

# 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. 261

- DATE:** Thursday, October 10, 2013
- 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>

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- 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
- 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. 260 dated September 12, 2013.

ACTION p. 1

- 5.2 Review and approval of two MOUs with Strategic Energy Innovations for Climate Corps Bay Area Fellows, Kelly Harrison and Erica Kudbya, for an amount not to exceed \$22,700 each (for a total of \$45,400), for calendar year 2014. ACTION p. 9

*NOTE: All items on the Consent Agenda are approved/accepted by a majority vote. A request must be made at the beginning of the meeting to move any item from the Consent Agenda to the Regular Agenda.*

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. 23
- 6.2 Review and approval of the call for projects guidelines and application for the C/CAG Priority Development Area (PDA) Planning Program. ACTION p. 29
- 6.3 Review and approval of an appointment to fill one vacant seat (Public) on the Resource Management and Climate Protection Committee (RMCP). ACTION p. 47
- 6.4 Review and approval of Resolution 13-33 adopting the FY 13-14 C/CAG Investment Policy. ACTION p. 53
- 6.5 Receive a presentation on C/CAG's FY 12-13 Highlights. INFORMATION p. 81

7.0 COMMITTEE REPORTS

- 7.1 Committee Reports (oral reports).
- 7.2 Chairperson's Report
- 7.3 Boardmembers Report

8.0 EXECUTIVE DIRECTOR'S REPORT

9.0 COMMUNICATIONS - Information Only

Copies of communications are included for C/CAG Board Members and Alternates only. To request a copy of the communications, contact Nancy Blair at 650 599-1406 or [nblair@co.sanmateo.ca.us](mailto:nblair@co.sanmateo.ca.us) or download a copy from C/CAG's website – [www.ccag.ca.gov](http://www.ccag.ca.gov).

- 9.1 Letter from Sandy Wong, Executive Director, C/CAG to Sheila Jordan, Superintendent, Alameda County Office of Education, dated 9/24/13. RE: Support of Alameda County Office of Education application for the National Science Foundation Advanced Technological Education Grant. p. 83

## 10.0 ADJOURN

Next scheduled meeting: November 14, 2013 Regular Board Meeting.

**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 Nancy Blair 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: Nancy Blair 650 599-1406*

### FUTURE MEETINGS

- Oct. 10, 2013 C/CAG Board - SamTrans 2<sup>nd</sup> Floor Auditorium - 6:30 p.m.
- Oct. 12, 2013 Resource Management and Climate Protection Committee (RMCP) – 155 Bovet Rd, Ground Floor 2PM.
- Oct. 15, 2013 NPDES Technical Advisory Committee – Oak Room, San Mateo Library - 10:00 a.m.
- Oct. 17, 2013 CMP Technical Advisory Committee – SamTrans, 2<sup>nd</sup> Floor Auditorium - 1:15 p.m.
- Oct. 17, 2013 Stormwater Committee – SamTrans, 2<sup>nd</sup> Floor Auditorium – 2:30 p.m.
- Oct. 24, 2013 Bicycle and Pedestrian Advisory Committee (BPAC) – Conference Room C, San Mateo City Hall – 7:00 p.m.
- Oct. 28, 2013 Administrators' Advisory Committee - 555 County Center, 5<sup>th</sup> Fl, Redwood City – Noon
- Oct. 28, 2013 CMEQ Committee - San Mateo City Hall - Conference Room C - 3:00 p.m.



# C/CAG

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### BOARD MEETING MINUTES

Meeting No. 260  
September 12, 2013

#### 1.0 CALL TO ORDER/ROLL CALL

Chair Grotte called the meeting to order at 6:35 p.m. Roll Call was taken.

Elizabeth Lewis – Atherton  
Terry O’Connell – Brisbane (7:19)  
Michael Brownrigg – Burlingame  
Joseph Silva – Colma (6:37)  
Ruben Abrica - East Palo Alto  
Art Kiesel – Foster City  
Rick Kowalczyk - Half Moon Bay  
J Benton - Hillsborough  
Peter Ohtaki - Menlo Park  
Wayne Lee - Millbrae  
Mary Ann Nihart - Pacifica  
Jeff Aalfs – Portola Valley (6:35)  
Alicia Aguirre - Redwood City  
Bob Grassilli - San Carlos  
Brandt Grotte - San Mateo  
Pradeep Gupta - South San Francisco

Absent,  
Belmont  
Daly City  
San Bruno  
San Mateo County  
Woodside

Others:  
Sandy Wong, Executive Director C/CAG  
Nancy Blair, C/CAG Staff  
Lee Thompson, C/CAG Legal Counsel  
Tom Madalena, C/CAG Staff  
John Hoang, C/CAG Staff  
Jean Higaki, C/CAG Staff

Matt Fabry, C/CAG Staff  
Dave Carbone, C/CAG Staff  
Wally Abrazaldo, C/CAG Staff  
Parviz Mokhtari, C/CAG Staff  
Scott Hart, Jennifer Stuart, PG&E  
Jim Bigelow, Redwood City/San Mateo County Chamber, CMEQ Member  
John Bliss, SCI Consulting Group

3.0 PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

C/CAG's Executive Director introduced C/CAG's new staff member, Walter (Wally) Albrazado. Wally's position is Transportation Program Specialist.

4.0 PRESENTATIONS/ ANNOUNCEMENTS

4.1 Update on the implementation of the San Mateo County Smart Corridor project.

Parviz Mokhtari, Project Manager, provided an update on the status of the Smart Corridor project, and answered questions from the Board.

5.0 CONSENT AGENDA

Board Member Lee MOVED approval of Items 5.1, 5.2, 5.5, and 5.6. Board Member Aguirre SECONDED. **MOTION CARRIED 15-0.**

5.1 Approval of the minutes of regular business meeting No. 259 dated August 8, 2013.

APPROVED

5.2 Review and accept Quarterly Investment Report as of June 30, 2013

APPROVED

5.5 Review and approve the appointment of John Fuller from the City of Daly City to fill a vacant seat on the Congestion Management Program Technical Advisory Committee (CMP TAC)

APPROVED

5.6 Review and approval of waiving the C/CAG procurement process and authorizing the Executive Director to execute an agreement between Andrea Pappajohn and C/CAG for the San Mateo County Energy Watch, school energy benchmarking project for an amount not to exceed \$12,500 through calendar year 2014.

APPROVED

Items 5.3 and 5.4 were removed from the Consent Calendar agenda.

5.3 Review and approval of Resolution 13-28 authorizing the C/CAG Chair to execute a funding agreement with the County of San Mateo for C/CAG to receive up to \$155,500 for a limited term Countywide Pedestrian and Bicycle Coordinator position for FY 2013/2014 and FY 2014/2015.

APPROVED

- 5.4 Review and approval of Resolution 13-29 authorizing the C/CAG Chair to execute a funding agreement with the San Mateo County Transit District for C/CAG to receive up to \$65,000 for a limited term countywide Pedestrian and Bicycle Coordinator position for FY 2013/2014 and FY 2014/2015. APPROVED

The costs are combined for two years for one position. The costs are \$155,500 from the County, \$65,000 from SamTrans, and approximately \$77,000 from C/CAG. This is for salary, benefits, and miscellaneous employee-related expenses.

Board Member Lewis MOVED to approve Items 5.3 and 5.4. Board Member Nihart SECONDED. **MOTION CARRIED** 16-0.

## 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.) APPROVED

The Legislation Committee met at 5:30 on 9/12/12. There was no quorum, therefore, the Committee did not take action on any items.

Staff provided interesting notes and tidbits about bills coming up at the end of the session for the year.

- AB 162 - no movement
- AB 188 - no movement
- SB 566 - had significant opposition, was amended significantly and turned into a two-year bill.
- SB 391 - got big opposition from the Realtors, turned into two-year bill
- SB 371 - got shelved
- SB 743 - not sure if it will move forward or not
- SCA 4 & SCA 8 - Not expected to move forward this year will probably turn into a two-year bill.

Hearings were held on water bonds that were put before both houses:

- Covered funding for above ground storage of ground water
- Funding for recycled water systems
- Rewarding folks for conservation

Stormwater Management update:

- Legislative Counsel's opinion is that C/CAG's authority as a Joint Powers Agency (JPA) does not provide taxation authority, therefore legislation would be required to enable C/CAG to pursue a special tax or property-related fee.

- C/CAG staff continues to pursue enabling legislation; however, it is unlikely C/CAG will be able to get Legislation out of the legislature prior to the end of session deadline on September 12.
- C/CAG does have an existing vehicle (AB 418) allowing C/CAG to continue pursuing authorization in early 2014.
- C/CAG could add an urgency clause to the bill to the Governor's desk by February. This requires a 2/3 vote in both houses. If passed, this would enable C/CAG to stay on schedule of placing an initiative before voters or property owners in the mid-2014.

No action taken.

6.2 Review and approval of the revised C/CAG By-Laws. APPROVED

Legal Counsel noted the Ad Hoc Committee worked very hard, and tried to make sure the By-laws mirrored the Joint Points Agreement (JPA).

On Page 47, Page 3 of the by-laws, Section 5, there is some language that should not be in there. This language has been removed.

A handout referencing Item 6.2, was distributed to the Board. This is a clean copy, not redlined. This is the copy staff is asking the Board to approve. There is one change. Page 47, Article 3, Section 6, addresses the withdrawal of the member agency. There was a discussion in the committee, as to why September 30? The dates were changed. After reviewing the JPA, the date of September 30 tracks the JPA. Rather than revise Section 6, it should remain the way it was originally.

The handout includes the original language for Section 6. The handout incorporates all the changes in the redlined document, except for that date in Section 6. The date remains September 30.

Staff recommends approval of the corrected handout that was presented to the Board at the meeting.

Legal Counsel asked that a Special Vote be taken. One of two of the provisions requires a special vote.

Brandt MOVED that C/CAG approve Resolution 13-32 to revise the C/CAG By-laws, that being the revised and clean copy that was placed at the Board Member's Station referenced as Item 6.2. Board Member Nihart SECONDED.

A Super Majority Vote was taken by roll call. **MOTION CARRIED** 16-0. Results: 16 Agencies approving. This represents 76% of the Agencies representing 67% of the population.

6.3 Review and approval of the Draft 2013 Congestion Management Program (CMP) and Monitoring Report and authorize its release for distribution and comments. APPROVED

Staff gave an overview of the CMP.



With the Board's approval, the next step will be for staff to release the document for public comment for 30 days. Staff will bring the CMP back to the Board for adoption at the November 2013 meeting.

Board Member Aguirre MOVED to approve Item 6.3. Board Member Benton SECONDED.  
**MOTION CARRIED** 16-0.

- 6.4 Presentation on Potential Countywide Funding Initiative: Funding Needs Analysis and Funding Options Report. INFORMATION

John Bliss, SCI Consulting Group, gave a presentation on the Funding Initiative and Funding Needs Analysis.

Staff will bring finalized reports on the three tasks back to the Board at the November meeting.

- 6.5 Approval of Resolution 13-31 approving the Proposed 2014 State Transportation Improvement Program (STIP) for San Mateo County and also authorize the C/CAG Executive Director to negotiate with the Metropolitan Transportation Commission (MTC) and California Transportation Commission (CTC) to make modifications as necessary. (Special voting procedures apply). APPROVED

Board Member Lee MOVED to approve Item 6.3. Board Member Aguirre SECONDED.  
**MOTION CARRIED** 16-0.

A Super Majority Vote was taken by roll call. **MOTION CARRIED** 16-0. Results: 16 Agencies approving. This represents 76% of the Agencies representing 67% of the population.

- 6.6 Review and approval of staff recommendation on the proposed Highway Relinquishment Study for SR 82 El Camino Real/Mission Street. APPROVED

The Relinquishment Study does not require funding from C/CAG because funding is being sought from MTC. The Grand Boulevard Initiative (GBI) has representation along the entire corridor from the jurisdictions. If there is a desire from the GBI to do the study, and if there is another agency that is willing to fund it, C/CAG does not need to take a position regarding the study. The study is totally voluntary and is not any type of state mandate.

Staff recommendation is for the C/CAG Board to not take any position on the study, and to refer it back to the GBI for that decision.

Board Member Brownrigg MOVED to approve staff recommendation to take no position. Board Member Aguirre SECONDED.

Board Member Lewis MOVED for C/CAG to join with the VTA and support the MTC funding survey to give C/CAG more information. Board Member Aguirre SECONDED.

Vote was taken by roll call. **MOTION FAILED** 5-9-2. Board Members Lewis, Kowalczyk, Aguirre, Grassilli, and Gupta voted to approve. Board Members O'Connell, Brownrigg, Silva,

Abrica, Benton, Ohtaki, Lee, Aalfs, and Grotte Opposed. Board Member Nihart and Kiesel abstained.

Board Member Ohtaki asked to remake the MOTION to approve staff recommendation to take no position. Board Member Brownrigg SECONDED. MOTION APPROVED 13-1-2. Board Member Grassilli Opposed. Board Member Nihart and Kiesel abstained.

