow management, taking advantage of current economic and interest rate trends, the portfolio yield may be enhanced with limited and measurable increases in risk by extending the weighted maturity of the total portfolio.

Portfolio Maturity Management. When structuring the maturity composition of the portfolio, C/CAG shall evaluate current and expected interest rate yields and necessary cash flow requirements. It is recognized that in normal market conditions longer maturities produce higher yields. However, the securities with longer maturities also experience greater price fluctuations when the level of interest rates change.

Security Swaps. C/CAG may take advantage of security swap opportunities to improve the overall portfolio yield. A swap, which improves the portfolio yield, may be selected even if the transactions result in an accounting loss. Documentation for swaps will be included in C/CAG's permanent investment file documents. No swap may be entered into without the approval of the C/CAG Executive Director and the C/CAG Board.

Competitive Bidding. It is the policy of C/CAG to require competitive bidding for investment transactions that are not classified as "new issue" securities. For the purchase of non-"new issue" securities and the sale of all securities at least three bidders must be contacted. Competitive bidding for security swaps is also suggested, however, it is understood that certain time constraints and broker portfolio limitations exist which would not accommodate the competitive bidding process. If a time or portfolio constraining condition exists, the pricing of the swap should be verified to current market conditions and documented for auditing purposes.

POLICY REVIEW

The City/County Association of Governments' investment policy shall be adopted by resolution of the C/CAG Board on an annual basis. This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity and yield, and its relevance to current law and financial and economic trends. The Investment Policy, including any amendments to the policy shall be forwarded to the C/CAG Board for approval.

Glossary of Terms

Accrued Interest- Interest earned but not yet received.

Active Deposits- Funds which are immediately required for disbursement.

Amortization- An accounting practice of gradually decreasing (increasing) an asset's book value by spreading its depreciation (accretion) over a period of time.

Asked Price- The price a broker dealer offers to sell securities.

Basis Point- One basis point is one hundredth of one percent (.01).

Bid Price- The price a broker dealer offers to purchase securities.

Bond- A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Bond Swap - Selling one bond issue and buying another at the same time in order to create an advantage for the investor. Some benefits of swapping may include tax-deductible losses, increased yields, and an improved quality portfolio.

Book Entry Securities - Securities, such stocks held in "street name," that are recorded in a customer's account, but are not accompanied by a certificate. The trend is toward a certificate-free society in order to cut down on paperwork and to diminish investors' concerns about the certificates themselves. All the large New York City banks, including those that handle the bulk of the transactions of the major government securities dealers, now clear most of their transactions with each other and with the Federal Reserve through the use of automated telecommunications and the "book-entry" custody system maintained by the Federal Reserve Bank of New York. These banks have deposited with the Federal Reserve Bank a major portion of their government and agency securities holdings, including securities held for the accounts of their customers or in a fiduciary capacity. Virtually all transfers for the account of the banks, as well as for the government securities dealers who are their clients, are now effected solely by bookkeeping entries. The system reduces the costs and risks of physical handling and speeds the completion of transactions.

Bearer and Registered Bonds - In the past, bearer and registered bonds were issued in paper form. Those still outstanding may be exchanged at any Federal Reserve Bank or branch for an equal amount of any authorized denomination of the same issue. Outstanding bearer bonds are interchangeable with registered bonds and bonds in "book-entry" form. That is, the latter exist as computer entries only and no paper securities are issued. New bearer and registered bonds are no longer being issued. Since August 1986, the Treasury's new issues of marketable notes and bonds are available in book-entry form only. All Treasury bills and more than 90% of all other marketable securities are now in book-entry form. Book-entry obligations are transferable only pursuant to regulations prescribed by the Secretary of the Treasury.

Book Value- The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

Broker - In securities, the intermediary between a buyer and a seller of securities. The broker, who usually charges a commission, must be registered with the exchange in which he or she is trading, accounting for the name registered representative.

Certificate of Deposit- A deposit insured up to \$250,000 by the FDIC at a set rate for a specified period of time.

Collateral- Securities, evidence of deposit or pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public moneys.

Constant Maturity Treasury (CMT)- An average yield of a specific Treasury maturity sector for a specific time frame. This is a market index for reference of past direction of interest rates for the given Treasury maturity range.

Coupon- The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

County Pool- County of San Mateo managed investment pool.

Credit Analysis- A critical review and appraisal of the economic and financial conditions or of the ability to meet debt obligations.

Current Yield- The interest paid on an investment expressed as a percentage of the current price of the security.

Custody- A banking service that provides safekeeping for the individual securities in a customer's investment portfolio under a written agreement which also calls for the bank to collect and pay out income, to buy, sell, receive and deliver securities when ordered to do so by the principle.

