

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 BOARD MEETING NOTICE and SAN MATEO COUNTY AIRPORT LAND USE COMMISSION MEETING NOTICE

Meeting No. 303

- DATE:** Thursday, November 9, 2017
- TIME:** 6:30 P.M.
- PLACE:** San Mateo County Transit District Office
1250 San Carlos Avenue, Second Floor Auditorium
San Carlos, CA
- PARKING:** Available adjacent to and behind building.
Please note the underground parking garage is no longer open.
- PUBLIC TRANSIT:** SamTrans
Caltrain: San Carlos Station.
Trip Planner: <http://transit.511.org>

- 1.0 CALL TO ORDER/ ROLL CALL
- 2.0 PLEDGE OF ALLEGIANCE
- 3.0 PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA
Note: Public comment is limited to two minutes per speaker.
- 4.0 PRESENTATIONS/ ANNOUNCEMENTS
 - 4.1 Presentation on “*Get Us Moving San Mateo County*” – A proposed new tax measure.
 - 4.2 Presentation on the San Mateo County Safe Routes to School FY 16-17 Annual Report.
- 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. 302 dated October 12, 2017. ACTION p. 1
- 5.2 Review and approval of Resolution 17-54 adopting the San Mateo County Transportation Development Act Article 3 Program, funding projects that encourage and improve bicycling and walking conditions, for Fiscal Year 2017-2018 for \$2,260,000. ACTION p. 6
- 5.3 Review and approval of Resolution 17-55 determining that Daly City's Serra Station Mixed-Use Development at 3301 Junipero Serra Blvd, including related Rezoning and Specific Plan Amendments, is consistent with the Comprehensive Airport Land Use Compatibility Plan for the Environs of San Francisco International Airport. ACTION p. 12
- 5.4 Review and approval of Resolution 17-56 adopting the updated C/CAG Procurement Policy. ACTION p. 28
- 5.5 Review and approval of Resolution 17-57 amending of the One Bay Area Grant 1 (OBAG 1) program to include supplemental funds of \$225,000 to augment the countywide Safe Routes to School Program. ACTION p. 35
- 5.6 Review and accept the C/CAG Basic Financial Statements (Audit) and the Memorandum on Internal Control and Required Communications for the Year Ended June 30, 2017. ACTION p. 38
- 5.7 Review and accept the C/CAG Single Audit Report for the Year Ended June 30, 2017. ACTION p. 52
- 5.8 Review and accept the Measure M Fund Financial Statements (Audit) for the Year Ended June 30, 2017. ACTION p. 64
- 5.9 Review and accept the C/CAG Smart Corridor Project Audit Report through June 30, 2017. ACTION p. 79
- 5.10 Review and approval of the appointment of Jamie Axt (City of Redwood City) to the C/CAG Bicycle and Pedestrian Advisory Committee (BPAC) for two-year term to fill one vacant public member seat. ACTION p. 88
- 6.0 REGULAR AGENDA
- 6.1 Receive an update on the US 101 Managed Lane project. INFORMATION p. 93
- 6.2 Receive an update on the Carpool Incentive Program. INFORMATION p. 95
- 7.0 COMMITTEE REPORTS
- 7.1 Committee Reports (oral reports)
- 7.2 Chairperson's Report
- 7.3 Board Members Report/ Communication

8.0 EXECUTIVE DIRECTOR’S REPORT

9.0 COMMUNICATIONS - Information Only

- 9.1 Letter from Alicia Aguirre, Chair, City/County Association of Governments, to Steve Heminger, Bay Area Metro Center, dated 10/12/17. RE: Proposal to condition the State Transportation Improvement Program (STIP) on Regional Housing Need Allocation (RHNA) production. p. 97
- 9.2 Letter from Sandy Wong, Executive Director, City/County Association of Governments, to Office of Sustainability, dated 10/11/17. RE: Support Letter for the San Mateo County Caltrans SB 1 Adaption Grant Program Application p. 99
- 9.3 Letter from Sandy Wong, Executive Director, City/County Association of Governments, to Steve Heminger, Executive Director, Metropolitan Transportation Commission (MTC) dated 10/16/17. RE: Support for The Future of Mobility: Ride-Hailing Data Collection and Analysis p. 100

10.0 ADJOURNMENT

Next scheduled meeting December 14, 2017

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

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

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

Executive Director: Sandy Wong (650) 599-1409

Administrative Assistant: Mima Guilles (650) 599-1406

MEETINGS

- November 9, 2017 C/CAG Board – SamTrans, 2nd Flr Auditorium – 6:30 p.m.
- November 15, 2017 RMCP Committee – 155 Bovet Rd, 1st Flr Conference Rm, San Mateo – 2 p.m – 4 p.m.
- November 15, 2017 Finance Committee – 555 County Center, 5th Flr, Redwood City – 12 p.m.
- November 16, 2017 CMP Technical Advisory Committee – SamTrans, 2nd Floor Auditorium – 1:15 p.m. – 3 p.m.
- November 16, 2017 Stormwater Committee – SamTrans, 2nd Flr Auditorium – 2:30 p.m.
- November 27, 2017 Administrators’ Advisory Committee – 555 County Center, 5th Flr, Redwood City – 12 p.m.
- November 27, 2017 CMEQ Committee – San Mateo City Hall – Conference Rm C – 3 p.m. – 5 p.m.

C/CAG

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BOARD MEETING MINUTES

Meeting No. 302

October 12, 2017

1.0 CALL TO ORDER/ROLL CALL

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

Belmont	– Doug Kim (arrive 6:55 p.m.)
Burlingame	– Ricardo Ortiz (arrive 6:35 p.m.)
Colma	– Diana Colvin
Daly City	– Glenn Sylvester
East Palo Alto	– Lisa Gauthier
Half Moon Bay	– Harvey Rarback
Hillsborough	– Marie Chuang
Millbrae	– Ann Schneider
Pacifica	– Mike O’Neill
Portola Valley	– Maryann Moise Derwin
Redwood City	– Alicia Aguirre
San Bruno	– Irene O’Connell
San Carlos	– Mark Olbert
South San Francisco	– Karyl Matsumoto (SamTrans & TA)
Woodside	– Deborah Gordon

Absent:

Atherton
Brisbane
Foster City
Menlo Park
San Mateo
San Mateo County

Others:

Sandy Wong	– C/CAG Executive Director
Nirit Eriksson	– C/CAG Legal Counsel
Mima Guilles	– C/CAG Staff
Jean Higaki	– C/CAG Staff
John Hoang	– C/CAG Staff
Jeff Lacap	– C/CAG Staff

Sara Muse – C/CAG Staff
 Susy Kalkin – C/CAG Staff
 Kim Springer/A. Chow – San Mateo County
 Matt Robinson – Shaw /Yoder /Antwih
 Leo Scott – Gray Bowen Scott
 Joe Hurley – SamTrans
 April Chan – SamTrans
 Sean Nozarri – Caltrans
 Behzad Golmohammadi – Caltrans
 David Man – Caltrans
 Min Lee – Caltrans
 Tony Harris – PointC
 Other members of the public attended.

3.0 PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA
Note: Public comment is limited to two minutes per speaker.

None.

4.0 PRESENTATIONS/ ANNOUNCEMENTS

4.1 Receive a presentation on the San Mateo County Smart Corridor Project from C/CAG and Caltrans staff.

5.0 CONSENT AGENDA

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

Board Member Chuang MOVED approval of Items 5.1, 5.2, and 5.3. Board Member O’Connell SECONDED. **MOTION CARRIED 15-0-0**

5.1 Approval of the minutes of regular business meeting No. 301 dated September 14, 2017. APPROVED

5.2 Review and approval of Resolution 17-50 determining that the City of Belmont 2035 General Plan Update, Phase I Zoning, Belmont Village Specific Plan and Belmont Village Zoning are conditionally consistent with the Comprehensive Airport Land Use Compatibility Plan for the Environs of San Carlos Airport. APPROVED

5.3 Review and approval of the San Mateo County Energy Watch (SMCEW) Municipal Energy Efficiency Call for Projects. APPROVED

6.0 REGULAR AGENDA

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

Matt Robinson from Shaw, Yoder, Antwih Inc. provided a state legislative update. The legislature has adjourned for the first year of this session. The status of bills of interest to C/CAG was presented: SB 1 (Beall) was passed and is being implemented, AB 28 (Frazier) was signed in March, SB 231 (Hertzberg), AB 1613 (Mullin), and AB 733 (Berman) were all signed by the Governor this week, SB 595 (Beall) is waiting for the Governor's signature.

Jean Higaki, C/CAG staff, presented a response letter to MTC regarding a regional proposal to condition the State Transportation Improvement Program (STIP) on Regional Housing Needs Allocation (RHNA) production.

Board Member O'Connell suggested that each city within San Mateo County consider drafting a letter from their jurisdiction as well. It was also suggested to send letters to C/CAG staff before the MTC meeting on October 25, 2017.

Board Member Gordon MOVED approval of the letter from C/CAG to MTC regarding the proposal to condition the State Transportation Improvement Program (STIP) on Regional Housing Needs Allocation (RHNA) production. Board Member O'Connell SECONDED. Member Olbert OPPOSED. **MOTION CARRIED 14-1-0.**

- 6.2 Review and approval of an appointment to fill a public member vacancy to the C/CAG Bicycle and Pedestrian Advisory Committee (BPAC) for two-year term.

Item 6.2 has been removed from the regular agenda.

- 6.3 Review and approval of an appointment to fill an elected official vacancy to the C/CAG Bicycle and Pedestrian Advisory Committee (BPAC).

Item 6.3 has been removed from the regular agenda.

- 6.4 Receive a presentation on the project development process for the US 101 Managed Lanes project.
INFORMATION

The Board received a presentation from Leo Scott, Project Manager, Gray Bowen Scott, and Sandy Wong, C/CAG Executive Director, on the schedule and upcoming steps on the project development process for the US 101 Managed Lanes project.

- 6.5 Review and approval of Resolution 17-51 approving the Proposed 2018 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 minor modifications as necessary. (*Special voting procedures apply*).
APPROVED

Jean Higaki, C/CAG staff, presented the Proposed 2018 State Transportation Improvement Program (STIP) for San Mateo County.

Board Member O'Connell MOVED approval of Item 6.5. Board Member Ortiz SECONDED. A Special Voting Procedure was taken by roll call. **MOTION CARRIED 14-1-0.** Results: 14 Agencies approving. This represents 67% of the agencies representing 64% of the population.