- 6.7 Review and approval of prefunding the C/CAG actuarial liability of other post-employment benefit (OPEB) at \$184,359. APPROVED

The Finance Committee made a recommendation to prefund the Actuarial Accrued Liability at \$184,359.00.

Board Member Ohtaki MOVED approval of the staff report with a guidance that staff will come back with a recommendation or analysis on what vehicle to invest in. Board Member Grotte SECONDED. **MOTION CARRIED** 16-0.

## 7.0 COMMITTEE REPORTS

### 7.1 Committee Reports (oral reports).

None.

### 7.2 Chairperson's Report

None.

### 7.3 Boardmembers Report

None.

## 8.0 EXECUTIVE DIRECTOR'S REPORT

### 9.0 COMMUNICATIONS - Information Only

Copies of communications are included for C/CAG Board Members and Alternates only. To request a copy of the communications, contact Nancy Blair at 650 599-1406 or [nblair@co.sanmateo.ca.us](mailto:nblair@co.sanmateo.ca.us) or download a copy from C/CAG's website – [www.ccag.ca.gov](http://www.ccag.ca.gov).

- 9.1 Letter from Brandt Grotte, C/CAG Chair, to The Honorable Darrell Steinberg, California State Senate, President pro Tempore, dated 8/8/13. RE: Letter supporting the nomination of Mr. Brian Kelly as Secretary of the newly created California State Transportation Agency.

9.2 Letter from Brandt Grotte, C/CAG Chair, to All Councilpersons of San Mateo County and Members of the Board of Supervisors, All City/County Managers, dated 9/4/13: RE: C/CAG Committee Vacancies for Elected Officials.

10.0 ADJOURN

The meeting adjourned at 8:55 p.m. in memory of those who perished on September 11, and for those who have been put in harm's way to address the situation.



# C/CAG AGENDA REPORT

**Date:** October 10, 2013  
**To:** City/County Association of Governments, Board of Directors  
**From:** Sandy Wong, Executive Director  
**Subject:** Review and approval of two MOUs with Strategic Energy Innovations for Climate Corps Bay Area Fellows, Kelly Harrison and Erica Kudbya, for an amount not to exceed \$22,700 each (for a total of \$45,400), for calendar year 2014.  
  
(For further information contact Sandy Wong at (650)599-1409 or Kim Springer at (650)599-1412)

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## RECOMMENDATION

Review and approve of two MOUs with Strategic Energy Innovations for Climate Corps Bay Area Fellows, Kelly Harrison and Erica Kudbya for an amount not to exceed \$22,700 each (for a total of \$45,400), for calendar year 2014.

FISCAL IMPACT     None

## SOURCE OF FUNDS

This agreement for services for the San Mateo County Energy Watch (SMCEW) program is paid for under the C/CAG – PG&E Local Government Partnership (LGP) agreement.

## BACKGROUND/DISCUSSION

San Mateo County Energy Watch (SMCEW) is a LGP between C/CAG and PG&E and is managed and staffed by RecycleWorks, a program of the County of San Mateo.

For the last three years, the SMCEW program has leveraged an AmeriCorps program administered by Bay Area Community Resources, which places members into local governments and nonprofits in the Bay Area region.

The C/CAG SMCEW program has leveraged this program since September 2010, beginning with Lisa Wan, then William Klein and, most recently Samir Dhebar and Bjorn Griepenberg were hired September 2012. With an expanded scope of work for the 2013-14 SMCEW program cycle, working in the public schools sector throughout San Mateo County, the SMCEW.

The MOUs for Kelly Harrison and Erica Kudbya are provided for your review as an attachment to this staff report. MOUs will be executed, subject to approval by legal counsel.

**ITEM 5.2**

Staff believes that other local governments may be interested in this program and SMCEW staff would be happy to organize a presentation to other interested organizations.

**ATTACHMENTS**

- SEI CCBA MOU for Kelly Harrison
- SEI CCBA MOU for Erica Kudbya

**Memorandum of Understanding (MOU) between  
Strategic Energy Innovations and The City and County Association of Government of San  
Mateo County (C/CAG)  
Sept. 1, 2013 – Aug. 30, 2014**

**SUBJECT:** Climate Corps Bay Area Fellow

This MEMORANDUM OF UNDERSTANDING is hereby made and entered into by and between Strategic Energy Innovations, hereinafter referred to as SEI and the C/CAG hereinafter referred to as “Host Agency”. Collectively, SEI and the C/CAG are hereinafter referred to as the “Parties.” The individual to whom this MOU applies is Kelly Harrison, hereinafter referred to as “Fellow” or broadly as one individual of “Fellows”.

**ARTICLE I – BACKGROUND AND OBJECTIVES**

SEI is collaborating with public, non-profit, and for-profit organizations in the San Francisco Bay Area to recruit, train, and place Fellows with Host Agencies where they will be provided with experiential learning opportunities as they assist in implementing climate change resiliency programs. The Fellows’ term of service, without extension, is from Sept. 27th, 2013 to July 31st, 2014. While participating in Climate Corps Bay Area and without extension of the term of this MOU, Fellows will complete 1700 hours. During their term of service, Fellows will implement programs that provide significant professional development experience through the implementation of climate resiliency projects. Fellows will devote approximately 80% of their time to experiential learning activities, and up to 20% of their time to specific training (both with their Host Agency and with CCBA staff). If a Fellow is unable to complete their full 1700 hours by July 31st due to any unforeseen circumstances during their term they may, at the discretion of SEI and the Host Agency, be allowed time to complete their hours at the Host Agency, or at another approved agency where there are service opportunities available.

The mission of Climate Corps Bay Area is to deliver a Fellowship program that provides professional development opportunities for emerging climate protection leaders through implementation of climate change resiliency projects with local governments, non-profits and for-profit businesses (Project). CCBA Fellows,

- Receive unparalleled experiential learning opportunities through placements with regional climate protection leaders.
- See first hand how to address climate change by implementing assessment, education, and mitigation projects that have measurable benefits.
- Build critical real-world project management skills as they measure, track, and report outcomes to community partners.

Fellows participate in a comprehensive training program that gives an overview of climate change issues, strategies for tackling climate change and approaches to building community resiliency in California.

The Parties will work in partnership to promote the MOU, and its benefits to the Project and community at large.

## ARTICLE II – STATEMENT OF PROJECT ACTIVITIES

Though Climate Corps Bay Area, SEI agrees to:

- Recruit and assist in selection of a CCBA Fellow for a commitment of 1700 hours over a period of 10 months.
- Train and support Fellow with a comprehensive training program that includes a training manual, a multi-day orientation led by an array of experts, monthly trainings, a mid-year 2-day retreat, and two Professional Development Assessment reviews.
- Work with the Host Agency to develop a specific Fellowship Scope for specific Host Agency initiatives that aligns with CCBA goals and defines the Training Plan for the Fellow.
- Provide assistance in defining and developing metrics for the Fellow to measure and track the progress of project activities throughout their Fellowship.
- Provide monthly follow-ups to review progress with Site Supervisor and Fellows.
- Define and implement any corrections to Fellow's plan determined to be necessary based on feedback collected from Fellow and Host Agency.

Host Agency agrees to:

- Provide one to three specific climate resiliency initiatives that its Fellow can work on during his/her term of service.
  - Initiatives must be well-defined, approved for implementation and include specific learning objectives.
  - Host Agency will work with SEI to finalize a mutually agreed-upon Fellowship Scope no later than 1 month after the Fellow arrives on site.
- Assign a Site Supervisor who will be available to meet at least weekly with the Fellow for one-on-one project meeting time, coordinate other necessary staff supervision needed for successful implementation of the Fellowship Scope, gather and report on in-kind supervisory hours (at least 15 hours/month) across all relevant staff within the organization with Fellow.
- Support Fellow to complete monthly reporting to SEI indicating whether progress is being made on the initiatives.
- Provide feedback on Program and Fellow effectiveness.
  - Two times a year, fill out and submit a Professional Development Assessment to provide feedback on Fellow activities.
  - Participate in program wide-conference calls to discuss program progress.
  - Respond to Host Agency feedback surveys as requested.
- Attend or send a representative to Partner Orientation.
- Only hire Fellow to work part-time in program or service area unrelated to SEI community service programs; Agency may not hire the Fellow for like projects until and unless Fellow completes his/her entire program year of service.
- Refrain from using the Fellow for displacement of a host agency employee.
- Allow SEI to share results from this program through grant reporting and other means as SEI deems appropriate.



- Provide program-wide support through either
  - Delivery of at least 1 all-day training event for all Fellows or
  - Participation in an advisory committee quarterly for 2 hours.

### **ARTICLE III – TERM OF AGREEMENT**

This MOU will become effective on the date of final signature and shall continue in full force and effect through Aug. 30, 2014, unless earlier terminated or extended. Host Agency funds are committed to all program expenses, including program costs for recruitment and training development prior to the Fellow's start date, Fellow stipends, benefits, training, and ongoing programmatic costs. In the event that this MOU is terminated prior to Aug. 30, 2014, a reimbursement will be issued for unspent Agency funds, based on a 10 month spend down that equates to roughly \$95/day for 327 days between October 7, 2013 – Aug. 30, 2014.

The Host Agency may, with approval from SEI and Fellow, extend the term of this MOU in increments of two weeks, with notice to SEI by May 1, 2014. The extension will be based on a cost schedule for additional hours as follows:

- 2 weeks - \$650.00 for an additional 57 hours
- 4 weeks - \$1,500.00 for an additional 131 hours
- 6 weeks - \$2,350.00 for an additional 205 hours
- 8 weeks - \$3,200.00 for an additional 279 hours

### **ARTICLE IV – KEY OFFICIALS**

The individuals listed below are identified as key personnel considered essential to the project being performed under this Memorandum of Understanding:

#### For SEI

Job Title:                    Execetutive Director, SEI  
 Name:                        Cyane Dandridge  
 Address:                    899 Northgate Dr. Suite 410  
                                   San Rafael CA 94903  
 Phone Contact:            415-507-2184  
 Email Contact:            cyane@seiinc.org

#### For Host Agency:

Job Title                    Resource Conservation Programs Manager, County DPW  
 Name                        Kim Springer  
 Address                    555 County Center – 5<sup>th</sup> Floor, Redwood City, CA 94063  
 Phone Number            (650) 599-1412  
 Email Contact            [kspringer@smcgov.org](mailto:kspringer@smcgov.org)

No change in key officials will be made by either SEI or Host Agency without written notification thirty days in advance of the proposed change. The notification will include a

justification in sufficient detail to permit evaluation of the impact of such a change on the scope of work.

## **ARTICLE V – PAYMENT**

Host Agency will provide SEI with \$19,500 to support the implementation of the program. Host Agency will complete each of two payments within 30 days of receiving invoices. The invoices will be dispersed according to the following schedule:

- Invoice 1:
  - Due: November 1, 2013
  - Amount: \$9,750
- Invoice 2:
  - Due: March 1, 2014
  - Amount: \$9,750
- Invoice 3:
  - Due: July 1, 2014
  - Amount: To be determined, based on cost and additional hour schedule in Article III – Term of Agreement, for Host Agency extension of Fellow service.

## **ARTICLE VI - TERMS**

It is mutually agreed by all Parties to this MOU that:

- In the event that a Party no longer approves implementation of any of the provisions referenced in this MOU, the individual Parties agree to promptly confer to determine what, if any, modifications to this MOU should be made to address the issue(s) of concern.
- In the event that a Party no longer desires to be a part of this MOU or any modification(s), then the individual Party in their sole discretion may terminate this MOU.
- Written notice must be provided by the Party desiring to terminate this MOU at least thirty days prior to termination.
- Each Party agrees that it will be responsible for its own acts and the results thereof and shall not be responsible for the acts of the other Party and the results thereof. Each Party, therefore, agrees that it will assume all risk and liability to itself, its agents or employees, for any injury to persons or property resulting in any manner from the conduct of its own operations, and the operation of its agents or employees under this MOU, for any loss, cost, damage, or expense resulting at any time from any and all causes due to any act or acts, negligence, or the failure to exercise proper precautions, of or by itself or its agents or its own employees, while occupying or visiting the premises under and pursuant to the MOU.

**ARTICLE VII – AUTHORIZING SIGNATURES**

IN WITNESS HEREOF, the parties hereto have executed this MOU on the date(s) set forth below.

**Strategic Energy Innovations**

\_\_\_\_\_  
Cyane Dandridge, Executive Director

\_\_\_\_\_  
Date



\_\_\_\_\_  
Sandy Wong, Executive Director

\_\_\_\_\_  
Date



**Memorandum of Understanding (MOU) between  
Strategic Energy Innovations and The City and County Association of Government of San  
Mateo County (C/CAG)  
Sept. 1, 2013 – Aug. 30, 2014**

**SUBJECT:** Climate Corps Bay Area Fellow

This MEMORANDUM OF UNDERSTANDING is hereby made and entered into by and between Strategic Energy Innovations, hereinafter referred to as SEI and the C/CAG hereinafter referred to as “Host Agency”. Collectively, SEI and the C/CAG are hereinafter referred to as the “Parties.” The individual to whom this MOU applies is Erica Kudbya, hereinafter referred to as “Fellow” or broadly as one individual of “Fellows”.