Delivery vs. Payment (DVP)- Delivery of securities with a simultaneous exchange of money for the securities.

Discount- The difference between the cost of a security and its value at maturity when quoted at lower than face value.

Diversification- Dividing investment funds among a variety of securities offering independent returns and risk profiles.

Duration- The weighted average maturity of a bond's cash flow stream, where the present value of the cash flows serve as the weights; the future point in time at which on average, an investor has received exactly half of the original investment, in present value terms; a bond's zero-coupon equivalent; the fulcrum of a bond's present value cash flow time line.

Fannie Mae- Trade name for the Federal National Mortgage Association (FNMA), a U.S. sponsored corporation.

Federal Reserve System- The central bank of the U.S. that consists of a seven member Board of Governors, 12 regional banks and 5,700 commercial banks that are members.

Federal Deposit Insurance Corporation (FDIC)- Insurance provided to customers of a subscribing bank that guarantees deposits to a set limit (currently \$250,000) per account.

Fed Wire- A wire transmission service established by the Federal Reserve Bank to facilitate the transfer of funds through debits and credits of funds between participants within the Fed system.

Fiscal Agent - The organization that is essentially the checkbook for C/CAG funds.

Freddie Mac- Trade name for the Federal Home Loan Mortgage Corporation (FHLMC), a U.S. sponsored corporation.

Ginnie Mae- Trade name for the Government National Mortgage Association (GNMA), a direct obligation bearing the full faith and credit of the U.S. Government.

Inactive Deposits- Funds not immediately needed for disbursement.

Interest Rate- The annual yield earned on an investment, expressed as a percentage.

Investment Agreements- An agreement with a financial institution to borrow public funds subject to certain negotiated terms and conditions concerning collateral, liquidity and interest rates.

Local Agency Investment Fund (LAIF) - State of California managed investment pool.

Liquidity- Refers to the ability to rapidly convert an investment into cash.

Market Value- The price at which a security is trading and could presumably be purchased or sold.

Maturity- The date upon which the principal or stated value of an investment becomes due and payable.

Nationally Recognized Statistical Rating Organization (NRSRO)- A U.S. Securities & Exchange Commission registered agency that assesses the creditworthiness of an entity or specific security. NRSRO typically refers to Standard and Poor's Ratings Services, Fitch Ratings, Inc. or Moody's Investors Services.

New Issue- Term used when a security is originally "brought" to market.

Perfected Delivery- Refers to an investment where the actual security or collateral is held by an independent third party representing the purchasing entity.

Portfolio- Collection of securities held by an investor.

Primary Dealer- A group of government securities dealers that submit daily reports of market activity and security positions held to the Federal Reserve Bank of New York and are subject to its informal oversight.

Purchase Date- The date in which a security is purchased for settlement on that or a later date.

Rate of Return- The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (REPO)- A transaction where the seller (bank) agrees to buy back from the buyer (C/CAG) the securities at an agreed upon price after a stated period of time.

Reverse Repurchase Agreement (REVERSE REPO)- A transaction where the seller (C/CAG) agrees to buy back from the buyer (bank) the securities at an agreed upon price after a stated period of time.

Risk- Degree of uncertainty of return on an asset.

Safekeeping- see custody.

Sallie Mae- Trade name for the Student Loan Marketing Association (SLMA), a U.S. sponsored corporation.

Secondary Market- A market made for the purchase and sale of outstanding issues following the initial distribution.

Settlement Date- The date on which a trade is cleared by delivery of securities against funds.

Time Deposit - A deposit in an interest-paying account that requires the money to remain on account for a specific length of time. While withdrawals can generally be made from a passbook account at any time, other time deposits, such as certificates of deposit, are penalized for early withdrawal.

Treasury Obligations- Debt obligations of the U.S. Government that are sold by the Treasury Department in the forms of bills, notes, and bonds. Bills are short-term obligations that mature in one year or less. Notes are obligations that mature between one year and ten years. Bonds are long-term obligations that generally mature in ten years or more.

U.S. Government Agencies- Instruments issued by various US Government Agencies most of which are secured only by the credit worthiness of the particular agency.

Yield- The rate of annual income return on an investment, expressed as a percentage. It is obtained by dividing the current dollar income by the current market price of the security.

Yield to Maturity- The rate of income return on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

Yield Curve- The yield on bonds, notes or bills of the same type and credit risk at a specific date for maturities up to thirty years.

C/CAG AGENDA REPORT

Date: September 8, 2016

To: City/County Association of Governments Board of Directors

From: Sandy Wong, C/CAG Executive Director

Subject: Review and approval of Resolution 16-34 authorizing the Executive Director to enter into agreements with the Alameda County Clean Water Program and the law firm of Meyers Nave for joint legal representation of stormwater unfunded mandate test claims filed by C/CAG member agencies, at a cost not to exceed \$35,000 for Fiscal Year 2016-17.