APPROVED

Belmont – Doug Kim
Burlingame – Ricardo Ortiz
Colma – Diana Colvin
Daly City – Glenn Sylvester
East Palo Alto – Lisa Gauthier
Half Moon Bay – Harvey Rarback
Hillsborough – Marie Chuang
Millbrae – Ann Schneider
Pacifica – Harvey Rarback
Portola Valley – Maryann Derwin
Redwood City – Alicia Aguirre
San Bruno – Irene O’Connell
South San Francisco – Karyl Matsumoto
Woodside – Deborah Gordon

OPPOSED

Mark Olbert – San Carlos

ABSENT

Atherton
Brisbane
Foster City
Menlo Park
San Mateo
San Mateo County

6.6 Resolutions of Local Support for the 2018 Regional Transportation Improvement Program (RTIP) for San Mateo County: APPROVED

6.6.1 Review and approval of Resolution 17-52 authorizing the filing of an application for \$34,498,000 in funding from the Regional Transportation Improvement Program (RTIP) for the US 101 Managed Lane Project from Santa Clara County Line to I-380. APPROVED

Board Member Chuang MOVED approval of item 6.6.1. Board Member Schneider SECONDED. **MOTION CARRIED 15-0-0.**

6.6.2 Review and approval of Resolution 17-53 authorizing the filing of an application for \$8,500,000 in funding from the Regional Transportation Improvement Program (RTIP) for ITS Improvements in San Mateo Northern Cities – (Including Daly City, Brisbane, and Colma). APPROVED

Board Member Marie MOVED approval of item 6.6.2. Board Member Schneider SECONDED. **MOTION CARRIED 14-1-0.** Olbert OPPOSED

7.0 COMMITTEE REPORTS

7.1 Committee Reports (oral reports)

7.2 Chairperson’s Report

7.3 Board Members Report/ Communication

Board Member Matsumoto commented on taking proactive steps on Transportation Demand Management (TDM) as a congestion mitigation strategy.

8.0 EXECUTIVE DIRECTOR’S REPORT

9.0 COMMUNICATIONS - Information Only

9.1 Letter from Alicia Aguirre, Chair, City/County Association of Governments, to The Honorable Jerry Brown, Governor, State of California, dated 9/11/17. RE: SIGNATURE REQUEST FOR AB 1613 (Mullin)

- 9.2 Letter from Sandy Wong, Executive Director, City/County Association of Governments, to All of San Mateo County City Managers/County and Public Works Director, dated 9/13/17. RE: Funding Allocation of Local Share under Measure M (\$10 Vehicle Registration Fee) – Fiscal Year 2016/17
- 9.3 Letter from Alicia Aguirre, Chair, City/County Association of Governments, to The Honorable Jerry Brown, Governor, State of California, dated 9/15/17. RE: SUPPORT FOR SB 595 (Beall)
- 9.4 Letter from Jasvinderjit S. Bhullar, Chief, Division of Traffic Operations and Rihui Zhang, Chief, Division of Local Assistance, Department of Transportation, to John Hoang, Project Manager, City/County Association of Governments (C/CAG), dated 9/25/17. RE: Corrective Action Resolution (CAR) for the audit findings in the Office of State Audits and Evaluations Audit Report date March 2017
- 9.5 Letter from John Hoang, Program Manager, City/County Association of Governments, to Eunejune Kim, PE, Director of Public Works/City Engineer, dated 9/28/17. RE: Support to the City of South San Francisco (SSF) for the Metropolitan Transportation Commission (MTC) Innovative Deployments to Enhance Arterials (IDEA) challenge Grant Program
- 10.0 ADJOURNMENT – 8:35 p.m.

C/CAG AGENDA REPORT

Date: November 9, 2017

To: City/County Association of Governments of San Mateo County Board of Directors

From: Sandy Wong, Executive Director

Subject: Review and approval of Resolution 17-54 adopting the San Mateo County Transportation Development Act Article 3 Program, funding projects that encourage and improve bicycling and walking conditions, for Fiscal Year 2017-2018 for \$2,260,000.

(For further information or questions, please contact Sara Muse at 650-599-1460)

RECOMMENDATION

That the C/CAG Board review and approve Resolution 17-54 adopting the San Mateo County Transportation Development Act Article 3 (TDA Article 3) Program, funding projects that encourage and improve bicycling and walking conditions, for Fiscal Year 2017-2018 for \$2,260,000.

FISCAL IMPACT

There is a total of \$2,260,000 available for the TDA Article 3 Program Call for Projects for the FY 2017-2018 cycle.

SOURCE OF FUNDS

Transportation Development Act Article 3 (TDA Article 3) funds are derived from Local Transportation Funds and the State Transit Assistance Fund. Local Transportation Funds (LTF) are derived from a ¼ cent of the general sales tax collected statewide. State Transit Assistance funds (STA) are derived from the statewide sales tax on gasoline and diesel fuel.

BACKGROUND

TDA Article 3 funds are made available through State funds and are distributed by the Metropolitan Transportation Commission (MTC) to C/CAG on a formula basis annually. C/CAG acts as the program administrator in San Mateo County and issues a call for projects for eligible bicycle and pedestrian projects. This funding is available for bicycle and pedestrian projects in San Mateo County with the cities, the County of San Mateo and joint powers agencies (consisting of cities in San Mateo County and/or the County) being eligible applicants.

At the May 11, 2017 C/CAG Board of Directors meeting, the Board approved the TDA Article 3 Pedestrian and Bicycle Program Call for Projects for the FY 2017-2018 Cycle. The total amount of TDA Article 3 funds available for the current cycle is \$2,260,000. Per the approved program guidelines, there is \$1,910,000 available for capital projects and \$350,000 available for planning projects. The maximum amount per project a jurisdiction can receive is \$400,000 for capital projects

and \$100,000 for planning projects. Staff held an application workshop on May 31, 2017 to provide information on the application process for all potential project sponsors. Twenty-nine (29) applications were submitted on July 14, 2017; 27 of which were deemed eligible by staff's initial screening. Project sponsors presented their respective projects at the September 28, 2017 C/CAG Bicycle and Pedestrian Advisory Committee (BPAC) meeting. BPAC members evaluated, scored, and ranked applications at the October 26, 2017 BPAC meeting. Attachment 1 provides the BPAC project ranking, scoring, and recommended project list for funding.

In summary, the schedule for the TDA Article 3 Program is presented below.

Call for Projects Issued	May 15, 2017
Application Workshop	May 31, 2017
Project Applications Due	July 14, 2017
Field Tours	August 25, 2017
Project Presentations to C/CAG BPAC	September 28, 2017
C/CAG BPAC Application Review & Recommendation	October 26, 2017
C/CAG Board Approval	November 9, 2017

As shown in Attachment 1, of the eight (8) projects recommended for funding, five (5) are capital projects (\$1,905,383) and three (3) planning (\$255,000). There is a remainder of \$4,617 in capital funds and \$95,000 in planning funds. The BPAC recommends using remaining funds (\$99,617) to partially fund the San Mateo Bicycle Master Plan Update planning project, ranked fourth in planning projects. The City of San Mateo requested \$100,000 in TDA Article 3 funds for the Bicycle Master Plan Update.

There was \$7,379,237 in total requested TDA Article 3 funds this cycle (\$6,909,237 for 21 capital projects and \$470,000 for 6 planning projects). Due to the limited amount of funds, 18 projects were unable to receive funding (assuming the City of San Mateo planning project is partially funded). Of the 18 unfunded projects, 16 were capital projects and 2 were planning projects. Project sponsors will be encouraged to apply for future statewide Active Transportation Program (ATP) Cycle 4 grants and the San Mateo County Transportation Authority (TA) Measure A Bicycle and Pedestrian Program funds.

Upon approval by C/CAG Board, Staff will submit the projects recommended for funding to MTC for allocation approval. MTC will provide allocation instructions to project sponsors directly.

Jurisdictions receiving TDA Article 3 FY 2017-2018 funds must expend the funds no later than June 30, 2020 after allocations are made by MTC, expected in early 2018. Capital project must be ready to implement within FY 2018-2019.

ATTACHMENTS

1. San Mateo County TDA Article 3 FY 17-18 Funding Recommendation
2. Resolution 17-54

TDA Article 3 FY 2017-2018 Funding Recommendation: Capital Projects						
Rank	Score	Application Number	Jurisdiction	Project Title	Funding Request	Funding Recommendation
1	84.7	9	Foster City	Bicycle and Pedestrian Improvements along E. Hillsdale Boulevard and Beach Park Boulevard	\$400,000	\$400,000
2	80.3	20	San Bruno	Huntington/San Antonio Bicycle Corridor and Lomita Park Elementary Safe Routes to School Project	\$385,200	\$385,200
3	78.6	15	Millbrae	Transit Center to Spur Trails (Phase I and II) Connection and Pedestrian/Bicyclist Safety Improvements	\$370,183	\$370,183
4	76.9	1	Atherton	ECR between Selby Lane/5th Ave Complete Streets Improvements	\$400,000	\$400,000
5	76.6	25	South San Francisco	The South San Francisco Regional Bike Network Connectivity Project: North	\$350,000	\$350,000
6	76.5	13	Menlo Park	Menlo Park Bicycle and Pedestrian Enhancement Project	\$375,000	\$0
7	75.5	19	Redwood City	Jefferson/Cleveland Pedestrian & Bicycle Safety Improvements	\$400,000	\$0
8	74.7	2	Belmont	Alameda De Las Pulgas Pedestrian & Bicycle Project	\$400,000	\$0
9	74.0	16	Pacifica	RWB to PSB Trail	\$300,000	\$0
10	73.4	12	Half Moon Bay	Spindrift	\$391,000	\$0
11	72.9	26	South San Francisco	The South San Francisco Regional Bike Network Connectivity Project: South	\$210,000	\$0
12	72.8	7	Daly City	Enhanced Bike-Ped Visibility	\$200,000	\$0
13	72.5	10	Half Moon Bay	Hwy 1 Parallel Trail Completion Project - Roosevelt	\$387,000	\$0
14	72.1	24	San Mateo County	Midcoast Multimodal Trail Project	\$400,000	\$0

Continued on next page.

TDA Article 3 FY 2017-2018 Funding Recommendation: Capital Projects (Continued)						
Rank	Score	Application Number	Jurisdiction	Project Title	Funding Request	Funding Recommendation
15	70.9	11	Half Moon Bay	Main Street Bike/Ped Safety Infrastructure Improvements	\$160,854	\$0
16	70.5	23	San Mateo County	Gray Whale Cove Pedestrian Crossing	\$400,000	\$0
17	69.8	8	Daly City	Hickey Blvd - Campus Drive Crosswalk Improvements	\$100,000	\$0
18	68.7	14	Millbrae	San Anselmo Pedestrian and Bicycle Safety Enhancement	\$400,000	\$0
19	62.8	3	Brisbane	Alley Walkway Alvarado to San Benito	\$160,000	\$0
20	58.3	5	Brisbane	Valley Drive Complete Streets Innovation	\$320,000	\$0
21	56.2	4	Brisbane	Crocker Trail Lighting Improvements	\$400,000	\$0
Total Amount Requested: \$6,909,237						
Total Funding Recommendation*: \$1,910,000						
Note:						
* The C/CAG Bicycle and Pedestrian Advisory Committee (BPAC) recommends using \$4,617 in remaining capital funds to partially fund the San Mateo Bicycle Master Plan Update						

TDA Article 3 FY 2017-2018 Funding Recommendation: Planning Projects						
Rank	Score	Application Number	Jurisdiction	Project Title	Funding Request	Funding Recommendation
1	71.8	27	South San Francisco	City of South San Francisco Pedestrian and Bicycle Master Planning Project	\$100,000	\$100,000
2	71.3	17	Pacifica	Comprehensive Bicycle & Pedestrian Plan	\$55,000	\$55,000
3	69.8	21	San Carlos	City of San Carlos Comprehensive Pedestrian and Bicycle Plan	\$100,000	\$100,000
4*	69.4	22	San Mateo (City)	San Mateo Bicycle Master Plan Update	\$100,000	\$99,617**
5	63.5	6	Burlingame	Bike/Ped Transportation Plan Update	\$100,000	\$0

Continued on next page.