**ARTICLE I – BACKGROUND AND OBJECTIVES**

SEI is collaborating with public, non-profit, and for-profit organizations in the San Francisco Bay Area to recruit, train, and place Fellows with Host Agencies where they will be provided with experiential learning opportunities as they assist in implementing climate change resiliency programs. The Fellows’ term of service, without extension, is from Sept. 27th, 2013 to July 31st, 2014. While participating in Climate Corps Bay Area and without extension of the term of this MOU, Fellows will complete 1700 hours. During their term of service, Fellows will implement programs that provide significant professional development experience through the implementation of climate resiliency projects. Fellows will devote approximately 80% of their time to experiential learning activities, and up to 20% of their time to specific training (both with their Host Agency and with CCBA staff). If a Fellow is unable to complete their full 1700 hours by July 31st due to any unforeseen circumstances during their term they may, at the discretion of SEI and the Host Agency, be allowed time to complete their hours at the Host Agency, or at another approved agency where there are service opportunities available.

The mission of Climate Corps Bay Area is to deliver a Fellowship program that provides professional development opportunities for emerging climate protection leaders through implementation of climate change resiliency projects with local governments, non-profits and for-profit businesses (Project). CCBA Fellows,

- Receive unparalleled experiential learning opportunities through placements with regional climate protection leaders.
- See first hand how to address climate change by implementing assessment, education, and mitigation projects that have measurable benefits.
- Build critical real-world project management skills as they measure, track, and report outcomes to community partners.

Fellows participate in a comprehensive training program that gives an overview of climate change issues, strategies for tackling climate change and approaches to building community resiliency in California.

The Parties will work in partnership to promote the MOU, and its benefits to the Project and community at large.

## ARTICLE II – STATEMENT OF PROJECT ACTIVITIES

Though Climate Corps Bay Area, SEI agrees to:

- Recruit and assist in selection of a CCBA Fellow for a commitment of 1700 hours over a period of 10 months.
- Train and support Fellow with a comprehensive training program that includes a training manual, a multi-day orientation led by an array of experts, monthly trainings, a mid-year 2-day retreat, and two Professional Development Assessment reviews.
- Work with the Host Agency to develop a specific Fellowship Scope for specific Host Agency initiatives that aligns with CCBA goals and defines the Training Plan for the Fellow.
- Provide assistance in defining and developing metrics for the Fellow to measure and track the progress of project activities throughout their Fellowship.
- Provide monthly follow-ups to review progress with Site Supervisor and Fellows.
- Define and implement any corrections to Fellow's plan determined to be necessary based on feedback collected from Fellow and Host Agency.

Host Agency agrees to:

- Provide one to three specific climate resiliency initiatives that its Fellow can work on during his/her term of service.
  - Initiatives must be well-defined, approved for implementation and include specific learning objectives.
  - Host Agency will work with SEI to finalize a mutually agreed-upon Fellowship Scope no later than 1 month after the Fellow arrives on site.
- Assign a Site Supervisor who will be available to meet at least weekly with the Fellow for one-on-one project meeting time, coordinate other necessary staff supervision needed for successful implementation of the Fellowship Scope, gather and report on in-kind supervisory hours (at least 15 hours/month) across all relevant staff within the organization with Fellow.
- Support Fellow to complete monthly reporting to SEI indicating whether progress is being made on the initiatives.
- Provide feedback on Program and Fellow effectiveness.
  - Two times a year, fill out and submit a Professional Development Assessment to provide feedback on Fellow activities.
  - Participate in program wide-conference calls to discuss program progress.
  - Respond to Host Agency feedback surveys as requested.
- Attend or send a representative to Partner Orientation.
- Only hire Fellow to work part-time in program or service area unrelated to SEI community service programs; Agency may not hire the Fellow for like projects until and unless Fellow completes his/her entire program year of service.
- Refrain from using the Fellow for displacement of a host agency employee.
- Allow SEI to share results from this program through grant reporting and other means as SEI deems appropriate.

- Provide program-wide support through either
  - Delivery of at least 1 all-day training event for all Fellows or
  - Participation in an advisory committee quarterly for 2 hours.

**ARTICLE III – TERM OF AGREEMENT**

This MOU will become effective on the date of final signature and shall continue in full force and effect through Aug. 30, 2014, unless earlier terminated or extended. Host Agency funds are committed to all program expenses, including program costs for recruitment and training development prior to the Fellow's start date, Fellow stipends, benefits, training, and ongoing programmatic costs. In the event that this MOU is terminated prior to Aug. 30, 2014, a reimbursement will be issued for unspent Agency funds, based on a 10 month spend down that equates to roughly \$95/day for 327 days between October 7, 2013 – Aug. 30, 2014.

The Host Agency may, with approval from SEI and Fellow, extend the term of this MOU in increments of two weeks, with notice to SEI by May 1, 2014. The extension will be based on a cost schedule for additional hours as follows:

- 2 weeks - \$650.00 for an additional 57 hours
- 4 weeks - \$1,500.00 for an additional 131 hours
- 6 weeks - \$2,350.00 for an additional 205 hours
- 8 weeks - \$3,200.00 for an additional 279 hours

**ARTICLE IV – KEY OFFICIALS**

The individuals listed below are identified as key personnel considered essential to the project being performed under this Memorandum of Understanding:

For SEI

Job Title:                                    Execetutive Director, SEI  
 Name:    Cyane Dandridge  
 Address:                                        899 Northgate Dr. Suite 410  
     San Rafael CA 94903  
 Phone Contact:                                415-507-2184  
 Email Contact:                                cyane@seiinc.org

For Host Agency:

Job Title                                        Resource Conservation Programs Manager, County DPW  
 Name     Kim Springer  
 Address                                         555 County Center – 5<sup>th</sup> Floor, Redwood City, CA 94063  
 Phone Number                                (650) 599-1412  
 Email Contact                                 kspringer@smcgov.org

No change in key officials will be made by either SEI or Host Agency without written notification thirty days in advance of the proposed change. The notification will include a

justification in sufficient detail to permit evaluation of the impact of such a change on the scope of work.

## **ARTICLE V – PAYMENT**

Host Agency will provide SEI with \$19,500 to support the implementation of the program. Host Agency will complete each of two payments within 30 days of receiving invoices. The invoices will be dispersed according to the following schedule:

- Invoice 1:
  - Due: November 1, 2013
  - Amount: \$9,750
- Invoice 2:
  - Due: March 1, 2014
  - Amount: \$9,750
- Invoice 3:
  - Due: July 1, 2014
  - Amount: To be determined, based on cost and additional hour schedule in Article III – Term of Agreement, for Host Agency extension of Fellow service.

## **ARTICLE VI - TERMS**

It is mutually agreed by all Parties to this MOU that:

- In the event that a Party no longer approves implementation of any of the provisions referenced in this MOU, the individual Parties agree to promptly confer to determine what, if any, modifications to this MOU should be made to address the issue(s) of concern.
- In the event that a Party no longer desires to be a part of this MOU or any modification(s), then the individual Party in their sole discretion may terminate this MOU.
- Written notice must be provided by the Party desiring to terminate this MOU at least thirty days prior to termination.
- Each Party agrees that it will be responsible for its own acts and the results thereof and shall not be responsible for the acts of the other Party and the results thereof. Each Party, therefore, agrees that it will assume all risk and liability to itself, its agents or employees, for any injury to persons or property resulting in any manner from the conduct of its own operations, and the operation of its agents or employees under this MOU, for any loss, cost, damage, or expense resulting at any time from any and all causes due to any act or acts, negligence, or the failure to exercise proper precautions, of or by itself or its agents or its own employees, while occupying or visiting the premises under and pursuant to the MOU.



**ARTICLE VII – AUTHORIZING SIGNATURES**

IN WITNESS HEREOF, the parties hereto have executed this MOU on the date(s) set forth below.

**Strategic Energy Innovations**

\_\_\_\_\_  
Cyane Dandridge, Executive Director

\_\_\_\_\_  
Date



\_\_\_\_\_  
Sandy Wong, Executive Director

\_\_\_\_\_  
Date



# C/CAG AGENDA REPORT

**Date:** October 10, 2013  
**To:** City/County Association of Governments 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)

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## 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

NA.

## BACKGROUND/DISCUSSION

The C/CAG Legislative Committee receives monthly written reports and oral briefings from the C/CAG's State legislative advocates. Attached are reports regarding the latest status of legislation. This year, the last day of the legislative session was September 12, 2013. The legislature reconvenes next year on January 6, 2014.

## ATTACHMENTS

- Legislative Update – September 27, 2013

ITEM 6.1





ADVOCATION



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

**September 27, 2013**

**TO:** Board Members, City/County Association of Governments, San Mateo County  
**FROM:** Advocation, Inc. – Shaw / Yoder / Antwih, Inc.

**RE:** STATE LEGISLATIVE UPDATE- September

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**2013 Session Adjourned**

- Just after midnight on Thursday, September 12, the Legislature concluded its business for the first year of the 2013-14 Legislative Session.
- September 13 was the official last day for any bills to be passed by the Legislature, but both houses adjourned one day ahead of time in order to allow some members to observe the Yom Kippur holiday.
- Some of the legislation passed in the last few days of the session were so called "gut and amends," addressing such issues such as: streamlining the development of a new arena for the Sacramento Kings basketball team in downtown Sacramento and creating a new plan for reducing the state's prison population. Other significant policy changes that were passed included: allowing drivers licenses for undocumented immigrants; increasing the minimum wage in California; closing loopholes in firearm statutes and imposing new hydraulic fracturing "fracking" regulations.
- Between the houses, they took up about 500 bills in the last week.
- The Governor has 30 days to act on any measure sent to him in these last few weeks. Governor Brown has been quick to act on bills sent to him thus far so we expect to get the final word on a number of pieces of legislation sooner rather than later.

**Bills of Interest**

**AB 162 (Holden)**

**Summary:** As originally introduced, this bill would have significantly limited the authority of local jurisdictions to regulate the placement of certain wireless facilities.

**Unreasonable Timeframes.** In 2009, the Federal Communications Commission (FCC) adopted rules that require local governments to review and act on applications for the establishment of wireless communications structures. Under that ruling, cities have 90 days to review collocation applications, and 150 days for other siting applications. If cities do not act in this timeframe, an applicant can bring action in court. The earlier version of AB 162 included provisions that would have cut these timeframes in half and would have deemed applications granted at the end of the 45 days. The bill was been significantly amended to delete those provisions.

The last version of AB 162 (Holden) – As amended in the Assembly on May 9<sup>th</sup> – includes new provisions that make legislative findings and declarations regarding the critical need to maintain signal strength and call reliability for 911 calls from cellular telephones, and would state the intent of the Legislature to subsequently amend this bill to include provisions that would increase network capacity on existing wireless structures in order to serve the needs of safety personnel and the people of the state.

**Status:** This bill a two-year bill. It failed passage in the Assembly Local Government Committee and would not be eligible to move forward until January, 2014.

#### **AB 188 (Ammiano)**

**Summary:** AB 188 would revise the definition of "change of ownership" for the purposes of property tax assessment. The California Constitution requires properties to be reassessed upon a change of ownership, with certain exceptions. That event is easily defined when one entity purchases real property from another entity. However, it is less clear when properties are owned by corporations that are themselves owned by a number of shareholders change hands. AB 188 would specify that if the entire ownership interest in a legal entity is sold or transferred in a single transaction, then the real property owned by that entity has changed ownership. The bill would also increase penalties for failing to report changes in ownership to the Board of Equalization (BOE) and require a deed to be recorded with the county recorder upon changes in ownership interest like those described above.

**Status:** AB 188 was held in the Assembly Revenue and Taxation Committee. As stated in previous memos, both the Governor and the Senate Pro-Tem have cautioned that there should be a cooling off period in the post-prop 30 world prior to enacting any new tax measures. With the adjournment of session, this bill will not be eligible to move forward until January 2014.

#### **SB 556 (Corbett)**

**Summary:** This bill would require a disclosure to be printed on the uniform or vehicle of a contract employee, if the uniform or vehicle is similar to or contains the logo of the public agency for which the contractor is providing services, which states that the employee is a nongovernment employee.

According to the author and proponents, public agencies are routinely hiring third party intermediaries, such as labor contractors or temporary staffing agencies. Arrangements that they argue, separate the company at the top from the workers at the bottom, thus shielding the public agency from liability. They argue that subcontracting has implications for consumers and the public because many times consumers don't even know what entity they are actually doing business with, or who is in charge if something goes wrong. In addition, they argue that when workers enter a home or have access to personal information; the consumer should have the right to know if the worker is a city employee, a known company employee, a temporary or contracted out employee, or an independent contractor.

Opponents argue that SB 556 undercuts the primary reason for entering into independent contracting relationships by shifting liability to a public agency. The League of Cities writes that "many public agencies that contract for services specify uniform requirements in their written contracts with a service provider. These uniform requirements are oftentimes done for the purpose of ensuring the public knows who the contractor is serving and for identifying regional operations during a major disaster or mutual aid request from the public agency."