(For further information or questions, contact Matt Fabry at 650-599-1419)

RECOMMENDATION

Review and approval of Resolution 16-34 authorizing the Executive Director to enter into agreements with the Alameda County Clean Water Program and the law firm of Meyers Nave for joint legal representation of stormwater unfunded mandate test claims filed by C/CAG member agencies, at a cost not to exceed \$35,000 for Fiscal Year 2016-17.

FISCAL IMPACT

Under the proposed arrangement, the cost to C/CAG for legal services through a decision by the State Commission on Mandates would not exceed \$35,000 during Fiscal Year 2016-17. C/CAG has approximately \$20,000 in contingency funds budgeted for such an effort, and sufficient savings from a budgeted but currently vacant stormwater staff position to cover the cost.

SOURCE OF FUNDS

Funds are included in the NPDES (Stormwater) Fund.

BACKGROUND

The Municipal Regional Permit (MRP) was adopted by the Regional Water Quality Control Board in October 2009 and went into effect on December 1, 2009. The MRP applies to most Bay Area Counties and jurisdictions, including among others, the member agencies of C/CAG and the Alameda County Clean Water Program.

When the MRP was first issued, the Countywide Program partnered with other Bay Area stormwater programs to analyze the MRP to determine which provisions have a high probability of success for being declared unfunded mandates by the State's Commission on State Mandates (the "Commission"). Regional stormwater programs and legal staffs collaborated to develop model documents that could be used by all jurisdictions within those programs for filing test claims. In October 2010, of the 22 San Mateo permittees under the MRP (20 cities/towns, the county, and the

flood control district), 21 filed timely test claims based on the model documents. Sixteen of 17 permittees in Alameda County filed similar test claims.

Member agency test claims ended up being consolidated by the Commission under the City of Brisbane's claim (as the first to file from San Mateo permittees). C/CAG, under Resolution 11-2, authorized the Executive Director to execute the necessary agreements to jointly share costs to represent the test claims with the Alameda County Clean Water Program using the law firm of Meyers Nave. In addition to providing direct support to C/CAG member agencies regarding the test claims, Meyers Nave reviewed and filed a joint rebuttal to the Regional Water Board's voluminous response to the Commission on the test claims.

At the same time C/CAG's member agencies filed test claims, previous test claims filed by permittees in Los Angeles and San Diego Counties were working their way through the courts after Commission decisions were appealed and counter-appealed. The Los Angeles case went all the way to the State Supreme Court, and Meyers Nave filed amicus briefs at appropriate times during these proceedings on behalf of San Mateo and Alameda permittees. During the court proceedings on these cases, the Commission put all other stormwater test claims on hold.

The Supreme Court issued its ruling on the Los Angeles case on August 29, 2016 (link to the ruling provided below via C/CAG's website). The ruling was favorable (4-3 vote) to the Los Angeles permittees and upheld the Commission's decision that the identified provisions in the Los Angeles permit went above and beyond Federal Clean Water Act requirements and were imposed under the State's authority and therefore constituted unfunded mandates. In anticipation of this decision, the Commission notified Bay Area claimants that tentative hearings had been scheduled, with the San Mateo hearing scheduled for January 27, 2017. The Alameda claims are scheduled for a hearing on May 19, 2017.

The Alameda County Clean Water Program, representing the Alameda County claimants, has again proposed that C/CAG enter into an amended agreement for joint representation by Meyers Nave and cost sharing in regard to the Alameda and San Mateo test claims. Meyers Nave provided a proposal to jointly represent the two programs through a decision by the Commission for a cost not to exceed \$70,000. C/CAG's share of this would be half, or \$35,000.

Staff recommends the C/CAG Board approve Resolution 16-34 to authorize the Executive Director to execute the necessary agreements to enter into a cost sharing agreement with the Alameda County Clean Water Program and legal representation agreement with Meyers Nave, to represent C/CAG member agency test claims through a Commission decision.

ATTACHMENTS

1. Resolution 16-34
2. California Supreme Court Ruling, *Department of Finance v. Commission on State Mandates* (Online only, at <http://ccag.ca.gov/committees/board-of-directors/>)

RESOLUTION 16-34

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CITY/ COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO AGREEMENTS WITH THE ALAMEDA COUNTY CLEAN WATER PROGRAM AND THE LAW FIRM OF MEYERS NAVE FOR JOINT LEGAL REPRESENTATION OF STORMWATER UNFUNDED MANDATE TEST CLAIMS FILED BY C/CAG MEMBER AGENCIES, AT A COST NOT TO EXCEED \$35,000 FOR FISCAL YEAR 2016-17