TDA Article 3 FY 2017-2018 Funding Recommendation: Planning Projects (Continued)						
Rank	Score	Application Number	Jurisdiction	Project Title	Funding Request	Funding Recommendation
6	63.4	18	Portola Valley	2018 Town of Portola Valley Pedestrian Circulation and Safety Study	\$15,000	\$0
Total Amount Requested: \$470,000						
Total Funding Recommendation**: \$350,000						
Note: * Partially funded ** The C/CAG Bicycle and Pedestrian Advisory Committee (BPAC) recommends using \$95,000 in remaining planning funds to partially fund the San Mateo Bicycle Master Plan Update						

Total TDA Article 3 FY 2017-2018 Amount Requested: \$7,379,237						
Total Funding Recommendation*: \$2,260,000						
Note: * The C/CAG Bicycle and Pedestrian Advisory Committee (BPAC) recommends using \$99,617 in remaining funds to partially fund the San Mateo Bicycle Master Plan Update						

RESOLUTION 17-54

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY ADOPTING THE SAN MATEO COUNTY TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 PROGRAM, FUNDING PROJECTS THAT ENCOURAGE AND IMPROVE BICYCLING AND WALKING CONDITIONS, FOR FISCAL YEAR 2017-2018 FOR \$2,260,000

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

WHEREAS, C/CAG is the designated Congestion Management Agency responsible for the development and implementation of the Transportation Development Act Article 3 (TDA Article 3) Program for San Mateo County, and

WHEREAS, C/CAG has developed the TDA Article 3 Program for Fiscal Year 2017-2018 based on recommendations from the C/CAG Bicycle and Pedestrian Advisory Committee (BPAC), and

WHEREAS, C/CAG has undertaken a process that complies with the Metropolitan Transportation Commission (MTC) Resolution 4108, and

WHEREAS, C/CAG has considered the final recommendation from the C/CAG BPAC, and

WHEREAS, C/CAG proposes to adopt the TDA Article 3 Program for Fiscal Year 2017-2018 for \$2,260,000.

NOW THEREFORE BE IT RESOLVED, by the Board of Directors of the City/County Association of Governments of San Mateo County that the Board hereby adopts the TDA Article 3 Program for Fiscal Year 2017-2018.

PASSED, APPROVED, AND ADOPTED, THIS 9TH DAY OF NOVEMBER 2017.

Alicia C. Aguirre, Chair

C/CAG AGENDA REPORT

Date: November 9, 2017

To: City/County Association of Governments of San Mateo County Board of Directors

From: Sandy Wong, Executive Director

Subject: Review and approval of Resolution 17-55 determining that Daly City's Serra Station Mixed-Use Development at 3301 Junipero Serra Boulevard, including related Rezoning and Specific Plan Amendments, is consistent with the Comprehensive Airport Land Use Compatibility Plan for the Environs of San Francisco International Airport.

(For further information or response to questions, contact Susy Kalkin, 650 599-1467)

RECOMMENDATION

That the C/CAG Board of Directors, acting as the Airport Land Use Commission, review and approve Resolution 17-55 determining that Daly City's proposed Serra Station Mixed-Use development (Serra Station), including related Rezoning and Specific Plan Amendments, is consistent with the Comprehensive Airport Land Use Compatibility Plan for the Environs of San Francisco International Airport.

BACKGROUND

Project Description

The Serra Station project involves demolition of a former bowling alley at 3301 Junipero Serra Blvd and construction of 75 three-story (~45 ft. tall) townhouses in 14 buildings, and a 70 ft. tall± commercial building on property bounded by Junipero Serra Blvd., B St., Hill St. and D Street, located within the BART Station Area Specific Plan boundaries. The project includes a request to amend the Specific Plan land use designation from Mixed-Use Commercial/Office to High Density Residential for the townhouse portion of the development and from Mixed-Use Commercial/Office to Office/Convenience Retail for the commercial portion of the project. The project also requires rezoning the development sites to PD Planned Development.

According to the Specific Plan, the High Density Residential designation allows a maximum height of four stories over parking, and in no case may heights exceed 65 feet. The Office/Convenience Retail designation would allow for up to six story buildings, with a maximum height of 90 feet.

The Planned Development (PD) Zoning regulations essentially comprise the development standards as shown in the project plans, and encompass the area as shown in Attachment 3.

Daly City General Plan

Daly City updated its General Plan in 2014, and, prior to adoption, submitted it for ALUC review and comment. The adopted General Plan incorporates language, recommended by the ALUC, that recognizes and supports the provisions of the SFO ALUCP, including the following relevant sections:

“San Francisco International Airport Noise Environment

Policy NE-11: Require that all future land use actions and/or associated development conforms to the relevant height, aircraft noise, and safety policies and compatibility criteria contained in the most recently adopted version of the Airport Land Use Compatibility Plan for the Environs of San Francisco International Airport.

Task NE-11.1: Route any proposed land use policy actions, including new specific plans, zoning ordinances, general plan amendments, and rezoning involving land development to the Airport Land Use Commission in compliance with the Airport Land Use Plan.

Task NE-11.2: Require that development involving the construction of one or more dwelling units within the 65 dBA CNEL SFO noise contour submit an avigation easement to the airport, when required by the Airport Land Use Commission. Specific avigation easement requirements shall be consistent with the Airport Land Use Compatibility Plan for the Environs of San Francisco International Airport. This requirement shall be implemented prior to final project approval or, if the project requires construction, prior to building permit issuance.

Task NE-11.3: Require all future development within the Airport Influence Area B boundary for San Francisco International Airport to conform to the relevant height/airspace protection, aircraft noise, and safety policies and land use compatibility criteria contained within the most recent adopted version of the comprehensive airport/land use compatibility plan (ALUCP) for the environs of San Francisco International Airport.

Task NE-11.4: Ensure that all future development in Daly City complies with all relevant FAA standards and criteria for safety, regarding flashing lights, reflective building material, land uses that may attract large concentrations of birds, HVAC exhaust vents, thermal plumes, and uses that may generate electrical/electronic interference with aircraft communications and/or instrumentation.”

Airport/Land Use Compatibility Issues

The project, which includes related rezoning and specific plan amendments, is located within Airport Influence Area B, the Land Use Policy Action/Project Referral Area, for San Francisco International Airport. Pursuant to California Government Code Section 65302.3, a local agency General Plan and/or any affected specific plan must be consistent with the applicable airport/land use criteria in the relevant adopted Airport Land Use Compatibility Plan (ALUCP). Accordingly, the City of Daly City has referred the subject Specific Plan amendment and Rezoning to C/CAG, acting as the San Mateo County Airport Land Use Commission, for a determination of consistency with the SFO ALUCP.

Each airport/land use compatibility plan (ALUCP) is required to contain policies and criteria to address three key issues: (a) aircraft noise impacts; (b) safety compatibility criteria; and (c) height of structures/airspace protection.

(a) Aircraft Noise Impacts

The 65 dB CNEL (Community Noise Equivalent Level) aircraft noise contour defines the threshold for airport noise impacts established in the SFO ALUCP. All land uses located outside this contour are deemed consistent with the noise policies of the SFO ALUCP.

As shown on Attachment 4, the subject property lies outside of the 65dB CNEL contour, and therefore the project is consistent with the SFO ALUCP noise policies and criteria.

(b) Safety Compatibility

The SFO ALUCP includes five safety zones and related land use compatibility policies and criteria. However, none of these safety zones extends into Daly City, and therefore the project would not be impacted by the safety zone policies of the SFO ALUCP.

(c) Height of Structures/Airspace Protection

Pursuant to the SFO ALUCP, airspace protection compatibility of proposed land uses within its AIA is evaluated in accordance with the following criteria: (1) 14 Code of Federal Regulations Part 77 (FAR Part 77), “Safe, Efficient Use and Preservation of the Navigable Airspace”, which establishes the standards for determining obstructions to air navigation; and (2) FAA notification surfaces. By definition, any object that penetrates one of the imaginary surfaces of the FAR Part 77 exhibit is deemed an obstruction to air navigation. However, not all obstructions are necessarily hazards. The determination of whether an object would be a hazard is made as part of an aeronautical study conducted by the FAA.

To be deemed consistent with the ALUCP, the maximum height of a new building must be the lower of (1) the height shown on the airspace protection surfaces map or (2) the maximum height determined not to be a “hazard to air navigation” by the FAA in an aeronautical study prepared pursuant to the filing of Form 7460-1.

The Specific Plan would allow structures up to a maximum of 90 feet tall on the site, while the proposed townhomes are 45 feet tall, and the commercial structure is proposed at 70 feet tall, with a ground elevation of approximately 200’ above mean sea level. As shown in the table below, the critical airspace over the site, as shown on Attachment 6, ranges from 450 to 475 feet above mean sea level (AMSL), which is 180 feet or more above the proposed building heights, and 160 feet above the maximum Specific Plan heights. The project would also not need to file a form 7460-1 with the FAA given its location and low height. Therefore, the Serra Station Mixed-Use Development at 3301 Junipero Serra Blvd, including related Rezoning and Specific Plan Amendments, is consistent with the airspace protection policies of the SFO ALUCP.

	Max. Bldg. Ht.	Ground elevation AMSL	Max. Bldg. Ht. AMSL	Clearance below Critical Airspace (450-475 ft AMSL)
Specific Plan	90 feet	200 feet	290 feet	160 feet of clearance
Proposed Commercial building	70 feet	200 feet	270 feet	180 feet of clearance

Airport Land Use Committee

The Airport Land Use Committee was scheduled to hear this matter at its October 26, 2017 meeting to provide a recommendation to the C/CAG Board of Directors/Airport Land Use Commission. However, that meeting was cancelled for lack of a quorum.