The bill was amended on September 4<sup>th</sup> to further narrow the bill so that their proposed notice requirements would only apply to health and public safety services that are contracted

out by a public agency. Despite the latest amendments, many public agencies around the state remained opposed to the bill.

**Status:** This measure is two-year bill. The next opportunity for this measure to move will be January 2014.

### **SB 391 (DeSaulnier)**

**Summary:** This bill would impose a fee, beginning January 1, 2014, of \$75 on every real estate instrument, paper, or notice that is required or permitted by law, excluding real estate instruments, papers, or notices recorded in connection with a transfer subject to a documentary transfer tax. Revenue from this fee would be used to create an ongoing source of state revenue to fund project and programs that support the development, acquisition, rehabilitation, and preservation of housing affordable to low- and moderate-income households, including, but not limited to, transitional and permanent rental housing, including necessary service and operating subsidies; homeownership opportunities; emergency shelters and rapid rehousing services; accessibility modifications; and efforts to acquire and rehabilitate foreclosed, vacant or blighted homes.

Requires the State Housing and Community Development Department (HCD) to develop a California Homes and Jobs Trust Fund Investment Strategy (investment strategy) and requires HCD to submit the first investment strategy to the Legislature as part of the Governor's May Revise of the Budget Act in 2014-15 and every five years after as part of the Budget Act beginning in 2019-20.

The bill would require that the investment strategy identify the statewide needs, goals, objectives, and outcomes for housing for a five-year time period. The bill also requires that also promote a geographically balanced distribution of funds, including consideration of a direct allocation of funds to local governments. The bill would also require that the plan emphasize investments that serve households that are at or below 60% of area median income (AMI).

**Status:** This bill was held in the Assembly Appropriations Committee and is now a two-year bill. The next opportunity for this to move will be January 2014.

### **SB 731 (Steinberg)**

**Summary:** Existing law, under the California Environmental Quality Act (CEQA), requires lead agencies with the principal responsibility for carrying out or approving a proposed discretionary project to prepare a negative declaration, mitigated negative declaration, or environmental impact report (EIR) for this action, unless the project is exempt from CEQA. CEQA includes various statutory exemptions, as well as categorical exemptions under guidelines. Existing Law also establishes the Strategic Growth Council to award grants and loans for planning and developing sustainable communities' strategies.

This bill failed the legislative deadline and is now a two year bill. However, some of the more significant provisions of SB 731 were amended into SB 743 (also by Senator Steinberg, the Downtown Sacramento Arena bill, which was signed by the Governor on September 27<sup>th</sup>). Provisions amended into SB 743 include removing parking and aesthetic standards as grounds for legal challenges against project developments in urban infill areas and expanding an exemption from CEQA litigation for projects located with transit priority areas where a full Environmental Impact Review has already been completed.

**Status:** Failed Deadline. This bill will not be eligible to be taken up until January 2014.

### Other Items of Interest:

- **Unemployment Insurance:** Governor Brown indicated that unemployment insurance reform would be one of his priorities for the end of the legislative session. However no significant movement was made prior to the end of session and it appears that additional details/language will be worked out in the next year of session.
- **Assembly Republicans** are pending a leadership vote now that the current legislative session has ended. Current Assembly Republican Leader, Assembly Member Connie Conway (R-Tulare), who had previously been challenged in February, will seek re-election said her spokesperson.
- **The Newest State Senator is** former Assembly Member Holly Mitchell (D-Culver City) who won the special election on Tuesday September 24<sup>th</sup> for the 26<sup>th</sup> State Senate District, which was vacated when Senator Curren Price won election to the Los Angeles City Council. She was sworn in to the Senate on Thursday September 26<sup>th</sup>.
- **There is a new State Assembly Member as well:** There was another special election this week to fill the Assembly Seat vacated when now-Senator Norma Torres was elected to the Senate seat vacated by former Senator Gloria Negrete McLeod (now representing California's 35<sup>th</sup> district in Congress). Democrat Freddie Rodriguez won the election by a very narrow margin over the Mayor of Ontario Paul Leon. This victory puts the number of Assembly Democrats at 53, one seat short of a super majority with two vacancies to be filled.
- **Water Bond:** There was an informational hearing on the Water Bond Issue on Tuesday September 24<sup>th</sup>. The bond was initially scheduled to appear on the 2010 ballot, but has been pushed to the 2014 ballot. Both the Assembly and the Senate unveiled their draft language to revise what is currently in the bond and both houses are in agreement that the overall bond will be smaller than initially proposed, which was \$11.1 billion. Assembly Member Anthony Rendon and Senator Lois Volk have proposed alternatives to the current water bond proposal, both of which cut the price tag roughly in half, to the tune of \$6.5 billion. Sen. Volk's proposal focuses more on Delta Habitat restoration whereas Asm. Rendon's proposal takes a more statewide approach. The Legislature has until next year to craft revised language for and decide on which proposal is best suited for California.
- **Reprieve on Prison Overcrowding Order:** The Ninth Circuit Court of Appeals has given California a one month reprieve on the court-ordered inmate reduction. The State (when Governor Brown and Senator Steinberg reached an agreement on SB 105) had requested a three-year extension. The courts have requested that the administration use this time to negotiate with the Prison Law Office, the plaintiffs in the case, to develop long-term solutions to California's prison overcrowding. During the one month reprieve, the administration will not be able to send inmates out of state.

### Upcoming Deadlines:

- Oct. 13: Last day for Governor to sign or veto bills passed by the Legislature on or before Sep. 13 and in the Governor's possession after Sep. 13



# C/CAG AGENDA REPORT

**Date:** October 10, 2013  
**To:** C/CAG Board of Directors  
**From:** Sandy Wong, Executive Director  
**Subject:** Review and approval of the call for projects guidelines and application for the C/CAG Priority Development Area (PDA) Planning Program

(For further information or questions contact Wally Abrazaldo at 650-599-1455)

---

## **RECOMMENDATION**

That the C/CAG Board of Directors review and approve the call for projects guidelines and application for the C/CAG Priority Development Area (PDA) Planning Program.

## **FISCAL IMPACT**

There is approximately \$1,600,000 available for the planning and implementation of PDAs in the county. Up to five percent of this amount may be used to reimburse C/CAG program administration costs.

## **SOURCE OF FUNDS**

Federal Surface Transportation Program (STP) funds are the funding source for this program.

## **BACKGROUND/DISCUSSION**

In November 2012, the Metropolitan Transportation Commission (MTC) finalized the establishment of a \$20 million planning program for county congestion management agencies (CMAs) to support planning activities in their local priority development areas (PDAs). MTC Resolution 4035 describes the requirements for this program and the amount of funding made available to CMAs. Funds were allocated based on the One Bay Area Grant (OBAG) program distribution formula with no county receiving less than \$750,000. Based on this formula, San Mateo County will receive approximately \$1,600,000, of which up to five percent may be used to reimburse C/CAG program administration costs.

CMAs are required to distribute funds on a non-formula basis that targets assistance to PDAs that are high impact and capable of early implementation. Staff developed guidelines for the C/CAG PDA Planning Program based on MTC guidelines and requirements. The goals of the program, which are aligned with the county's adopted PDA Investment & Growth Strategy, are to:

ITEM 6.2

- Support intensified land uses and increase the supply of housing, including affordable housing, and jobs in areas around transit stations, downtowns, and transit corridors;
- Assist in streamlining the entitlement process and help PDAs become more development ready;
- Address challenges to achieving infill development and higher densities.

Local governments (cities, towns, and the county) are eligible applicants. Given that federal Surface Transportation Program (STP) funds are the source of funding for this program, project activities are required to demonstrate a nexus to transportation to be eligible for funding. Jurisdictions that are awarded projects will directly access funds through Caltrans Local Assistance and must provide a minimum 11.47% local cash match.

The proposed schedule for the upcoming Call for Projects is presented below. Staff will select members of the Selection Panel in November/December 2013. Once the final PDA Planning Program project list is recommended by the Selection Panel, staff will bring the recommended projects to the C/CAG Technical Advisory Committee (TAC), Congestion Management Program and Environmental Quality Committee (CMEQ), and Board of Directors for review and approval. The list of projects is anticipated to come back to the C/CAG Board in April 2014.

#### **Proposed C/CAG PDA Planning Program Schedule**

<b>Event</b>	<b>Date*</b>
<b>Call for Projects Issued</b>	<b>October 11, 2013</b>
<b>Application Workshop</b>	<b>October 30, 2013</b>
<b>Applications Due</b>	<b>January 10, 2014</b>
<b>Selection Panel Reviews Applications</b>	<b>January – February 2014</b>
<b>C/CAG Committees and Board Review Selection Panel Recommendations</b>	<b>March – April 2014</b>
<b>Projects Awarded</b>	<b>April 2014</b>

\*Dates may be adjusted as necessary.

The C/CAG TAC reviewed this item on September 19, 2013 and recommended approval of the call for projects and application with the amendment that, if the program is undersubscribed, the maximum grant amount be increased to \$600,000 for local jurisdictions with projects that are deemed regionally significant at the discretion of the C/CAG Board.

The C/CAG CMEQ Committee reviewed this item with the amendment proposed by the C/CAG TAC on September 30, 2013 and recommended approval of the call for projects and application.

#### **ATTACHMENTS**

1. Letter from Ann Flemer, MTC; RE: Local PDA Planning and Implementation Program
2. C/CAG PDA Planning Program Guidelines
3. C/CAG PDA Planning Program Application



METROPOLITAN  
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COMMISSION

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*Amy Rein Worth, Vice Chair*  
Cities of Contra Costa County

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and Urban Development

*Tom Bates*  
Cities of Alameda County

*David Campos*  
City and County of San Francisco

*Dave Coriase*  
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Contra Costa County

*Scott Haggerty*  
Alameda County

*Anne W. Halstead*  
San Francisco Bay Conservation  
and Development Commission

*Steve Kinsey*  
Marin County and Cities

*Sam Liccardo*  
San Jose Mayor's Appointee

*Jake Mackenzie*  
Stanislaus County and Cities

*Joe Pirzynski*  
Cities of Santa Clara County

*Jean Quarz*  
City of Oakland

*Bijan Sartipi*  
State Business, Transportation  
and Housing Agency

*James P. Spering*  
Solano County and Cities

*Scott Wiener*  
San Francisco Mayor's Appointee

*Vacant*  
Association of Bay Area Governments

*Vacant*  
Cities of San Mateo County

*Steve Heminger*  
Executive Director

*Ann Plener*  
Deputy Executive Director, Policy

*Andrew B. Fremier*  
Deputy Executive Director, Operations

December 21, 2012

Ms. Sandy L. Wong  
City/County Association of Governments of San Mateo County  
555 County Center, 5<sup>th</sup> Floor  
Redwood City, CA 94063

RE: Local Priority Development Area (PDA) Planning and Implementation Program

Dear Ms. Wong:

In November, the Commission finalized the establishment of a \$20 million planning program for counties in the region to support local planning activities in their priority development areas (PDAs). The attachments to this letter include pertinent sections of MTC Resolution 4035, describing the structure of the program and the amounts being made available to the eight congestion management agencies (CMAs) and the San Francisco Planning Department in the city and county of San Francisco. Also attached for reference are the guidelines MTC and ABAG used for the most recent cycle of PDA Planning grants.

There are three program requirements of note:

- Grants need to be aligned with the PDA Growth and Investment Strategy that each congestion management agency is preparing under the OneBayArea Grant Program. CMAs are required to distribute these funds on a non-formula basis that targets assistance to PDAs that are high impact and capable of early implementation.
- CMA program administration costs for the PDA Planning program may be no greater than 5% of the county distribution.
- Jurisdictions may either directly obligate their grants through Caltrans, the CMAs may choose to obligate the funding for pass through to local jurisdictions, or the CMA may request that ABAG administer the grant.

Ms. Sandy L. Wong  
City/County Association of Governments of San Mateo County  
December 21, 2012  
Page 2

Staff will be contacting you shortly to discuss the next steps for accessing these funds through a Transportation Improvement Program (TIP) Revision and with additional guidance on eligible activities for Surface Transportation Program (STP) funds and the PDA Planning Program.