WHEREAS, C/CAG manages the Countywide Water Pollution Prevention Program (Countywide Program) that assists C/CAG's member agencies and performs compliance activities in compliance with requirements contained in the Municipal Regional Permit (MRP) issued by the San Francisco Bay Regional Water Quality Control Board; and

WHEREAS, C/CAG's member agencies filed test claims (the "test claims"), as claimants or co-claimants with the State's Commission on State Mandates (Commission) that identified certain provisions of the MRP as potential unfunded state mandates; and

WHEREAS, the California Supreme Court ruled favorably on a case regarding unfunded mandate test claims on municipal stormwater permit requirements in Los Angeles County; and

WHEREAS, the Commission has tentatively scheduled a hearing on the San Mateo test claims for January 27, 2017; and

WHEREAS, the members of the Alameda County Clean Water Program (the "Alameda Program") also filed similar claims with the Commission and C/CAG and the Alameda Program have jointly engaged Meyers Nave as legal counsel and claimant representative in connection therewith; and

WHEREAS, given the history of utilizing Meyers Nave for joint representation on San Mateo and Alameda test claims, similarities in test claims filed by C/CAG and Alameda Program member agencies, and ability to share costs of legal representation, it is more cost-effective for C/CAG and the Alameda Program to fund a common effort to support and defend the claims on behalf of their member agencies; and

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the City/County Association of Governments of San Mateo County that the C/CAG Executive Director, in connection with the municipal regional stormwater permit, is authorized to:

1. Execute a joint representation and cost sharing agreement with the Alameda Program, with C/CAG's cost share not to exceed \$35,000 for Fiscal Year 2016-17;
2. Engage Meyers/Nave as legal counsel and claimant representative;
3. Enter into other agreements or arrangements as reasonably necessary in support of the agreements with the Alameda Program and Meyers/Nave.

PASSED, APPROVED, AND ADOPTED THIS 8TH DAY OF SEPTEMBER, 2016.

Alicia C. Aguirre, Chair

C/CAG

CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY

Atherton • Belmont • Brisbane • Burlingame • Colma • Daly City • East Palo Alto • Foster City • Half Moon Bay • Hillsborough • Menlo Park • Millbrae • Pacifica • Portola Valley • Redwood City • San Bruno • San Carlos • San Mateo • San Mateo County • South San Francisco • Woodside

August 22, 2016

The Honorable Jerry Brown
Governor, State of California
State Capitol, Room 1173
Sacramento, CA 95814

RE: SUPPORT for AB 2126 (Mullin)

Dear Governor Brown:

The City/County Association of Governments of San Mateo County (C/CAG), the Congestion Management Agency (CMA) for San Mateo County, is pleased to write to you today in **SUPPORT** of AB 2126. This bill would increase the number of projects on the state highway system for which Caltrans is authorized to use the Construction Manager/General Contractor (CM/GC) procurement method from six to 12.

For several years, C/CAG, along with our partners at the San Mateo County Transportation Authority, the Metropolitan Transportation Commission, and Caltrans, have studied a number of solutions designed to address congestion on US 101 between San Francisco and San Jose. Currently, this freeway ranks among the 10 worst congested locations in the San Francisco Bay Area, despite the existence of a number of commuter alternatives, including a robust private shuttle network and the parallel Caltrain system (which currently exceeds capacity during peak commute times). US 101, during peak hours, is classified with a level of service (LOS) grade of "F". Additionally, the US 101 corridor is home to the state's largest concentration of technology, green energy, and research & development companies, responsible for approximately 13 percent of California's jobs and almost 15 percent of the state's gross domestic product, despite only housing about 10 percent of the state's population.

In order to address congestion on US 101 and better serve the state's economic engine, C/CAG and its partner agencies are exploring ways to add capacity and improve service on US 101 by considering a high-occupancy vehicle lane or express lane along portions of the corridor. CM/GC has been identified as an alternative delivery method for the potential project in order to provide more certainty in terms of cost and schedule. Because this project is on the state highway system, Caltrans would be the project lead and needs additional CM/GC authority to access this procurement method. Caltrans has already identified six projects for the existing authorization under state law and therefore, this bill is necessary to allow Caltrans to construct additional projects in this manner.

We **SUPPORT** AB 2126 and appreciate your efforts to provide flexibility in project procurement, specifically as we look to address congestion issues on US 101 in San Mateo County. Please feel free to contact Sandy Wong, the C/CAG Executive Director, at slwong@smcgov.org with any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alicia Aguirre', written in a cursive style.

Alicia Aguirre, Chair

City/County Association of Governments of San Mateo County

Cc: Assembly Member Jim Frazier
Assembly Member Richard Gordon
Assembly Member Kevin Mullin
Assembly Member Phil Ting
Senator Jerry Hill