ATTACHMENTS

1. Resolution
2. Project Request
3. Rezoning Diagram
4. Exhibit IV-6 Noise Compatibility Zones
5. Critical Aeronautical Surfaces

RESOLUTION 17-55

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY, ACTING AS THE SAN MATEO COUNTY AIRPORT LAND USE COMMISSION, DETERMINING THAT DALY CITY'S SERRA STATION MIXED-USE DEVELOPMENT, INCLUDING RELATED REZONING AND SPECIFIC PLAN AMENDMENTS, IS CONSISTENT WITH THE COMPREHENSIVE AIRPORT LAND USE COMPATIBILITY PLAN FOR THE ENVIRONS OF SAN FRANCISCO INTERNATIONAL AIRPORT

RESOLVED, by the Board of Directors of the City/County Association of Governments of San Mateo County (C/CAG), acting as the San Mateo County Airport Land Use Commission (ALUC), that,

WHEREAS, the Serra Station Mixed Use Development (Serra Station), which includes a rezoning request and specific plan amendments, is located within Airport Influence Area B, the Land Use Policy Action/Project Referral Area for San Francisco International Airport; and

WHEREAS, California Public Utilities Code Section 21676(b) requires that prior to the amendment of a general plan or specific plan, or the adoption or approval of a zoning ordinance, a local agency shall first refer the proposed action to the Airport Land Use Commission for a determination of consistency with the applicable Airport Land Use Plan; and

WHEREAS, the city of Daly City has submitted the Serra Station project to C/CAG, acting as the San Mateo County Airport Land Use Commission, for a determination of consistency with the Comprehensive Airport Land Use Compatibility Plan for the environs of San Francisco International Airport (SFO ALUCP); and

WHEREAS, three sets of airport/land use compatibility policies in the SFO ALUCP relate to the Serra Station project: (a) noise compatibility policies and criteria, (b) safety policies and criteria, and (c) airspace protection policies, as discussed below:

- (a) Noise Policy Consistency Analysis - The Community Noise Equivalent Level (CNEL) 65 dB aircraft noise contour defines the threshold for aircraft noise impacts established in the SFO ALUCP. The Serra Station project area is located outside of the 65dB CNEL noise contour and therefore would be consistent with the noise compatibility policies of the SFO ALUCP.
- (b) Safety Policy Consistency Analysis - The SFO ALUCP includes five sets of safety zones and related land use compatibility policies and criteria. The Serra Station project area is located well outside of the safety zones established in the SFO ALUCP and, therefore, the project would be consistent with the safety zone policies of the SFO ALUCP.
- (c) Airspace Protection Policy Consistency Analysis - The SFO ALUCP incorporates the provisions in Title 14 of the Code of Federal Regulations Part 77 (14 CFR Part 77), "Objects Affecting Navigable Airspace," as amended, to establish height restrictions and federal notification requirements related to proposed development within the 14

CFR Part 77 airspace boundaries for San Francisco International Airport. To be deemed consistent with the ALUCP, the maximum height of a new building must be the lower of (1) the height shown on the airspace protection surfaces map or (2) the maximum height determined not to be a “hazard to air navigation” by the FAA in an aeronautical study prepared pursuant to the filing of Form 7460-1.

The Specific Plan would allow structures up to a maximum of 90 feet tall on the site, while the proposed townhomes are 45 feet tall, and the commercial structure is proposed at 70 feet tall, with a ground elevation of approximately 200’ above mean sea level. The critical airspace over the site ranges from 450 to 475 feet above mean sea level, or about 200 feet above the proposed building heights, and 160+ feet above the maximum Specific Plan heights. The project would also not need to file a form 7460-1 with the FAA given its location and low height. Therefore, the Serra Station project is consistent with the airspace protection policies of the SFO ALUCP.

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the City/County Association of Governments of San Mateo County, acting as the San Mateo County Airport Land Use Commission, that Daly City’s Serra Station Mixed-Use Development, including related Rezoning and Specific Plan Amendments, is determined to be consistent with the Comprehensive Airport Land Use Compatibility Plan for the Environs of San Francisco International Airport.

PASSED, APPROVED, AND ADOPTED, THIS 9TH DAY OF NOVEMBER 2017.

Alicia C. Aguirre, Chair



CITY OF DALY CITY

333-90TH STREET
DALY CITY, CA 94015-1895

October 5, 2017

Susy Kalkin
C/CAG of San Mateo County
555 County Center, 5th Floor
Redwood City, CA 94063

Re: Request for Airport Land Use Commission (ALUC) Review of Serra Station Mixed-Use Development
3301 Junipero Serra Boulevard (APNs 008-116-020, 008-116-030, 008-116-040, 008-111-080 and 008-111-090)

Ms. Kalkin:

The City of Daly City hereby requests ALUC review of the Serra Station project located at 3301 Junipero Serra Boulevard, between B Street and D Street in Daly City. The project application includes a Specific Plan amendment and rezoning. It is our understanding that your office has determined that ALUC review is therefore required.

The project applicant, City Ventures, Inc., proposes to demolish a previously-operating bowling alley (Serra Bowl) and an existing dwelling to construct 75 three-story townhouses in 14 buildings and a commercial building on two non-contiguous sites totaling 3.92-acres. The project site is bisected by land owned by the San Francisco Public Utilities Commission and occupied by their facilities. Two of the 14 townhouse buildings, which front on D Street, would have two floors of residential over ground-floor commercial uses totaling 3,672 square feet ("shopkeeper space"). The total number of commercial square feet proposed in the project is 34,707 square feet, with the balance of the commercial square feet provided in a three story retail/office building located near the Junipero Serra intersection with D Street.

The project site is located within the BART Station Area Specific Plan boundaries and proposes a Specific Plan amendment from the existing Mixed-Use Commercial/Office designation to High Density Residential for the residential portions of the project, including shopkeeper space, and to Office/Convenience Retail for the portion of the site that would be occupied by the retail/office building. The project also requires rezoning the both portions of the site to Planned Development. The General Plan designation for the entire site would remain unchanged as Commercial – Mixed Use. A copy of the most recent proposal is attached, as is a diagram depicting highest point of mean sea level elevation at all project rooftops.

Please contact me at (650) 991-8158 or at mvanlonkhuysen@dalycity.org with any additional questions.

Sincerely,

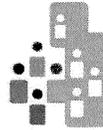
A handwritten signature in black ink that reads "Michael VanLonkhuysen".

Michael VanLonkhuysen
Planning Manager

JUNIPERO SERRA

DALY CITY, CALIFORNIA

PROJECT: 3 STORY COMMERCIAL BUILDING, SHOPKEEPER COMMERCIAL UNITS
AND 75 TOWNHOME STYLE CONDOMINIUMS



City Ventures

SUBMITTAL DAY: MARCH 29, 2017
REVISED: SEPTEMBER 15, 2017

APPLICANT:
CITY VENTURES
444 SPEAR STREET, SUITE 200
SAN FRANCISCO, CA 94105
CONTACT: SAMANTHA HAUSER
Director of Development
PHONE: 646.522.4260
E-MAIL: samantha@cityventures.com
http://www.cityventures.com

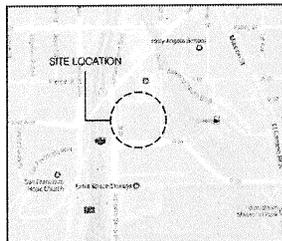
ARCHITECT:
HUNT HALE JONES ARCHITECTS
444 SPEAR STREET, SUITE 105
SAN FRANCISCO, CA 94105
CONTACT: DAN HALE
Architect
PHONE: 415.568.3833
E-MAIL: dhale@hhja.com
http://www.hhja.com

CIVIL ENGINEER:
C & V CONSULTING, INC.
6 ORCHARD, SUITE 200
LAKE FOREST, CA 92630
CONTACT: DANE MCDUGALL
Project Manager
PHONE: 949-916-3800 EXT. 233
E-MAIL: DMcDougall@cvc-inc.net
http://www.cvc-inc.net/

LANDSCAPE ARCHITECT:
VAN DORN ABED LDSP ARCHITECTS, INC
81 14th Street
San Francisco, CA 94103
CONTACT: ZEKI ABED
Landscape Architect
PHONE: 415-864-1921
E-MAIL: zeki@valainc.com
http://valainc.com

JOINT TRENCH:
TARRAR UTILITY CONSULTANTS
813 FIRST STREET
BRENTWOOD, CA 94513
CONTACT: KHALID TARRAR
Principal
PHONE: 925-240-2595
E-MAIL: ktarrar@tarrar.com
www.tarrar.com

LOCATION MAP



VICINITY MAP

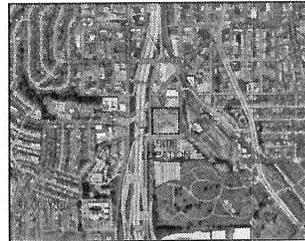


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STREETSCAPE AT "D" STREET



City Ventures

JUNIPERO SERRA
CITY VENTURES, INC

DALY CITY, CA



Architecture | Planning | Interiors

444 Spear Street, Suite 105
San Francisco, CA 94105
www.hunthalejones.com

t. 415-512-1300
f. 415-288-0288

STREETSCAPE AT D STREET

A1.3

SCALE: 1/8"=1'-0"

DATE: 09.15.2017
PROJECT: 317047



PASEO STREETScape AT BUILDING E AND F



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PASEO STREETScape

A1.4

SCALE: 1/8" = 1'-0"

DATE: 09.15.2017
PROJECT: 317047



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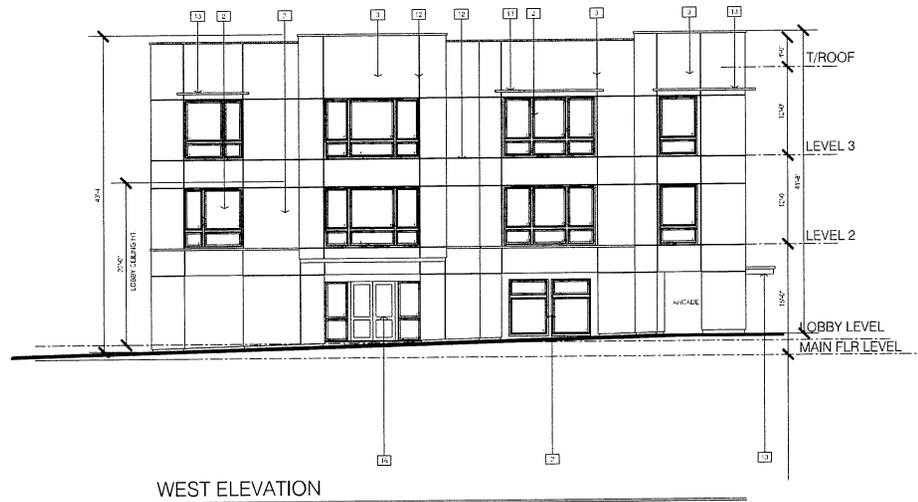
t. 415-512-1300
f. 415-288-0288

SAMPLE SHOPKEEPER UNITS

A1.5

SCALE: N.T.S.