Sincerely,



Ann Flemer  
Deputy Executive Director, Policy

AF: AB  
Attachments

## Appendix A-7

### Cycle 2 County PDA Implementation FY 2012-13 through FY 2015-16 November 2012

#### County PDA Implementation

County	Administering Agency	OBAG Formula	PDA Planning Share *	County PDA Implementation Total
Alameda	ACTC	20.2%	19.5%	\$3,905,000
Contra Costa	CCTA	14.2%	13.7%	\$2,745,000
Marin	TAM	2.8%	3.8%	\$750,000
Napa	NCTPA	1.7%	3.8%	\$750,000
San Francisco **	City/County of SF	12.3%	11.9%	\$2,380,000
San Mateo	SMCCAG	8.3%	8.0%	\$1,608,000
Santa Clara	VTA	27.6%	26.7%	\$5,349,000
Solano	STA	5.5%	5.3%	\$1,066,000
Sonoma	SCTA	7.5%	7.2%	\$1,447,000
<b>County PDA Implementation Total:</b>		100.0%	100.0%	\$20,000,000

J:\PROJECT\Funding\T4 - New Act\T4 - STP-CMAQ\T4 Cycle Programming\T4 Second Cycle\Cycle 2 Policy Dev\One Bay Area Grant\{Cycle 2 STP-CMAQ-TE Fund Source Distribution.xls}CMA Planning

\* County minimum of \$750,000 for Marin and Napa results in actual PDA Implementation share different than OBAG formula share

\*\* Funding for San Francisco to be provided to San Francisco City/County planning department

**Regional PDA Implementation:**

***ABAG Funding:*** Funds directed to ABAG for implementation of PDAs.

***Affordable TOD fund:*** This is a continuation of MTC's successful Transit Oriented Affordable Housing (TOAH) fund into Cycle 2 which successfully has leveraged a significant amount of outside funding. The TOD fund provides financing for the development of affordable housing and other vital community services near transit lines throughout the Bay Area. Through the Fund, developers can access flexible, affordable capital to purchase or improve available property near transit lines for the development of affordable housing, retail space and other critical services, such as child care centers, fresh food outlets and health clinics.

***PDA Planning Grants:*** MTC and ABAG's PDA Planning Grant Program will place an emphasis on affordable housing production and preservation in funding agreements with grantees. Grants will be made to jurisdictions to provide support in planning for PDAs in areas such as providing housing, jobs, intensified land use, promoting alternative modes of travel to the single occupancy vehicle, and parking management. These studies will place a special focus on selected PDAs with a greater potential for residential displacement and develop and implement community risk reduction plans. Grants will be made to local jurisdictions to provide planning support as needed to meet regional housing goals. Also program funds will establish a new local planning assistance program to provide staff resources directly to jurisdictions to support local land-use planning for PDAs.

MTC will commence work with state and federal government to create private sector economic incentives to increase housing production.

***Local Planning & Implementation:*** Funds are made available to support local jurisdictions in their planning and implementation of PDAs in each of the nine counties, developed through the county PDA Investment & Growth Strategy in consultation with ABAG and MTC. Funding is distributed to the county CMAs (with funds for San Francisco distributed to the City/County of San Francisco planning department) using the OBAG distribution formula with no county receiving less than \$750,000 as shown in Appendix 5. Local jurisdictions will either directly access these funds through Caltrans Local Assistance similar to other OBAG grants provided to them by the CMAs, the CMAs may choose to provide individual grants to local jurisdictions through a single program administered by the CMA, or the CMA may request that ABAG administer the grants in cooperation with the local jurisdictions. CMA grants to local jurisdictions and the expenditure of funds by the San Francisco Planning Department are to be aligned with the recommendations and priorities identified in their adopted PDA Growth and Investment Strategy; as well as to the PDA Planning Program guidelines as they apply only to those activities relevant to those guidelines. The CMAs are limited to using no more than 5% of the funds for program administration.

***6. Climate Change Initiatives***

The proposed funding for the Cycle 2 Climate Initiative Program is to support the implementation of strategies identified in Plan Bay Area to achieve the required CO2 emissions reductions per SB375 and federal criteria pollutant reductions. Staff will work with the Bay Area Air Quality Management District to implement this program.

***7. Safe Routes to Schools***

Within the Safe Routes to School Program (SR2S program) funding is distributed among the nine Bay Area counties based on K-12 total enrollment for private and public schools as reported by the



# 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*

## **C/CAG Priority Development Area (PDA) Planning Program Call for Projects Guidelines**

### **Program Goals**

The C/CAG PDA Planning Program is part of a regional initiative to finance planning in areas that are designated as planned or potential PDAs through the Association of Bay Area Governments (ABAG). PDAs play a critical role in the region's Sustainable Communities Strategy (SCS), which seeks to coordinate land use and transportation to reduce greenhouse gas emissions. The key goals of the C/CAG PDA Planning Program are to:

- Support intensified land uses and increase the supply of housing, including affordable housing, and jobs in areas around transit stations, downtowns, and transit corridors;
- Assist in streamlining the entitlement process and help PDAs become more development ready;
- Address challenges to achieving infill development and higher densities.

The program will provide resources to project sponsors to complete specific or area plans, required CEQA analyses (i.e. programmatic environmental impact reports), zoning code updates, and technical studies or analyses that facilitate the implementation of existing plans. Funding will be targeted to PDAs that are high impact and capable of early implementation.

### **Eligible Applicants**

Local governments (cities, towns, and the county) in San Mateo County are eligible applicants. Transit agencies that serve PDAs, such as the San Mateo County Transit District (SamTrans), Bay Area Rapid Transit (BART), and the Peninsula Corridor Joint Powers Board (JPB), must partner with local governments. Applicants are encouraged to involve local non-profit groups and community-based organizations. Multiple jurisdictional planning projects are also encouraged.

### **Eligible Project Locations**

Areas approved as planned or potential PDAs in San Mateo County through ABAG. For a list of eligible PDAs, see Attachment 1: San Mateo County Priority Development Areas.

### **Eligible Activities**

Federal Surface Transportation Program (STP) funds are the source of funding for this program. Given that the overall purpose of STP funds is to support investments in the surface transportation system, project activities require a nexus to transportation. Eligible planning activities that support transportation objectives include:

- Station area/PDA planning, i.e. specific or precise plan with an environmental impact report
- Planning for mixed-income housing near transit: increasing affordability with local efficiency
- Transit and employment studies



- Transit corridors and transit-oriented development (TOD)
- Families and TOD: planning complete communities that attract diverse households (families, singles, couples without children, the elderly, and low-income minority households)
- Expanding housing opportunities near transit
- Parking management and pricing connected to new land uses
- Bicycle and pedestrian planning connected to new land uses

Planning activities that do not support the surface transportation system are not eligible. For example, the update of a general plan housing element or an environmental impact report to assess the impacts of a particular housing/commercial development may not be eligible unless land-use planning is specifically related to transportation investments. Other ineligible planning examples include CEQA clearance for single development entitlements, planning department staffing/consultant costs to provide general planning (development plans and review, general plan updates without a transportation focus) and permitting functions.

Potential activities include but are not limited to:

- Preparation of planning documents (specific plans, area plans, general plan amendments, etc.) and associated technical studies that are related to transportation investments;<sup>1</sup>
- Preparation of required CEQA documents and technical studies related to transportation investments;
- Preparation of corridor plans integrating one or more PDAs;
- Study of multimodal access and complete streets needs;
- Study of alternative parking solutions to meet multiple needs and facilitate infill development;
- Preparation of zoning code amendments related to development in PDAs (i.e., TOD-supportive zoning such as form-based codes, smart growth urban design guidelines to address building form and scale, urban character, connectivity and accessibility, and placemaking);
- PDA-wide infrastructure planning and design, emphasizing green infrastructure and low-impact development for energy activities efficiency, storm water management, etc.;
- Various economic analyses related to development in PDAs, including but not limited to development feasibility and market analyses, financing strategies for infrastructure capital and maintenance costs, and construction and maintenance of affordable housing;
- Development of station access improvements for new and existing developments that emphasizing and prioritizing the needs of pedestrians, persons with disabilities, bicycles, shuttles, drop-off, and local circulation.

### **Funding Details**

There is a total of approximately \$1,600,000 of Surface Transportation Program (STP) funds available for PDA planning and implementation projects. The minimum grant amount is set at \$250,000, and the maximum amount that can be allocated per agency is \$500,000.<sup>2</sup> Funding is available for FY 2014/15 and FY 2015/16. Applicants must provide a minimum local cash match of 11.47%.

<sup>1</sup> Specific and station area plans should be consistent with Attachment 2: MTC PDA Planning Program Guidelines.

<sup>2</sup> If the program is undersubscribed, this maximum may be increased to \$600,000 for local jurisdictions with projects that are deemed regionally significant at the discretion of the C/CAG Board.

## Jurisdiction and Project Requirements

Selected projects will be subject to federal, state, and regional delivery requirements as noted in Metropolitan Transportation Commission (MTC) Resolution No. 3606. See [http://www.mtc.ca.gov/funding/delivery/MTC\\_Res\\_3606.pdf](http://www.mtc.ca.gov/funding/delivery/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 Federal Highway Administration (FHWA) and Caltrans Local Assistance and MTC project delivery and reporting requirements.
- Every recipient of funds will need to identify a single point of contact 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 cash match of 11.47%.
- Jurisdiction must submit a complete package for funding obligation by January 1<sup>st</sup> of the year programmed. Example, a project programmed in FY 2014/15, must submit a complete package for obligation by January 1, 2015. The failure to meet these deadlines may result in the de-programming and redirection of grant funds to other projects.
- Jurisdiction is to submit a “resolution of local support” prior to programming. Template for the resolution is found at:  
[http://www.mtc.ca.gov/funding/STPCMAQ/STP\\_CMAQ\\_LocalSupportReso.doc](http://www.mtc.ca.gov/funding/STPCMAQ/STP_CMAQ_LocalSupportReso.doc)
- Jurisdiction is to input project information into the MTC Fund Management System (FMS) project application, prior to programming.

## Evaluation Criteria

The proposed project selection and scoring criteria are described below. These are based on criteria used for MTC’s PDA Planning Program and ABAG’s FOCUS Technical Assistance Program.

<b>C/CAG PDA Planning Program Evaluation Criteria</b>	<b>Points</b>
<b>Screening Criteria</b>	
1. <b>Project Location.</b> Project is located in planned or potential PDA.	Required
2. <b>Eligible Activity.</b> Planning activity demonstrates a nexus to transportation	Required
<b>Project Evaluation Criteria</b>	
1. <b>Location within a Community of Concern.</b> Project is located within or serves a Community of Concern as defined by MTC’s Lifeline Transportation Program. See <a href="http://www.mtc.ca.gov/planning/snapshot/0_COC_Reference_Map_11_17.pdf">http://www.mtc.ca.gov/planning/snapshot/0_COC_Reference_Map_11_17.pdf</a> .	5
2. <b>Project Impact.</b> Project demonstrates the potential to: <ul style="list-style-type: none"> <li>• Increase the supply of housing, including affordable housing, and jobs in areas around transit stations, downtowns, and transit corridors</li> <li>• Assist in streamlining the entitlement process and help the PDA become more development ready</li> <li>• Address challenges to achieving infill development and higher densities</li> </ul>	25
3. <b>Project Approach/Scope of Work and Timeline.</b> Project has a well-defined scope of work and timeline identifying the key purpose and objectives	20
4. <b>Matching Funds.</b> The project exceeds the minimum required match and leverages other funding.	15
5. <b>Existing Policies.</b> Jurisdiction has demonstrated a commitment to provide an increase in housing and transportation choices through existing policies, such as	15

<b>C/CAG PDA Planning Program Evaluation Criteria</b>	<b>Points</b>
innovative parking policies, TOD zoning, transportation demand management strategies, existing citywide affordable housing policies and approved projects, supportive general plan policies, sustainability policies, including green building policies and alternative energy policies, etc.	
<b>6. Support.</b> Project demonstrates local community support from major property owner(s), city councils, and relevant transit operator(s) (i.e., public involvement to date, letters of support).	15
<b>7. Commitment to Implementation.</b> Project sponsor has a commitment to and a clear approach and timeframe for plan or project implementation once planning and/or studies are completed.	5

### C/CAG PDA Planning Program Schedule

<b>Event</b>	<b>Date*</b>
<b>Call for Projects Issued</b>	<b>October 11, 2013</b>
<b>Application Workshops</b>	<b>October 30, 2013</b>
<b>Applications Due</b>	<b>January 10, 2014</b>
<b>Selection Panel Reviews Applications</b>	<b>January – February 2014</b>
<b>C/CAG Committees and Board Review Selection Panel Recommendations</b>	<b>March – April 2014</b>
<b>Projects Awarded</b>	<b>April 2014</b>

\*Dates may be adjusted as necessary.

For any questions regarding the program or application process please contact Wally Abrazaldo at 650-599-1455 or [wabrazaldo@smcgov.org](mailto:wabrazaldo@smcgov.org).

## San Mateo County Priority Development Areas

(Source: Association of Bay Area Governments)

Priority Development Area	Place Type	2010-2040 HU Growth
		<b>Jobs-Housing Connection Strategy</b>
<i>(CoC)= Community of Concern</i>		
Downtown Redwood City	City Center	5,243
Downtown San Mateo <i>(CoC)</i>	City Center	1,070
<b>Total City Center:</b>		<b>6,313</b>
Brisbane, San Francisco/San Mateo Bi-County Area	Suburban Center	0 (in Brisbane Portion)
<b>Total Suburban Center:</b>		<b>0</b>
Burlingame El Camino Real	Transit Town Center	3,258
Daly City - Bayshore	Transit Town Center	1,992
East Palo Alto - Ravenswood <i>(CoC)</i>	Transit Town Center	856
Menlo Park- El Camino Real Corridor & Downtown	Transit Town Center	915
San Carlos Railroad Corridor	Transit Town Center	774
Downtown South San Francisco <i>(CoC)</i>	Transit Town Center	3,116
<b>Total Transit Town Center:</b>		<b>10,911</b>
San Mateo Rail Corridor	Transit Neighborhood	5,028
<b>Total Transit Neighborhood:</b>		<b>5,028</b>
Redwood City - Broadway/Veterans Blvd. Corridor	Mixed-Use Corridor	1,529
San Bruno Transit Corridors <i>(CoC)</i>	Mixed-Use Corridor	3,328
Villages of Belmont	Mixed-Use Corridor	907
Daly City - Mission Blvd. <i>(CoC)</i>	Mixed-Use Corridor	1,048
San Mateo - El Camino Real	Mixed-Use Corridor	1,204
Millbrae Transit Station Area	Mixed-Use Corridor	2,424
El Camino Real Countywide Corridor	Mixed-Use Corridor	3,630
<b>Total Mixed Use Corridor:</b>		<b>14,070</b>



ABAG

PDA Planning Program  
CYCLE FIVE  
PROGRAM GUIDELINES



**PROGRAM DESCRIPTION & GENERAL GUIDANCE**

The PDA Planning Program is an initiative to finance planning in Priority Development Areas (PDA) that will result in intensified land uses around public transit hubs and bus and rail corridors in the nine-county San Francisco Bay Area. The key goals of this program are to:

- (1) Increase both the housing supply, including affordable housing for low-income residents, and jobs within the planning area
- (2) By increasing land use intensities in the planning area, boost transit ridership and thereby reduce vehicle miles traveled (VMT) by PDA residents, employees and visitors
- (3) Increase walking, bicycling, carpooling and carsharing by effectively managing parking and driving while promoting multimodal connections for residents, employees and visitors within the PDA
- (4) Locate key services and retail within the planning area.

Grantees must address all PDA planning elements listed below under Planning Elements. If a precise or specific plan encompassing the PDA has been completed or amended within the last 10 years, select planning elements may be excluded from the planning process. An explanation of how these elements have been addressed must be included in the application.

Note that some of the planning elements listed below (i.e. multimodal access and connectivity, parking demand analysis) should address the relationship between the identified planning area and key surrounding land uses outside of the planning boundaries.

Jurisdictions must be prepared to comply with all federal contracting requirements associated with planning grant funds.

Grant funding works on a reimbursement basis for agreed-upon deliverables associated with the scope of work for the project. The grant and match are to cover direct project costs, including staff and project oversight.

Specific plans—or an equivalent—are preferred due to the ability to conduct programmatic Environmental Impact Reports (EIRs) on the plan in order to facilitate the development process. EIRs are strongly recommended as part of the proposed planning process, although not required. However, there must be a strong implementation component for any planning process funded through this program, including agreement by the local jurisdiction to formally adopt the completed plan. Refer to the chart below for specific award guidelines by place-type. A description of development guidelines associated with each FOCUS Program place-type is found in Appendix 2.

**Award Guidelines by Place-type**

Place-type	Regional Center, City Center, Suburban Center, Urban Neighborhood	Transit Neighborhood, Transit Town Center, Mixed-Use Corridor, Employment Center
Award	<ul style="list-style-type: none"> <li>▪ Up to \$750,000 if both Specific Plan &amp; EIR</li> <li>▪ Up to \$400,000 if EIR only</li> </ul>	<ul style="list-style-type: none"> <li>▪ Up to \$500,000 if both Specific Plan &amp; EIR</li> <li>▪ Up to \$250,000 if EIR only</li> </ul>
Outcome	Specific Plan and/or EIR	Specific Plan and/or EIR

## PLANNING ELEMENTS

Plans funded under this program should address the Station Area Planning Principles outlined in the *Station Area Planning Manual* ([http://www.mtc.ca.gov/planning/smart\\_growth/Station\\_Area\\_Planning\\_Manual\\_Nov07.pdf](http://www.mtc.ca.gov/planning/smart_growth/Station_Area_Planning_Manual_Nov07.pdf)). At a minimum, plans should include the planning elements listed below.

As noted above, if a precise or specific plan encompassing the planning area has been completed or amended within the last 10 years, select planning elements from the list below may be excluded from the planning process. In that case, the applicant should outline the requested needs and explain how all remaining planning elements outlined below have been satisfied.

A detailed description of each planning element is included in Appendix 1. Additional information is also found in the *Station Area Planning Manual* referenced above.

- (1) An **overview profile** of the planning area including demographic and socio-economic characteristics, transit/travel patterns and use, physical aspects of the PDA, as well as any known issues to be addressed in the planning process
- (2) A significant public **outreach and community involvement** process targeting traditionally under-served populations
- (3) The development of several detailed **land use alternatives**
- (4) A **market demand analysis** for housing at all levels of affordability, jobs and retail in the planning area
- (5) A **housing strategy** that promotes housing affordable to low-income residents and attempts to **minimize displacement** of existing residents
- (6) A multi-modal **access and connectivity** component
- (7) **Pedestrian-friendly design standards** for streets, buildings and open space
- (8) An **accessibility analysis** for people with disabilities that ensures fully accessible transit stations, paths of travel between stations and surrounding areas, and visitable and habitable housing units
- (9) A **parking analysis** to create a parking policy and management element that aims at reducing parking demand and supply through pricing, zoning, and support for alternative modes
- (10) An **infrastructure development analysis** and budget
- (11) An **implementation plan**, along with a financing strategy, to ensure that the plan will be adopted and all necessary supporting policies, zoning, and programs will be updated.

# C/CAG Priority Development Area (PDA) Planning Program Application

## Section 1: General Project Information

### General Project Information

Sponsor Agency:	<input type="text"/>
Implementing Agency:	<input type="text"/>
Project Title:	<input type="text"/>
Name of PDA:	<input type="text"/>
Funds Requested: Minimum \$250,000 Maximum \$500,000	<input type="text"/>

Note:

- Maximum amount that can be awarded per agency is \$500,000
- If the program is undersubscribed, the maximum may be increased to \$600,000 for local jurisdictions with projects that are deemed regionally significant at the discretion of the C/CAG Board

### Project Manager

Name:	<input type="text"/>
Title:	<input type="text"/>
Agency:	<input type="text"/>
Phone Number:	<input type="text"/>
E-mail Address:	<input type="text"/>

## Section 2: Project Description and Narrative

### Project Location

Name of PDA:	<input type="text"/>
Description of project area and boundaries: (also attach map showing relevant transportation and land use information)	<input type="text"/>

Does the project area fall within or serve a Community of Concern (CoC) as defined by the MTC Lifeline Program?  Yes  No

See [http://www.mtc.ca.gov/planning/snapshot/0\\_COC\\_Reference\\_Map\\_11\\_17.pdf](http://www.mtc.ca.gov/planning/snapshot/0_COC_Reference_Map_11_17.pdf).

**Type of Planning Activity (check all that apply)**

- Specific Plan
- Precise Plan
- Zoning Amendment
- Form-Based Code
- Program-Level Environmental Impact Report (EIR)
- Other (describe in narrative)

Note:

- Specific and station area plans should be consistent with the attached PDA Planning Program Guidelines from MTC.

**Project Narrative**

Describe the impacts of project and explain how they are aligned with the goals of the C/CAG PDA Planning Program.

Describe the project approach, scope of work, expected deliverables, estimated budget, and timeline. Include attachments as necessary.



Have any other plans (targeted planning efforts, including specific plans, precise plans, area plans, concept plans, etc.) been developed within the last 10 years that cover the project area?

- Yes -- Please attach list of individual planning efforts and date completed.
- No

If yes, please explain the reason for updating existing plans and how previous plans were implemented.

**Project Cost**

Requested PDA  
Planning Funds:

Local Match:  
(Minimum 11.47%)

Other Project Funds:

Total Project Funds:

Source of Other Project  
Funds:

**Section 3: Existing Policies and Community Support**

**Existing Policies**

Describe how the jurisdiction in which the project is located has demonstrated a commitment to provide an increase in housing and transportation choices through existing policies (i.e. innovative parking policies, pedestrian-oriented design standards, transportation demand management strategies, affordable housing policies/ordinances, general or specific plan policies, etc.).

**Support and Commitment to Implementation**

Does this project have local community involvement in the planning process leading to the project and local support and/or council approval?

- Yes – Attach any supporting documentation (e.g. letters of support)
- No

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

Describe the proposed approach and timeframe for plan implementation or project implementation once planning and/or studies have been completed.

# C/CAG AGENDA REPORT

**Date:** October 10, 2013  
**To:** City/County Association of Governments Board of Directors  
**From:** Sandy Wong, Executive Director  
**Subject:** Review and approval of an appointment to fill one vacant seat (Public) on the Resource Management and Climate Protection Committee (RMCP)  
  
(For further information or questions contact Kim Springer at (650)599-1412 or Sandy Wong at (650)599 1409)

---

## **RECOMMENDATION**

That the Board review and approve an appointment to fill one vacant seat (Public) on the Resource Management and Climate Protection Committee (RMCP)

## **FISCAL IMPACT**

None.

## **BACKGROUND/DISCUSSION**

The RMCP Committee provides advice and recommendations to the Congestion Management and Environmental Quality (CMEQ) Committee and the full C/CAG Board on matters related to energy, water use, climate action, and adaptation efforts in San Mateo County. The RMCP also reports on the San Mateo County Energy Watch (SMCEW), develops actions, and promotes the goals outlined in the San Mateo County Energy Strategy, involving the areas of: energy, water, collaboration between cities and the utilities, leadership and economic opportunities.

The RMCP Committee currently has 14 committee seats: six elected officials and one stakeholder representative from each of the following sectors: energy, water, utility, nonprofit, large business, small business, chamber of commerce, and environmental.

Staff has received two letters of interest: one from Alice Kaufman, Legislative Advocate at the Committee for Green Foothills, and one from Beth Bhatnagar, Secretary and Board Member at Sustainable San Mateo County. The letters of interest, as well as the current RMCP Committee roster, are provided as attachments to this staff report.

Staff continues to pursue an elected official to fill the remaining vacant seat on the RMCP Committee.

## **ATTACHMENTS**

- Letter of Interest – Alice Kaufman
- Letter of Interest – Beth Bhatnagar
- Current RMCP Committee Roster

**ITEM 6.3**





COMMITTEE FOR  
GREEN FOOTHILLS

September 23, 2013

Kim Springer  
County of San Mateo, DPW  
555 County Center – 5<sup>th</sup> Floor, DPW 155  
Redwood City, CA 94063  
[kspringer@smcgov.org](mailto:kspringer@smcgov.org)

Re: Joint C/CAG RMCP Committee – Environmental Seat

Dear Kim,

Please accept this letter as my application for the environmental seat on the RMCP Committee. I believe that Committee for Green Foothills would be the best organization to participate in the work of RMCP, based on our long history of working on environmental issues in San Mateo County.

As a representative of CGF, I was a member of the Steering Committee for the San Mateo County Energy Efficiency and Climate Action Plan. I believe I would effectively represent the environmental community on RMCP and support the work of RMCP in advising C/CAG on climate change and resource management issues.

Thank you for your consideration. If you have any questions or need further information, please let me know.

Sincerely,

Alice Kaufman  
Legislative Advocate, Committee for Green Foothills

COMMITTEE FOR  
GREEN FOOTHILLS

3921 E. Bayshore Road 650.968.7243 PHONE [info@GreenFoothills.org](mailto:info@GreenFoothills.org)  
Palo Alto, CA 94303 650.968.8431 FAX [www.GreenFoothills.org](http://www.GreenFoothills.org)



# Sustainable San Mateo County

Economy. Equity. Environment.

*dedicated to the long-term health and vitality of our region*

(650) 638-2323 • Fax: (650) 361-1395

177 Bovet Road, Sixth Floor, San Mateo, CA 94402

Email: [advocate@sustainablesanmateo.org](mailto:advocate@sustainablesanmateo.org)

Web: [www.sustainablesanmateo.org](http://www.sustainablesanmateo.org)

Founders

MARCIA PAGELS

RUTH PETERSON

BOARD OF DIRECTORS

CHAIR

WILLIAM SCHULTE

SECRETARY

BETH BHATNAGAR

TREASURER

THOMAS ROUNDS

MEMBERS

JASON BADE

DAVID CRABBE

TAMMY DEL BENE

MICHAEL PACELLI

DAN PETERSON

PATRICK WOOLIEVER

ADVISORY COUNCIL

JULIA BOTT

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JERRY HILL

ANNE HINCKLE

DAVID HINCKLE

ARTHUR LLOYD

THERESA LYNGSO

DOUG MCGLASHAN

RICKI MCGLASHAN

CLEM MOLONY

MARK MOULTON

Executive Director

ADRIENNE ETHELTON

Project Coordinator

Indicators Report

TANJA SREBOTNJAK

September 3, 2013

Kim Springer

County of San Mateo, DPW

555 County Center – 5th Floor, DPW 155

Redwood City, CA 94063

Dear Kim,

I am interested in being a member of the C/CAG Resource Management and Climate Protection Committee and ask that you consider me for the newly created Environmental seat. As a Burlingame Hills resident and board member of Sustainable San Mateo County for over 10 years, I am familiar with the issues facing our community and feel that I can represent the organization and the environmental community.