DATE: 09.15.2017
PROJECT: 317047



WEST ELEVATION



SOUTH ELEVATION - "D" STREET

MATERIALS LEGEND:	
1.	LAP SIDING (4" & 7" EXPOSURE)
2.	DUAL GLAZED WINDOWS
3.	3-COAT STUCCO
4.	UTILITY DOOR
5.	GUARD RAIL
6.	SECTIONAL GARAGE DOORS
7.	PATIO DOOR

8.	FRONT ENTRY DOOR
9.	BALCONY
10.	GUARDRAIL
11.	SKIRTING
12.	CONTROL JOINT
13.	CANOPY
14.	LAP SIDING (4" EXPOSURE)
15.	ROOF ACCESS LADDER
16.	OFFICE LOBBY



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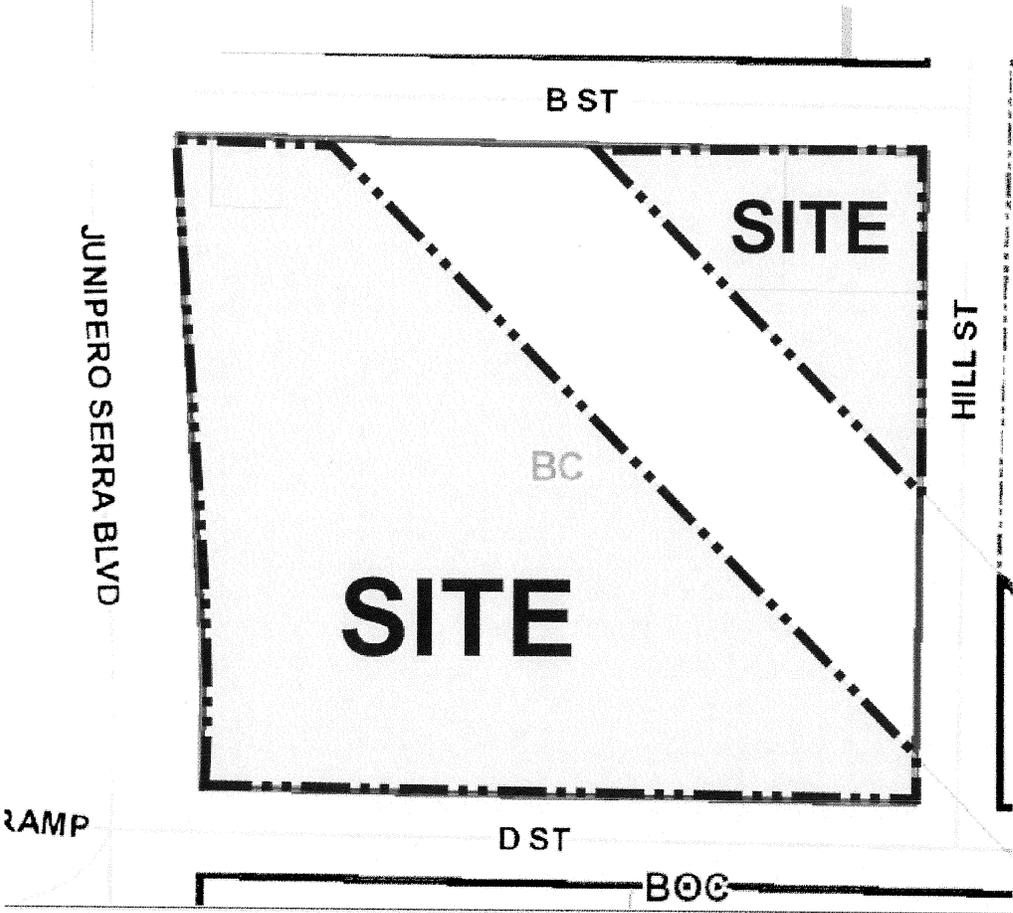
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San Francisco, CA 94105
www.hunthalejones.com

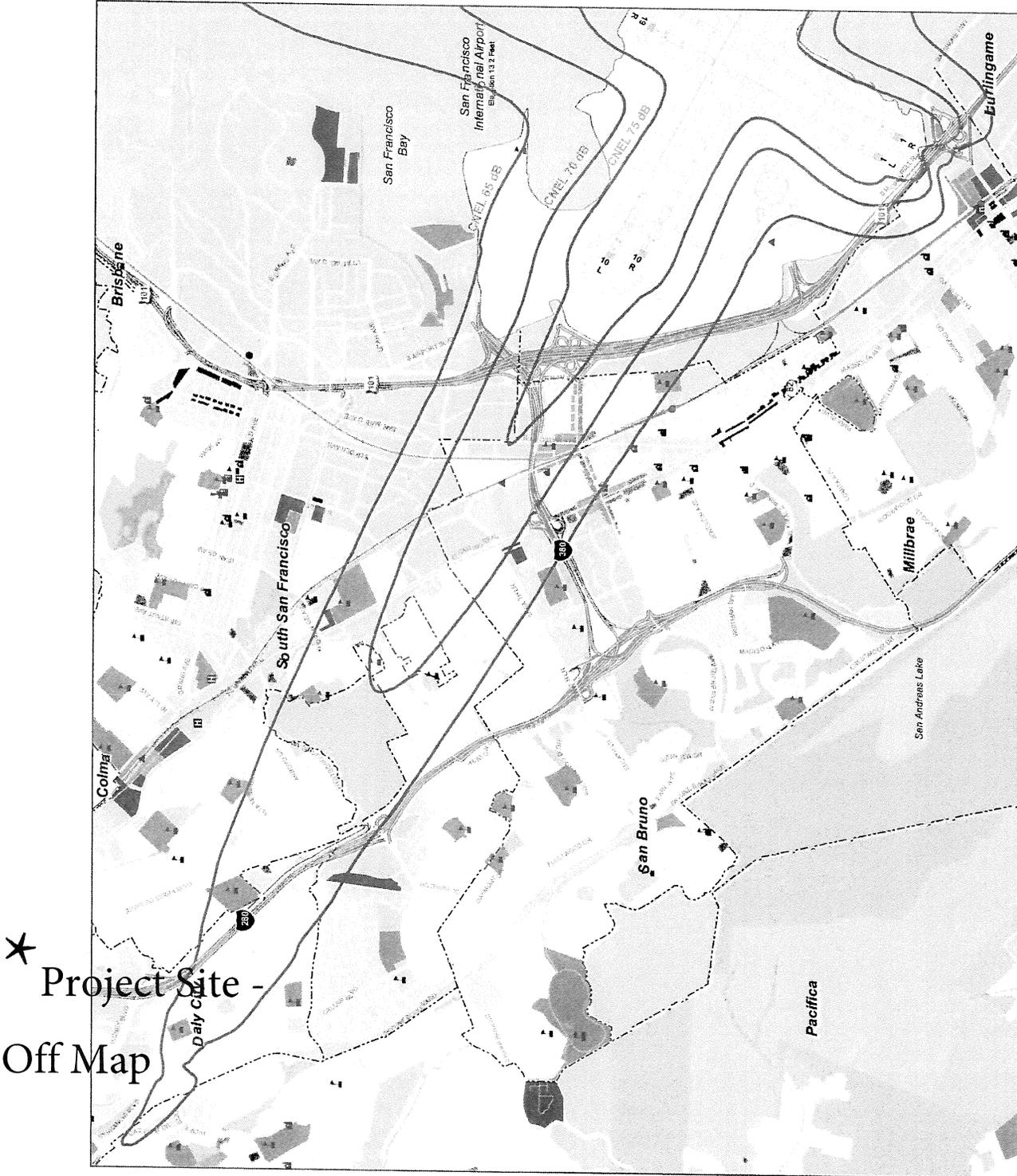
T. 415-512-1300
F. 415-288-0288

BUILDING O - ELEVATIONS
A12.2.2

SCALE: 1/8"=1'-0"

DATE: 09.15.2017
PROJECT: 317047





LEGEND

- CNEL Contour, 2020 Forecast
- ▭ Airport Property
- ▲ BART Station
- CALTRAIN Station
- School
- Place of Worship
- Hospital
- Municipal Boundary
- Railroad
- Freeway
- Road
- ▭ Planned Land Use Per General Plans
 - ▭ Public
 - ▭ Multi-Family Residential
 - ▭ Single Family Residential
 - ▭ Mixed Use
 - ▭ Transit Oriented Development
 - ▭ Commercial
 - ▭ Industrial, Transportation, and Utilities
 - ▭ Local Park, Golf Course, Cemetery
 - ▭ Regional Park or Recreation Area
 - ▭ Open Space
 - ▭ Planned use not mapped

Sources:

Noise Contour Data
 Draft Environmental Assessment, Proposed Runway Safety Area
 Project, San Francisco International Airport, URS Corporation and
 Sridogshi International, June 2011

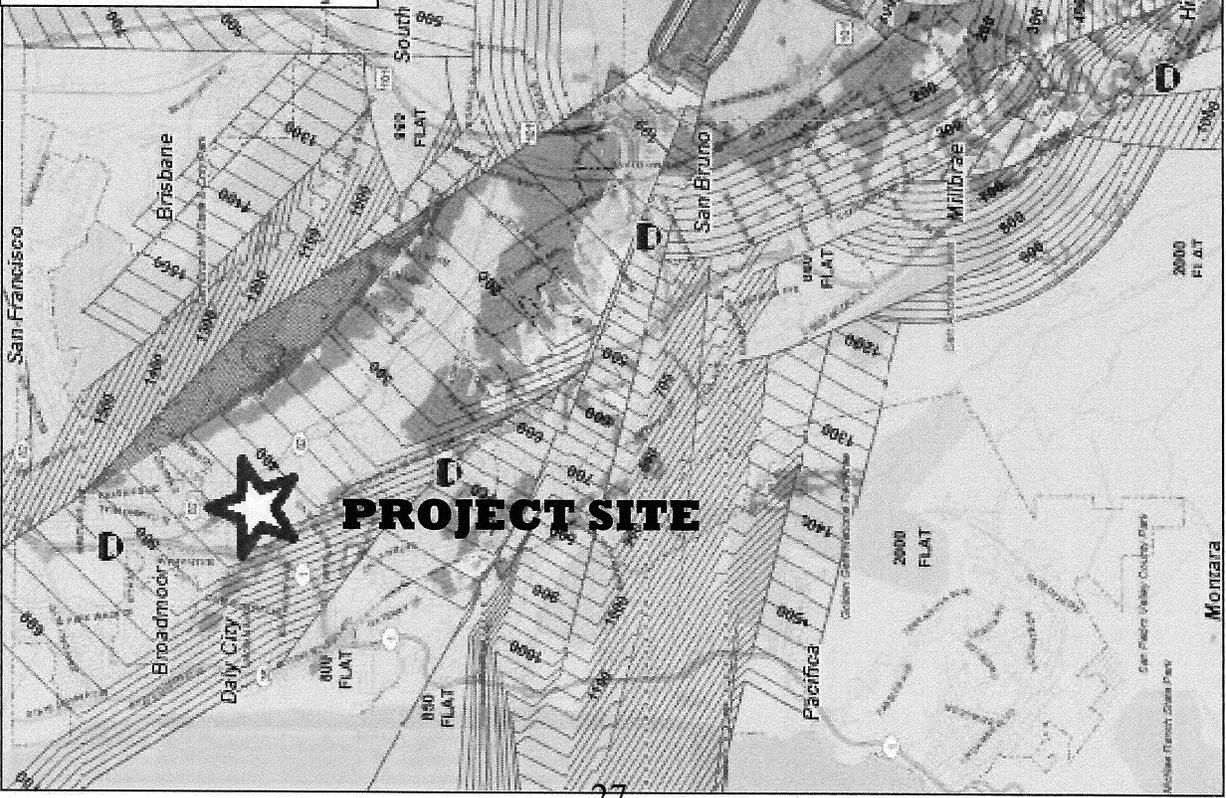
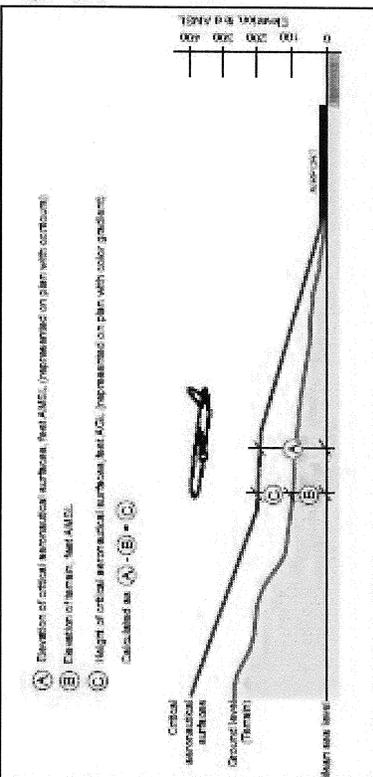
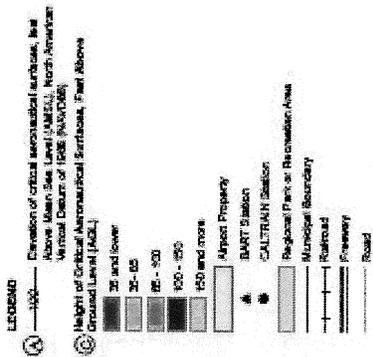
County Base Maps:

- San Mateo County Planning & Building Department, 2007
- Local Plans:**
 - Burlingame Bayfront Specific Area Plan, August 2006
 - Burlingame Downtown Specific Plan, January 2009
 - Burlingame General Map, September 1984
 - North Burlingame/Rollins Road Specific Plan, February 2007
 - Colma Municipal Code Zoning Maps, December 2003
 - Daly City General Plan Land Use Map, 1987
 - Millbrae General Plan, March 2005
 - Millbrae General Plan, August 1988
 - Pacifica General Plan, August 1985
 - San Bruno General Plan, December 2008
 - San Bruno City Land Use Plan, March 2007
 - San Mateo County Zoning Map, 1982
 - South San Francisco General Plan, 1988

NORTH



Exhibit IV-6
NOISE COMPATIBILITY ZONES -
 DE-RAIL
 Comprehensive Airport Land Use Plan
 for the Environs of San Francisco International Airport
C/CAG
 City/County Association of Governments
 of San Mateo County, California



Notes:

- This map is intended for informational and conceptual planning purposes, primarily representing the aeronautical surfaces considered most critical by San Francisco International Airport (SFO) and its consultant advisors. It does not represent actual survey data, nor should it be used as the sole source of information regarding compatibility with airport operations. For more information, please contact the Airport Planning Department, SFO, 1405 L. Wages of Progress, Concord, California 94520. SFO does not carry its own survey information, or file its procedures contained in its plan. SFO does not file any version of any kind, as plans or typical, in fact or by law, with respect to boundaries, easements, encroachments, claims, overlaps, or other encumbrances affecting such properties.
- This map does not replace the FAA's obstruction evaluation airport obstacle criteria (OCAEA) review process. Proposing construction at elevations and heights that are lower than the critical aeronautical surfaces shown on this map, (A) does not release the construction sponsor of the obligation to file an OCA Form 7400-1, and does not ensure that the proposal will be approved by the FAA. The FAA has jurisdiction over the safety of air navigation. SFO, San Mateo County, and local authorities having jurisdiction reserve the right to re-assess, review, and seek modifications to projects that may be consistent with the critical aeronautical surfaces map but that through the FAA OCAEA process are found to have unacceptable impacts to the safety or efficiency of operations at SFO.

Source: San Francisco International Airport, (SFO) Consultant and Planning Technology Inc., 2022



EAPN 15-17
 CRITICAL AERONAUTICAL SURFACES
 - NORTHWEST SIDE
 Comprehensive Airport Land Use Plan
 for the Environs of San Francisco International Airport
 C/CAG
 City/County Association of Governments
 of San Mateo County, California

C/CAG AGENDA REPORT

Date: November 9, 2017

To: City/County Association of Governments of San Mateo County Board of Directors

From: Sandy Wong, C/CAG Executive Director

Subject: Review and approval of Resolution 17-56 adopting the updated C/CAG Procurement Policy

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

RECOMMENDATION

That the C/CAG Board review and approve Resolution 17-56 adopting the updated C/CAG Procurement Policy

FISCAL IMPACT

N/A

SOURCE OF FUNDS

The Procurement Policy applies to all C/CAG administered contracts funded by local, state, and federal funds.

BACKGROUND

The C/CAG Board adopted a Procurement Policy on June 9, 2005 which established procedures for selecting consultants (contractors) that provide professional services to C/CAG. The Policy was revised in June 10, 2010 and includes the following:

- Process guidelines for Request for Proposal (RFP) process when procuring consultant services.
- Procedures and identification of situations when the RFP process could be waived.
- Approval and authorization thresholds for professional service procurements.
- Approval and authorization for time extensions or changes in contract amounts.
- Procurement process for small purchases of capital items, consumable items, and services.

The attached revised C/CAG Procurement Policy reflects new requirements to include procurement standards for contracts that utilize federal funds. The procurement policy will need to implement the standards of, but not limited to, the Office of Management and Budget Uniform Guidance and the Caltrans Local Assistance Procedures Manual.

Other changes included a modification in the threshold amounts so that all possible contract amounts are covered by the Policy. The actual thresholds amounts were not changed.

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

ATTACHMENTS

1. Resolution 17-56
2. C/CAG Procurement Policy update (with track changes)

RESOLUTION 17-56

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY ADOPTING THE UPDATED C/CAG PROCUREMENT POLICY UPDATE

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

WHEREAS, C/CAG created a Procurement Policy on June 9, 2005 to guide staff in the selection of consultants (contractors) to provide professional services to C/CAG; and

WHEREAS, C/CAG updated the Policy on June 10, 2010; and

WHEREAS, it is important for the C/CAG to follow certain state and federal standards when procuring services with state and federal funds; and

WHEREAS, C/CAG shall review and update its Procurement Policy from time to time to ensure compliance with applicable state or federal requirements; and

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

PASSED, APPROVED, AND ADOPTED, THIS 9TH DAY OF NOVEMBER 2017.

Alicia C. Aguirre, Chair

C/CAG PROCUREMENT POLICY

Established on June 9, 2005

Revised on June 10, 2010

Revised on November 9, 2017

Professional Services Procurements

1. The method for procurement of professional services (consultants) shall generally be the Request for Proposal (RFP) procedure. The primary purpose of using a RFP is to ensure that C/CAG receives the best value in obtaining services. The determination of “best value” is not based solely on the lowest price or the highest quality. It involves a subjective weighing of efficiency, quality, and economy, and a recommendation as to how the services might best be provided, including the consideration of Design-Build approaches. The RFP is not a bid, in which the contract is awarded to the lowest bidder and the bid dictates the terms of the contract. Rather, it is a mechanism for exploring the expense and potential methodologies that could be used for dealing with the project for which the proposal is solicited. The RFP is an opportunity to ensure that all qualified contractors are given an opportunity to be considered for providing services to C/CAG. Each RFP shall be sent to all qualified firms and/or individuals that have been previously identified by C/CAG staff. Some of the ways that C/CAG staff may identify qualified firms and/or individuals could be through the issuance of a Request for Qualifications (RFQ), a letter of interest, and/or a review of informational materials provided by firms and/or individuals. Any firm and/or individual can request to be included on this list at any time by communicating such request to C/CAG staff and providing a summary of qualifications.
2. All RFPs must include a well-defined statement of work and must require that the responding party include quantifiable objectives, performance standards, and deliverables in its response to the RFP in order to be considered for funding.
3. In response to a written request from the Executive Director, the C/CAG Chairperson, with the concurrence of at least one Vice Chairperson, may administratively authorize up to an additional 5%, but not to exceed \$100,000, of the original total contract amount in the event that there are unforeseen costs associated with the project.
4. If the contract is for work that will continue for a specified period of time, the term of the contract should be the period of time for which the services are needed, but no longer than three (3) years, unless a longer term is approved by the C/CAG Board.
5. The Executive Director may approve up to one year time extension of a contract if there is no change in the contract amount.
6. Contracts \$25,000 and below:
 - a. A formal competitive RFP procedure is not required.
 - b. The selection process must be fair (see #1), and there must be documentation that the contractor selected is qualified and that the cost is competitive.
 - c. The results of another public agency’s selection process may be used to satisfy the requirements of b.

- d. A telephone survey of three (3) or more potential service providers may be used to satisfy the requirements of b.
 - e. The C/CAG Executive Director shall be authorized to execute contracts \$25,000 and below without the prior approval of the Board. The Board shall be notified of such contracts executed at the next scheduled Board meeting following such execution.
7. Contracts \$25,000.01 to \$49,999.99:
- a. A formal competitive RFP procedure is not required.
 - b. The selection process must be fair (see #1), and there must be documentation that the contractor selected is qualified and that the cost is competitive.
 - c. The results of another public agency's selection process may be used to satisfy the requirements of b.
 - d. A telephone survey of three (3) or more potential service providers may be used to satisfy the requirements of b.
 - e. The Chair of the C/CAG Board shall be authorized to execute contracts \$49,999.99 and below without the prior approval of the Board. The Board shall be notified of such contracts executed at the next scheduled Board meeting following such execution.
8. Contracts greater than or equal to \$50,000:
- a. A formal competitive RFP procedure should be utilized unless authorization from the C/CAG Board is given for another procedure or for a waiver of the RFP process.
 - b. The selection process shall not utilize cost as the sole criteria in selecting the successful contractor. The proposals shall be evaluated based on a combination of factors that result in the best value to C/CAG, including but not limited to:
 - i. Understanding of the work required by C/CAG.
 - ii. Quality and responsiveness of the proposal.
 - iii. Demonstrated competence and professional qualifications necessary for satisfactory performance of the work required by C/CAG.
 - iv. Recent experience in successfully performing similar services.
 - v. Proposed methodology for completing the work.
 - vi. References.
 - vii. Background and related experience of the specific individuals to be assigned to the project.
 - viii. Proposed cost.
 - ix. Previous experience in providing similar services for C/CAG and satisfactory delivery of those services.
 - c. The Chair of the C/CAG Board shall be authorized to execute contracts greater than or equal to \$50,000 with the prior approval of 51% of the voting members of the Board present at a Board meeting where a vote on the contract was taken in accordance with C/CAG procedures. In accordance with the C/CAG Bylaws, Article VIII., Section 3, the special voting procedures may be utilized upon the request of any voting member. Under the special voting procedures, for a motion to be successful it must receive the votes of a majority of the voting members representing a majority of the population of the County.