Sustainable San Mateo County (SSMC) is dedicated to the long-term health and vitality of our region. Our mission is to stimulate community action on economic, environmental and social issues by providing accurate, timely and empowering information. For more than 17 years our core program, the *Indicators for a Sustainable San Mateo County Report*, has reflected the status of our county's sustainability as measured by 30+ indicators, allowing local citizens and decision makers to set goals, prioritize the allocation of scarce resources, and make sound decisions for the benefit of future generations.

SSMC is wants to play a more integral role in shaping the programs and policies in our communities. Our priorities are aligned with those of the RMCP Committee and the San Mateo County Energy Strategy including energy, water, climate change, and economic development. The committee's Environmental seat provides an opportunity to connect findings from the Indicators Report to local public sector efforts underway that can positively impact our region's long-term health.

I am also a long-term active member of the League of Women Voters, which has strong positions on natural resources. Since retiring from practicing law and teaching law at College of San Mateo I have been able to work more to promote the goals of SSMC. I hope to integrate SSMC's goals with those of this committee and I respectfully request your support in being appointed to the Resource Management and Climate Protection Committee. Thank you for your consideration.

Sincerely,

Beth Bhatnagar

Secretary, SSMC

[bethbh@comcast.net](mailto:bethbh@comcast.net)

SUSTAINABLE SAN MATEO COUNTY is a nonprofit public benefit corporation exempt from federal income tax under IRS Code Section 501(c)(3)

# 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*

<b>Resource Management and Climate Protection Committee</b> (October 2013)	
<b>Elected Officials (6)</b>	
Deborah Gordon – <b>Committee Chair</b> Former Mayor/Councilwoman Woodside <a href="mailto:dcgordon@stanford.edu">dcgordon@stanford.edu</a> Work (650) 725-6501	Dave Pine Supervisor County of San Mateo <a href="mailto:dpine@smcgov.org">dpine@smcgov.org</a> Work (650) 363-4571
Barbara Pierce Former Mayor/Councilwoman Redwood City <a href="mailto:barbara@barbarapierce.org">barbara@barbarapierce.org</a> Cell (650) 208-9828 Home (650) 368-6246	Vacant
Maryann Moise Derwin – <b>Vice-Chair</b> Former Mayor/Councilwoman Portola Valley <a href="mailto:mderwin@portolavalley.net">mderwin@portolavalley.net</a> Home (650) 851-8074 Cell (650) 279-7251	Pedro Gonzalez Former Mayor, Councilman, S.San Francisco <a href="mailto:pedro.gonzalez@ssf.net">pedro.gonzalez@ssf.net</a> Work (650) 877-8500
<b><u>Stakeholder Representatives (8)</u></b>	
<b><u>Energy</u></b>	Noelle Bell Assistant Program Manager, Energy Group Ecology Action <a href="mailto:nbelle@ecoact.org">nbelle@ecoact.org</a> (831)818-3180
<b><u>Water</u></b>	Nicole Sandkulla, P.E. Water Resources Planning Manager BAWSCA <a href="mailto:nsandkulla@bawsc.org">nsandkulla@bawsc.org</a> (650) 349-3000
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## Resource Management and Climate Protection Committee

(October 2013)

<b><u>Nonprofit</u></b>	Robert Cormia Professor, Foothill - De Anza Community College <a href="mailto:rdcormia@earthlink.net">rdcormia@earthlink.net</a> (650)747-1588
<b><u>Large Business</u></b>	Lauren Bonar Swezey LEED® GA   Facebook Facilities <a href="mailto:lauren.swezey@fb.com">lauren.swezey@fb.com</a> (650)521-4886
<b><u>Small Business</u></b>	Eric Sevim Shop Manager A+ Japanese Auto Repair, Inc. <a href="mailto:apluseric@gmail.com">apluseric@gmail.com</a> (650) 595-CARS
<b><u>Chamber of Commerce</u></b>	Jorge Jaramillo President SMC Hispanic Chamber of Commerce <a href="mailto:smchcc@gmail.com">smchcc@gmail.com</a> (650)245-6902
<b><u>Environmental</u> (proposed)</b>	Vacant



# C/CAG AGENDA REPORT

**Date:** December 13, 2012  
**To:** City/County Association of Governments Board of Directors  
**From:** Sandy Wong, Executive Director  
**Subject:** Review and approval of Resolution 13-33 adopting the FY 2013-14 C/CAG Investment Policy

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

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## RECOMMENDATION:

Review and approval of Resolution 13-33 adopting the FY 2013-14 C/CAG Investment Policy.

## FISCAL IMPACT:

Adoption of the Investment Policy will potentially reduce the return on investments while reducing or eliminating the potential for loss of 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/DISCUSSION:

In FY 2008-09 C/CAG lost approximately \$200,000 due to the Lehman Brothers negative impact on the County Pool fund. As a result, the C/CAG Board requested that the Finance Committee to make changes to the Investment Policy in order to reduce the risk of loss of principal. In response to that, in late 2009 and early 2010, C/CAG Executive Director collaborated with the Finance Committee as well as with City of San Carlos staff and recommended a revised Investment Policy which was adopted by the Board in June 2010. The most substantive change was the proposed establishment of a C/CAG Investment Advisory Committee composed of volunteer individuals with significant financial expertise. That Investment Policy also established guidelines to reduce the potential for loss of principle.

The C/CAG Investment Policy states 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. Hence, the C/CAG Board reviewed and adopted the Investment Policy in June 2010, September 2011, and December 2012. There were no substantive changes in those revisions.

Below is an excerpt from the Investment Policy with regard to the C/CAG Investment Advisory Committee:

ITEM 6.4

*C/CAG will establish an Investment Advisory Committee that will analyze the portfolio quarterly against the policy objectives and make recommendations as necessary for changes to the portfolio. The committee should include the C/CAG Chair or designee, and four public members with a financial background. Recommendations from the Committee should be unanimous. Quarterly Reports on the portfolio performance and the make-up of the County Pool and the Local Agency Investment Fund (LAIF) will be provided to the Committee. The Committee will consider input from the C/CAG Fiscal Agent and C/CAG staff in making their recommendations to the C/CAG Board. When formed and operating this Committee is referenced in this document as the C/CAG Investment Committee.*

However, since the above was adopted in 2010, the Investment Advisory Committee has not been established primary due to lack of qualified volunteer individuals.

Since after the investment lost due to Lehman Brothers, the San Mateo County has put in additional measures to safeguard investment and external oversight. The San Mateo County Board of Supervisor annually adopts its Investment Policy Statement, most recently in May 2013. In that Statement, it includes a section on “External Investment Advisor” which reads as follows (Full copy is available for reference):

*An external investment advisor will be contracted to conduct independent monthly compliance reviews of the County’s portfolio holdings and provide a monthly written report which will:*

- 1. Verify the accuracy of holdings information.*
- 2. Provide summary level information about the portfolio*
- 3. Verify compliance with California Government Code*
- 4. Verify compliance with the County’s written Investment Policy*
- 5. List any exceptions or discrepancies identified.*

#### **Summary of Proposed Modification:**

Since C/CAG has been investing in LAIF and San Mateo County Pool fund only, and that those funds have strict compliance and oversight requirements, staff recommend to remove the requirement of establishment of a C/CAG Investment Advisory Committee. In the attached proposed Investment Policy (with track changes), edits are shown with **underline** and ~~strikethrough~~. Major changes include:

1. The requirement of an Investment Advisory Committee is deleted throughout the document.
2. To be consistent with City of San Carlos’s personnel titles, “Finance Officer” has been changed to “Financial Services Manager” throughout the document.
3. Maximum in portfolio for US Government Agency and Federal Agency Securities are increased from 20% to 100% to be consistent with LAIF portfolio policy.
4. Maximum amount allowed in LAIF and San Mateo County Investment Pool are increased from \$10,000,000 to \$40,000,000 in accordance with Government code.

#### **ATTACHMENTS:**

1. Resolution 13-33
2. C/CAG Investment Policy for FY 2013-14 (with track changes)
3. C/CAG Investment Policy for FY 2013-14 (clean copy)
4. San Mateo County Investment Policy Statement for Calendar Year 2013 (Not attached, but available at : <http://www.ccag.ca.gov/ccag.html>)

**RESOLUTION NO. 13-33**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
CITY/ COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY  
ADOPTING THE FY 2013-14 C/CAG INVESTMENT POLICY**

**WHEREAS**, the City of San Carlos is the Financial 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

**NOW, THEREFORE BE IT RESOLVED** by the Board of Directors of the City/County Association of Governments of San Mateo County that the attached FY 2013-33 C/CAG Investment Policy is approved and adopted.

**PASSED, APPROVED, AND ADOPTED THIS 10TH DAY OF OCTOBER, 2013.**

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*Brandt Grotte, Chair*



# CITY AND COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY INVESTMENT POLICY

~~December 2012~~ October 2013

## 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 PRINCIPLE - The primary objective of the investment policy of the City and County Association of Governments is SAFETY OF PRINCIPLE. 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 Investment Committee and modified as appropriate periodically to respond to changing circumstances in order to achieve the Safety of Principle.**
- 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 Principle should not be reduced in order to achieve higher yield.

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 Principle, 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 principle 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 principle 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.

~~C/CAG will establish an Investment Advisory Committee that will analyze the portfolio quarterly against the policy objectives and make recommendations to C/CAG's Fiscal Agent as necessary for changes to the portfolio. It is intended that the committee membership include financial expertise.~~

~~Until the C/CAG Investment Advisory Committee is formed and operating the C/CAG Fiscal Agent Investment Committee will make the C/CAG investment decisions. For the purposes of reference this document will refer to the appropriate Committee as the C/CAG Investment Committee.~~

## OBJECTIVES

### Safety of Principle

Safety of principle 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 principle by mitigating the three types of risk: credit risk, market risk and interest rate 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.

Interest rate risk, defined as pursuing higher yields at the cost of increasing the risk of loss of principle, shall be mitigated by accepting a lower return with increased safety of principle, by investing in investment grade securities, and by diversifying the investment.

### 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 ~~and the C/CAG Investment Committee 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 ~~Finance Officer~~ **Financial Services Manager**. Investment performance is monitored and provided to the C/CAG Investment Committee and C/CAG Board on a quarterly basis. Investment performance statistics and activity reports are generated on a quarterly basis for presentation to the C/CAG Investment 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 Investment 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 ~~Finance Officer~~, 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 ~~the C/CAG Board Investment Committee~~.

## C/CAG INVESTMENT ADVISORY COMMITTEE

~~C/CAG will establish an Investment Advisory Committee that will analyze the portfolio quarterly against the policy objectives and make recommendations as necessary for changes to the portfolio. The committee should include the C/CAG Chair or designee, and four public members with a financial background. Recommendations from the Committee should be unanimous. Quarterly Reports on the portfolio performance and the make-up of the County Pool and the Local Agency Investment Fund (LAIF) will be provided to the Committee. The Committee will consider input from the C/CAG Fiscal Agent and C/CAG staff in making their recommendations to the C/CAG Board. When formed and operating this Committee is referenced in this document as the C/CAG Investment Committee.~~

## FISCAL AGENT INVESTMENT COMMITTEE

An investment committee consisting of the City of San Carlos Treasurer, City Manager, ~~Assistant 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 ~~Finance Officer~~ 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 ~~Finance Officer~~ 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.

~~Only in the absence of the C/CAG Investment Advisory Committee will the Fiscal Agent (City of San Carlos) Investment Committee make the C/CAG investment decisions. When operating in accordance with this document this Committee is referenced in this document as the C/CAG Investment Committee.~~

## ETHICS AND CONFLICTS OF INTEREST

The C/CAG Investment Advisory 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 City's Administrative Services Director, and the Finance Officer Financial Services Manager, ~~and members of the C/CAG Investment Advisory Committee~~ 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 Administrative Services Director to verify investment holdings.

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

### **INTERNAL CONTROL**

Separation of functions between the City's Administrative Services Director or ~~Finance Officer~~ 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 C/CAG Investment Committee ~~are~~ Administrative Services Director, executed by the Administrative Services Director or ~~Finance Officer~~ Financial Services Manager and confirmed by the Senior Accountant. All wire transfers initiated by the Administrative Services Director or ~~Finance Officer~~ Financial Services Manager must be reconfirmed by the appropriate financial institution by 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 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 Administrative Services Director and/or ~~C/CAG Investment Committee~~ Executive Director shall review and assure compliance with investment process and procedures.

### **REPORTING**

The Administrative Services Director shall review and render quarterly reports to the ~~C/CAG Investment Committee~~ 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 ~~C/CAG Investment Committee~~ Executive Director ~~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 **C/CAG Executive Director** ~~Investment Committee~~, 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.

### **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. The City's Administrative Services Director will **maintain a list of approved 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. The Investment staff shall recommend additions to the approved dealer list to the C/CAG ~~Investment Committee~~ **Executive Director** for approval.