9. Waiver of RFP Process:
 - a. The C/CAG Board may waive the solicitation of RFPs when it determines that it is in the best interest of C/CAG to do so. Situations in which a RFP may be waived include, but are not limited to, emergency situations or those in which an independent contractor is the only available source of a particular service. Another appropriate situation for waiving the RFP process is where a particular firm, agency, and/or individual has unique qualifications and/or experience, or it is determined by the C/CAG Board that the added time required for another firm and/or individual to acquire this knowledge base would create an unacceptable delay in the delivery of the service or not result in significant cost savings. In all circumstances, any waiver requires the approval of the C/CAG Board.
 - b. Requests to waive the RFP process that are presented to the C/CAG Board for consideration must include the specific findings by staff which substantiate the request for a waiver.
10. Contractors shall not discriminate or permit discrimination against any person or group of persons on the basis of race, color, religion, national origin or ancestry, age, sex, sexual orientation, marital status, pregnancy, childbirth or related conditions, medical condition, mental or physical disability or veteran's status, or in any manner prohibited by federal, state or local laws.
11. Contract specifications shall be written, and contractor services and products shall be delivered, in such a way so as to minimize C/CAG dependence on one particular contractor or methodology for future contracts or programs.
12. In those instances when the procurement requirements, standards or procedures of the funding source are more rigorous than these C/CAG procedures, those of the funding source shall apply to the procurement in question.
13. For state or federal funded contracts, C/CAG shall comply with state, federal and specific contract requirements as amended from time to time. Applicable standards include, but not limited to the following:
 - a. Caltrans Local Assistance Procedures Manual (LAPM) Chapter 10: Consultant Selection;
 - b. Master Funding Agreements and Program Supplemental Agreements;
 - c. 2 CFR Part 200- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
 - d. Caltrans Local Assistance Procedures Manual (LAPM) Chapter 9: Civil Rights & Disadvantaged Business Enterprise (DBE)

Policies related to procurements of capital items, consumable items and services.

1. C/CAG shall, to greatest extent possible, utilize the procurement systems of its member agencies for capital purchases. The member agencies have in place the appropriate infrastructure to manage these procurement processes and this will enable C/CAG to take advantage of their greater purchasing power; thereby ensuring a more favorable price and the meeting of all appropriate federal, state and local procurement requirements.
2. The C/CAG Executive Director shall have the authority to purchase consumable items and services through any appropriate means up to a maximum of \$5,000. Purchases of more than \$5,000 require approval of the C/CAG Board.

C/CAG AGENDA REPORT

Date: November 9, 2017

To: City/County Association of Governments Board of Directors

From: Sandy Wong, C/CAG Executive Director

Subject: Review and approval of Resolution 17-57 amending of the One Bay Area Grant 1 (OBAG 1) program to include supplemental funds of \$225,000 to augment the countywide Safe Routes to School Program.

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

RECOMMENDATION

That the C/CAG Board review and approve Resolution 17-57 amending of the One Bay Area Grant 1 (OBAG 1) program to include supplemental funds of \$225,000 to augment the countywide Safe Routes to School Program.

FISCAL IMPACT

\$225,000

SOURCE OF FUNDS

Surface Transportation Program/Congestion Management and Air Quality (STP/CMAQ)

BACKGROUND

The San Mateo County Safe Routes to School Program (SRTS Program) is funded by a combination of federal funds received from the Metropolitan Transportation Commission's (MTC's) Regional Safe Routes to School Program and local match Measure M (\$10 Vehicle Registration Fee). In addition to providing student safety education, outreach, encouragement, and evaluation activities, the Program includes performing walk and bike audits to document factors that impacts safe walking and bicycling as well as traffic congestion attributed to school-related travels. The San Mateo County Office Education (SMCOE) serves as the agency managing the day-to-day operations and project implementation activities for the Program.

On May 17, 2012 the MTC adopted Resolution No. 4035 adopting the Safe Routes to School Program. The SRTS Program remained under MTC however; funds were allocated to the county Congestion Management Agencies (CMAs) based on a school enrollment formula. Under this resolution, C/CAG was allocated \$1,905,000 for a four-year period (FY 2012-13 through FY 2015-16) to implement the program. In February 14, 2013, C/CAG Board adopted an MTC required resolution to implement the SRTS program in San Mateo County.

In December 17, 2014, MTC augmented the SRTS Program funds for San Mateo by \$252,000 and extended the program from FY 2015-16 to FY 2016-2017. These funds have been obligated and expended.

On October 2017, MTC informed C/CAG staff that an additional \$225,000 balance in OBAG 1 Regional SRTS funds was allocated to San Mateo County. This additional augmentation of FY 2016-2017 funds was adopted by MTC on November 18, 2015 to support ongoing SRTS programs. Because FY2017-18 is the last year that OBAG 1 funds can be obligated, C/CAG staff is required to program the \$225,000 OBAG 1 balance so that it can be obligated this fiscal year.

Once the \$225,000 OBAG 1 funds become available, C/CAG staff will come back with a proposed workplan for the augmented funds for the current Safe Routes to School program.

ATTACHMENTS

1. Resolution 17-57

RESOLUTION 17-57

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY AMENDING THE ONE BAY AREA GRANT 1 (OBAG 1) PROGRAM TO INCLUDE SUPPLEMENTAL FUNDS OF \$225,000 TO AUGMENT THE COUNTYWIDE SAFE ROUTES TO SCHOOL PROGRAM

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

WHEREAS, C/CAG is the designated Congestion Management Agency (CMA) responsible for the development and implementation of the Congestion Management Program for San Mateo County; and

WHEREAS, the Metropolitan Transportation Commission (MTC) allocated \$2,157,000 in federal Surface Transportation Program (STP) and/or Congestion Mitigation and Air Quality Improvement (CMAQ) for the San Mateo County Safe Routes to School (SRTS) Program for FY 2012-13 through FY 2016-17 under the One Bay Area Grant 1 (OBAG 1) program; and

WHEREAS, MTC has recently informed C/CAG staff that an additional \$225,000 balance in OBAG 1 Regional SRTS funds was allocated to San Mateo County to support the SRTS program; and

WHEREAS, as the CMA for San Mateo County, C/CAG will administer the SRTS funding for the county, serving as the fiscal agent for the Program; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the City/County Association of Governments of San Mateo County approve the amendment of the One Bay Area Grant 1 (OBAG 1) Program to include supplemental funds of \$225,000 to augment the countywide Safe Routes to School Program.

PASSED, APPROVED, AND ADOPTED THIS 9TH DAY OF NOVEMBER 2017

Alicia C. Aguirre, Chair

C/CAG AGENDA REPORT

Date: November 9, 2017

To: City/County Association of Governments of San Mateo County Board of Directors

From: Sandy Wong, Executive Director

Subject: Review and accept the C/CAG Basic Financial Statements (Audit) and the Memorandum on Internal Control and Required Communications for the Year Ended June 30, 2017

(For further information or questions, contact Sandy Wong at 650 599-1409)

RECOMMENDATION

That the C/CAG Board review and accept the C/CAG Basic Financial Statements (Audit) and the Memorandum on Internal Control and Required Communications for the Year Ended June 30, 2017.

FISCAL IMPACT

None.

SOURCE OF FUNDS

Member assessments, parcel fee, motor vehicle fee (TFCA/ AB1546/ Measure M), grants from State/ Federal Transportation programs, and other grants.

BACKGROUND

An independent audit was performed on C/CAG's financial statements and the related notes to the financial statements for the year ended June 30, 2017. No issues were identified that required correction. The auditor expressed the opinion that the C/CAG financial statements, in all material respects, the respective financial position of the governmental activities and each major fund of C/CAG as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is attached and included in the audit report. The complete C/CAG Basic Financial Statements is provided on-line.

ATTACHMENTS

1. Copies of Full Reports for - C/CAG Financial Statements (Audit) and the Memorandum on Internal Control and Required Communications for the Year Ended June 30, 2017
Provided on-line at: <http://ccag.ca.gov/committees/board-of-directors/>
2. Independent Auditor's Report.
3. Management's Discussion and Analysis.
4. Government-Wide Financial Statements

For Full Reports, Please visit:
<http://ccag.ca.gov/committees/board-of-directors/>

City/County Association
Of Governments
Of San Mateo County, California

FINANCIAL STATEMENTS
For The Year Ended June 30, 2017

MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS
For The Year Ended June 30, 2017

**CITY/COUNTY ASSOCIATION
OF GOVERNMENTS
OF SAN MATEO COUNTY, CALIFORNIA
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

CITY/COUNTY ASSOCIATION OF GOVERNMENTS
OF SAN MATEO COUNTY, CALIFORNIA
FOR THE FISCAL YEAR ENDED

JUNE 30, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Governing Board of City/County Association
of Governments of San Mateo County
Redwood City, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the City/County Association of Governments of San Mateo County (C/CAG) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the C/CAG's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of C/CAG as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

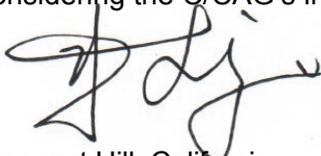
Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2017, on our consideration of the C/CAG's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the C/CAG's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to be 'J. D. Jones', is written over the printed name and date.

Pleasant Hill, California
October 26, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

The information presented in the "Management's Discussion and Analysis" is intended to be a narrative overview of the City/County Association of Governments of San Mateo County (C/CAG) financial activities for the fiscal year ended June 30, 2017. We encourage readers to consider this information in conjunction with the basic financial statements.

FINANCIAL STATEMENT OVERVIEW

This discussion and analysis is intended to serve as an introduction to the C/CAG Annual Financial Report. The C/CAG basic financial statements are comprised of four components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, 3) Notes to the Financial Statements, and 4) Required Supplementary Information.

FINANCIAL HIGHLIGHTS

- C/CAG total net position was \$21.8 million, an increase of \$0.99 million or 4.74%.
- The combined C/CAG revenues were \$15.22 million, a decrease of \$0.78 million or 4.88%.
- The combined C/CAG expenditures were \$14.24 million, an increase of \$0.59 million or 4.29%.

Government-wide Financial Statements: The *Government-wide Financial Statements* are designed to provide readers with a broad overview of the C/CAG finances. These statements include *all* assets and liabilities, using the full *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All revenues and expenses related to the current fiscal year are included regardless of when the funds are received or paid.

- The *Statement of Net Position* presents all of the C/CAG assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator to determine whether the financial position of the Agency is improving or deteriorating.
- The *Statement of Activities* presents information showing how the C/CAG net position changed during the fiscal year. All changes in net position (revenues and expenses) are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Accordingly, revenues and expenses are reported in this statement for items that will result in cash flows in future fiscal periods (e.g., uncollected revenues, and accrued but unpaid interest expenses).

The services of the Agency are considered to be governmental activities including General and special purpose Government. All Agency activities are financed with investment income, City/County fees, State/Federal/ Regional grants, Motor Vehicle Fees, and County discretionary State/ Federal Transportation funds.