The Administrative Services Director or ~~Finance Officer~~ **Financial Services Manager** shall annually send a copy of the current investment policy to all broker/dealers approved to do business with C/CAG. Confirmation of receipt of this policy shall be considered evidence that the dealer understands C/CAG's investment policies and intends to sell C/CAG only appropriate investments authorized by this investment policy.

### **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 principle 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.

In order to conform with the provisions of the Federal Bankruptcy Code which provides for liquidation of securities held as collateral, the only securities acceptable as collateral shall be certificates of deposit, commercial paper, eligible banker's acceptances, medium term notes or securities that are direct obligations of, or are fully guaranteed as to principle and interest by, the United States or any agency of the United States.

### **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 ~~Investment Committee~~ **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 principle 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. 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). ~~Investments in these agencies shall be no more than 20% of the portfolio~~ There is no percentage limitation of the portfolio that can be invested in this category. ~~It should be reviewed quarterly by the C/CAG Investment Committee,~~ although a five-year maturity limitation is applicable.

Investments detailed in items 3 through 9 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.

3. 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% of the cost value of the portfolio and no more than 5% of the portfolio to any one corporate borrower.
4. Commercial paper ranked P1 by Moody's Investor Services or A1+ by Standard & Poor's, and issued by domestic corporations having assets in excess of \$500,000,000 and having an AA or better rating on its' long term debentures as provided by Moody's or Standard & Poor's. Purchases of eligible commercial paper may not exceed 270 days to maturity nor represent more than 10% of the outstanding paper of the issuing corporation. Purchases of commercial paper may not exceed 15% of the cost value of the portfolio and no more than 5% of the portfolio to any one corporate borrower.
5. 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 with a one year maturity and 20 % with a one to five year maturity.. A maturity limitation of five years is applicable and no more than 5% of the portfolio to any one corporate borrower.
6. 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.
67. 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% of the investment portfolio with a one year maturity and 20 % with a one to five year maturity may be invested in this investment type and no more than 5% of the portfolio to any one corporate borrower.
78. Medium Term Corporate Notes, with a maximum maturity of five years may be purchased. Securities eligible for investment shall be rated AA or better by Moody's or Standard & Poor's rating services. Purchase of medium term notes may not exceed 30% of the market value of the portfolio with a one year maturity and 20 % with a one to five year maturity 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 not have more than 5% of its investment portfolio (cumulative for all categories of investment) in any one corporate borrower.

89. 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 Investment Advisory Committee ~~Executive Director~~ and approved by the C/CAG Board prior to purchase.

910. 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:

<u>Investment Type</u>	<u>Percentage/Amount</u>
Repurchase Agreements	Not Allowed
Local Agency Investment Fund	<del>\$10,000,000</del> 40,000,000 per account
San Mateo County Investment Pool	<del>\$10,000,000</del> 40,000,000 per account
US Treasury Bonds/Notes/Bills	0 to 100%
US Government Agency Obligations	0 to <del>2</del> 100%
Bankers' Acceptances	0 to 30%
Commercial Paper	0 to 5%
Negotiable Certificates of Deposit	0 to 30%
Time Certificates of Deposit	0 to 25%
Medium Term Corporate Notes	0 to 5%
Reverse Repurchase Agreements	0%

**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 Joint Powers Authority will not invest directly in derivative investments. However, derivative investments could be made by the San Mateo County Pool or the Local Agency Investment Fund (LAIF) in which C/CAG invests. Therefore, the C/CAG ~~Investment Advisory Committee~~ Board may limit or prohibit how much is invested in the pools. Securities or investments classified as derivatives must be issued by an agency or entity authorized by 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 statements received from LAIF, the San Mateo County Pool, and the Safekeeper.

## LIMITING MARKET VALUE EROSION

The longer the maturity of securities, the greater 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 principles. 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 Investment Advisory Committee 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 and 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 principle, 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 principle 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 \$100,000 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 \$100,000) 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 principle or stated value of an investment becomes due and payable.

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 Bills- U.S. Treasury Bills which are short-term, direct obligations of the U.S. Government issued with original maturities of 13 weeks, 26 weeks and 52 weeks; sold in minimum amounts of \$10,000 in multiples of \$5,000 above the minimum. Issued in book entry form only. T-bills are sold on a discount basis.

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.

# CITY AND COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY INVESTMENT POLICY

October 2013

## 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 PRINCIPLE - The primary objective of the investment policy of the City and County Association of Governments is SAFETY OF PRINCIPLE. 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 and modified as appropriate periodically to respond to changing circumstances in order to achieve the Safety of Principle.
- 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 Principle should not be reduced in order to achieve higher yield.

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 Principle, 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 principle 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 principle 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 Principle

Safety of principle 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 principle by mitigating the three types of risk: credit risk, market risk and interest rate 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.

Interest rate risk, defined as pursuing higher yields at the cost of increasing the risk of loss of principle, shall be mitigated by accepting a lower return with increased safety of principle, by investing in investment grade securities, and by diversifying the investment.

### 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 provided to the C/CAG Investment Committee and C/CAG Board on a quarterly basis. Investment performance statistics and activity reports are generated on a quarterly basis for presentation to the C/CAG Investment 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 Investment 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 Investment Advisory 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 City'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 Administrative Services Director to verify investment holdings.

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

## **INTERNAL CONTROL**

Separation of functions between the City'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 Administrative Services Director, executed by the Administrative Services Director or Financial Services Manager and confirmed by the Senior Accountant. All wire transfers initiated by the Administrative Services Director or Financial

Services Manager must be reconfirmed by the appropriate financial institution by 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 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 Administrative Services Director and/or C/CAG Executive Director shall review and assure compliance with investment process and procedures.

## **REPORTING**

The Administrative Services Director 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 C/CAG Executive Director 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 C/CAG Executive Director, 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.

## **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. The City's Administrative Services Director will maintain a list of approved 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. The Investment staff shall recommend additions to the approved dealer list to the C/CAG Executive Director for approval.

The Administrative Services Director or Financial Services Manager shall annually send a copy of the current investment policy to all broker/dealers approved to do business with C/CAG. Confirmation of receipt of this policy shall be considered evidence that the dealer understands C/CAG's investment policies and intends to sell C/CAG only appropriate investments authorized by this investment policy.

## **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 principle 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.

In order to conform with the provisions of the Federal Bankruptcy Code which provides for liquidation of securities held as collateral, the only securities acceptable as collateral shall be certificates of deposit, commercial paper, eligible banker's acceptances, medium term notes or securities that are direct obligations of, or are fully guaranteed as to principle and interest by, the United States or any agency of the United States.

## **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 principle 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. 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 through 9 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.

3. 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% of the cost value of the portfolio and no more than 5% of the portfolio to any one corporate borrower.
4. Commercial paper ranked P1 by Moody's Investor Services or A1+ by Standard & Poor's, and issued by domestic corporations having assets in excess of \$500,000,000 and having an AA or better rating on its' long term debentures as provided by Moody's or Standard & Poor's. Purchases of eligible commercial paper may not exceed 270 days to maturity nor represent more than 10% of the outstanding paper of the issuing corporation. Purchases of commercial paper may not exceed 15% of the cost value of the portfolio and no more than 5% of the portfolio to any one corporate borrower.
5. 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 with a one year maturity and 20 % with a one to five year maturity.. A maturity limitation of five years is applicable and no more than 5% of the portfolio to any one corporate borrower.



6. 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.
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% of the investment portfolio with a one year maturity and 20 % with a one to five year maturity may be invested in this investment type and no more than 5% of the portfolio to any one corporate borrower.
8. Medium Term Corporate Notes, with a maximum maturity of five years may be purchased. Securities eligible for investment shall be rated AA or better by Moody's or Standard & Poor's rating services. Purchase of medium term notes may not exceed 30% of the market value of the portfolio with a one year maturity and 20 % with a one to five year maturity 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 not have more than 5% of its investment portfolio (cumulative for all categories of investment) in any one corporate borrower.
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:

<u>Investment Type</u>	<u>Percentage/Amount</u>
Repurchase Agreements	Not Allowed
Local Agency Investment Fund	\$ 40,000,000 per account
San Mateo County Investment Pool	\$ 40,000,000 per account
US Treasury Bonds/Notes/Bills	0 to 100%
US Government Agency Obligations	0 to 100%
Bankers' Acceptances	0 to 30%
Commercial Paper	0 to 5%
Negotiable Certificates of Deposit	0 to 30%
Time Certificates of Deposit	0 to 25%
Medium Term Corporate Notes	0 to 5%
Reverse Repurchase Agreements	0%

## **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 Joint Powers Authority will not invest directly in derivative investments. However, derivative investments could be made by the San Mateo County Pool or the Local Agency Investment Fund (LAIF) in which C/CAG invests. Therefore, the C/CAG Board may limit or prohibit how much is invested in the pools. Securities or investments classified as derivatives must be issued by an agency or entity authorized by 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 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 principles. 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 and 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 principle, 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.



# C/CAG AGENDA REPORT

**Date:** December 13, 2012  
**To:** City/County Association of Governments Board of Directors  
**From:** Sandy Wong, Executive Director  
**Subject:** Receive a presentation on C/CAG FY 2012-13 Highlights  
(For further information or questions contact Sandy Wong at 599-1409)

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## **RECOMMENDATION:**

This is an informational item.

## **FISCAL IMPACT:**

None.

## **SOURCE OF FUNDS:**

NA.

## **BACKGROUND/DISCUSSION:**

C/CAG receives Federal, State, and local funds as well as member fees for its operations, programs, and projects. C/CAG separates its funds into ten funds for accounting, tracking, and reporting purposes. They are: 1). General Fund, 2). Congestion Management, 3). Congestion Relief, 4). Clean Air, 5). Smart Corridor, 6). Energy Watch, 7). Stormwater, 8). \$4 Vehicle License Fee, 9). \$10 Vehicle License Fee, and 10). Abandon Vehicle Abatement.

C/CAG's programs and projects generally fall in one of the following four categories: A) Transportation; B) Stormwater management; C) Climate; D) Airport Land Use. Below is an outline of the programs and projects in each of the four categories. It should be noted that the size of each of the four categorical programs is not equal, with the Transportation category being the largest.

### **Transportation:**

- Local streets and roads program
- Assist local jurisdictions in compliance with Federal and State funding requirements
- Highway and arterial improvement projects (congestion relief or safety improvement)
- Safe Routes to School
- Transit and senior mobility improvement
- Smart Corridor project
- Pedestrian and bicycle improvement
- Local Shuttle Program
- Freeway ramp metering
- Linking transportation and land use decisions
  - Housing, and Priority Development Area (PDA) planning
- Transit oriented development incentive
- Participate in Grand Boulevard Initiative

**ITEM 6.5**

## **Stormwater Management**

- Assist local jurisdictions in stormwater discharge permit compliance
- Pollution prevention education programs
- Coastal Cleanup Day
- Countywide water quality monitoring
- Green Street programs/projects

## **Climate**

- Implement San Mateo County Energy Watch program
  - Municipal
  - Schools
  - Residential
  - Non-profits, farms, small businesses.
- Assist local jurisdictions in Climate Action Plans (CAP)
- Comprehensive energy recommendations for municipalities

## **Airport Land Use Compatibility**

- Adopted and implement Airport Land Use Compatibility Plan (ALUCP) for the environs of:
  - San Francisco International Airport
  - Half Moon Bay Airport
  - San Carlos Airport

## **ATTACHMENTS:**

None. A powerpoint presentation with program performance measures will be provided by staff at the meeting.

# C/CAG

## CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY

*Achertson • 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 24, 2013

Sheila Jordan  
Superintendent  
Alameda County Office of Education  
313 W. Winton Ave.  
Hayward, CA 94544-1136

Dear Superintendent Jordan,

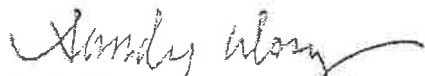
I am writing in support of the Alameda County Office of Education application for the National Science Foundation Advanced Technological Education Grant. One of our programs, the San Mateo County Energy Watch, has begun promoting energy efficiency in San Mateo County schools in our 2013-2014 program cycle. In partnership with the San Mateo County Office of Education, SMC Energy Watch is benchmarking the energy performance of all 174 public K-12 schools in our district, and presenting the results at our Prop 39 Funding Workshop on October 10.

Since the beginning of the year, SMC Energy Watch has begun collaborating with existing energy saving programs that serve schools so we can offer districts more comprehensive technical assistance to districts as they move through the process of implementing energy saving projects. We are supportive of the work your organization would be able to do with this grant, because it would provide additional funding and management for a more comprehensive approach to energy efficiency and sustainability, something that is a major hurdle for most school districts.

Our understanding is that this grant will help promote the development of local two-year college Environmental Management programs through funding internships for various aspects of sustainability assessment and implementation. In addition, the grant should help fund part of the cost of a Sustainability Program Manager and pay for audits for water and energy efficiency projects.

Thank you for including us in your proposed efforts to educate San Mateo County students and improve the efficiency of our schools.

Best regards,



Sandy Wong – Executive Director

**ITEM 9.1**