Fund Financial Statements: A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The

MANAGEMENT'S DISCUSSION AND ANALYSIS

Agency used fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the C/CAG activities are reported in governmental funds. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental Fund Financial Statements provide a detailed view of the C/CAG operations. Governmental fund information helps to determine the amount of financial resources used to finance the C/CAG programs.

Notes to the Financial Statements: The notes provide additional information that is essential for a full understanding of the data provided in the Government-wide and Fund Financial Statements.

Required Supplementary Information: In addition to the basic financial statements and accompanying notes, this section contains C/CAG's budgetary comparison schedules for all major governmental funds and C/CAG's obligation for the provision of pension to its employees.

FINANCIAL ANALYSIS

Net position is the excess of all the C/CAG's assets and deferred outflows of resources over liabilities and deferred inflows of resources. Net position may over time serve as a useful indicator of C/CAG financial position. The following table summarizes C/CAG's net position change from this year to last year.

Table 1
Statement of Net Position
June 30, 2017 and June 30, 2016

	2017	2016	\$ Change	% Change
Cash and investments (note 2)	\$ 21,976,647	\$ 21,546,519	\$ 430,128	2.00%
Accounts receivable and other assets	3,907,855	3,184,912	722,943	22.70%
Total Assets	25,884,502	24,731,431	1,153,071	4.66%
Deferred outflows related to pension	169,403	117,765	51,638	43.85%
Total Deferred Outflow	169,403	117,765	51,638	43.85%
Current and other liabilities	3,736,160	3,621,416	114,744	3.17%
Long-term obligations	493,568	380,604	112,964	29.68%
Total Liabilities	4,229,728	4,002,020	227,708	5.69%
Deferred inflows related to pension	21,043	37,662	(16,619)	-44.13%
Total Deferred Inflow	21,043	37,662	(16,619)	-44.13%
Net Position:				
Restricted	\$ 21,761,460	\$ 20,870,647	\$ 890,813	4.27%
Unrestricted	34,025	(61,133)	95,158	155.66%
Total Net Position	\$ 21,795,485	\$ 20,809,514	\$ 985,971	4.74%

MANAGEMENT'S DISCUSSION AND ANALYSIS

The total net position is \$21.80 million, an increase of \$0.99 million or 4.74% from the prior fiscal year. Significant changes during the fiscal year are as follows:

Total assets increased by \$1.15 million or 4.66%, of which \$0.43 million is an increase in cash and investment as a result of the delay Congestion Relief Program pilot project implementation with fewer expenses incurred in the current fiscal year. The project is to reduce traffic congestion in San Mateo County and will start in fiscal year 2017-2018. The increase of \$0.72 million or 22.7% in accounts receivable is due to the timing of cost reimbursement submission for the Bay Area Air Quality Management and Safe Routes to School program.

Current and other liabilities increased by \$0.11 million or 3.17%. The increase in current and other liabilities is mainly due to the timing of vendors submitting invoices. C/CAG's long-term obligations and proportionate shares of pension liability related deferred inflows and outflows have an increase of \$0.11 million in comparison with the prior year. The change is affected by the proportionate shares of contributions and investment gains of the CalPERS retirement pool.

The majority of C/CAG's net position is subject to external restrictions, such as grantor's stipulations or enabling legislation, on how they may be used. The restricted assets were \$21.76 million of the total net position. Of this amount, \$8.26 million is restricted for Measure M, \$8 million is restricted for Congestion Management Program, \$2.94 million is restricted for AB1546, \$1.25 million is restricted for NPDES and \$1.02 million is restricted for Bay Area Air Quality Management Program. The remaining amount is related to other programs.

Unrestricted net position can be used to finance day-to-day operations without constraints established by other legal requirements or restrictions. Due to the requirement to report the net pension liability the unrestricted net position has a balance of \$0.03 million.

Statement of Activities and Changes in Net Position

The Statement of Activities presents program revenues and expenses, and general revenues in detail. All of these are elements in the Changes in Governmental Net Position summarized in Table 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Table 2
Statement of Activities and Changes in Net Position
June 30, 2017 and June 30, 2016**

	2017	2016	\$ Change	% Change
Revenues				
Program Revenues:				
Charges for services	\$ 11,816,678	\$ 12,352,301	\$ (535,623)	-4.34%
Operating grants and contributions	3,270,756	3,511,644	(240,888)	-6.86%
General Revenues:				
Investment Income	137,186	141,119	(3,933)	-2.79%
Total Revenues	\$ 15,224,620	\$ 16,005,064	\$ (780,444)	-4.88%
Expenses				
Abandoned vehicle abatement	-	3,497	(3,497)	-100.00%
AB 1546	5,172	91,627	(86,455)	-94.36%
Energy Watch	501,080	626,169	(125,089)	-19.98%
NPDES stormwater	1,899,319	1,504,115	395,204	26.27%
Air quality (BAAQMD)	771,272	662,468	108,804	16.42%
General government	374,384	343,589	30,795	8.96%
Congestion management	3,702,066	3,441,004	261,062	7.59%
Measure M	6,985,356	6,979,999	5,357	0.08%
Total Expenses	14,238,649	13,652,468	586,181	4.29%
Inc (Dec) in Net Position	\$ 985,971	\$ 2,352,596	\$ (1,366,625)	-58.09%
Beginning Net Position	20,809,514	18,456,918	2,352,596	12.75%
Ending Net Position	\$ 21,795,485	\$ 20,809,514	\$ 985,971	4.74%

The overall change in net position in current fiscal year is an increase of \$0.99 million. The reasons for significant changes in the revenues and expenses are as follows:

The combined amount of charges for services decreased by \$0.54 million or 4.34% compared to the prior year. Revenue from Measure M fund relating to Metropolitan Transportation Commission Regional Safe Routes to School decreased is mainly due to the completion of cycle 2 project funding, C/CAG received less Federal reimbursement and the timing of receipt vehicle registration fee from Department of Motor Vehicle also contributes to the decrease of revenue.

The combined amount of operating grants & contributions received in fiscal year 2016-2017 is \$3.27 million or 6.86% less than the prior year. The main factor for the decrease is associated with the Energy Watch Fund. The program is fully funded by the Pacific Gas & Electric (PG&E) Local Government Partnership Program. Due to the delay in project implementation, C/CAG has spent less in this fiscal year, as a result received less reimbursement from PG&E.

Investment income totaled \$0.14 million remains same level as prior year.

Program expenses totaled \$14.24 million in the fiscal year 2016-2017, an increase of \$0.59 million or 4.29% from the prior year's expenses of \$13.65 million. Significant changes in the expenses of C/CAG's programs from the prior year are as follows:

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Abandon Vehicle Abatement program ended as of May 31, 2013 by statute. The program is completely closed with no more fund balance left in the program.
- The decrease of \$0.09 million or 94.36% in Transportation/Environmental Fund (AB1546) is due to the delay of implementation projects, only minimal expenses incurred in the current year.
- Energy Watch Program expenses decreased by \$0.13 million or 19.98%. The decrease is due to the delay in project implementation with less expense incurred in the current year. The funding is a 3-year grant; C/CAG is planning to spend more in next year.
- NPDES program expenses increased by \$0.4 million or 26.27%. The increases of consulting costs were associated with helping member agencies to comply with Municipal Regional Stormwater Permit and developing a countywide Stormwater Resource Plan.
- The Bay Area Air Quality program expenses increased by \$0.11 million or 16.42% mainly because of increase funding allocated to the Commute.Org for Countywide Voluntary Trip Reduction Program. New shuttle program for San Carlos Shuttle also contributed to the increase of expenses. The program is to improve air quality in the San Francisco Bay Area Air Basin.
- General Government expenses increased by \$0.03 million or 8.96%. The increase is associated with the increase of proportionate share of pension liability.
- The increase of expenses in Congestion Management Program is primarily result of one-time claim settlement of \$0.75 million. The claim was made by the contractor against County of San Mateo for Smart Corridor project additional construction costs. Pursuant to the agreement between C/CAG and County of San Mateo, C/CAG agrees to reimburse the County for the settlement between contractor and County.
- Measure M expenses remain same level as prior year. \$5.1 million were distributed to local jurisdictions to reimburse expenditures for congestion management and stormwater pollution mitigation programs. Totaled \$1.88 million were associated with payment to County of Education for Safe Routes to School Program and consultant work for National Pollutant Discharge and Elimination System.

For a description of each of the Agency's programs see Note 1 to financial statements.

CONTACTING THE C/CAG FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the C/CAG finances. If you have any questions about this report or need additional information, please contact the Executive Director of the City/County Association of Governments of San Mateo County at 555 County Center Fifth Floor, Redwood City, CA 94063 or the C/CAG Financial Agent which is the Finance Department at the City of San Carlos, 600 Elm Street, San Carlos, CA 94070.

CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY

STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

The Statement of Net Position reports the difference between C/CAG's total assets and deferred outflows of resources and C/CAG's total liabilities and deferred inflows of resources. The Statement of Net Position presents information similar to the traditional balance sheet format, but presents it in a way that focuses the reader on the composition of C/CAG's Net Position, by subtracting total liabilities from total assets.

The Statement of Activities reports increases and decreases in C/CAG's Net Position. It is also prepared on the full accrual basis, which means it includes all C/CAG's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the Fund Financial Statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The Statement of Activities presents C/CAG's expenses first, listed by program. Program revenues - that is, revenues which are generated directly by these programs - are then deducted from program expenses to arrive at the net expense of each governmental program. C/CAG's general revenues are then listed and the Change in Net Position is computed and reconciled with the Statement of Net Position.

These financial statements along with the Fund Financial Statements and footnotes are called Basic Financial Statements.

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

**STATEMENT OF NET POSITION
JUNE 30, 2017**

Assets	
Cash and investments (Note 2)	\$ 21,976,647
Accounts receivable	<u>3,907,855</u>
 Total Assets	 <u>25,884,502</u>
 Deferred Outflows of Resources	
Deferred pension related items (Note 5)	<u>169,403</u>
 Total Deferred Outflows of Resources	 <u>169,403</u>
 Liabilities	
Accounts payable	3,152,917
Accrued liabilities	590,892
Net pension liability	442,081
Net OPEB obligation	<u>51,487</u>
 Total Liabilities	 <u>4,237,377</u>
 Deferred Inflows of Resources	
Deferred pension related items (Note 5)	<u>21,043</u>
 Total Deferred Inflows of Resources	 <u>21,043</u>
 Net Position	
Restricted for:	
Congestion Management	7,996,404
NPDES	1,254,393
BAAQMD	1,017,065
AB 1546	2,936,753
Energy watch	298,306
Measure M	8,258,539
Unrestricted	<u>34,025</u>
 Total Net Position	 <u><u>\$ 21,795,485</u></u>

See accompanying notes to financial statements

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

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

Functions/Programs:	Expenses	Program Revenues		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Assets
				Governmental Activities
Governmental Activities:				
General government	\$ 374,384	\$ -	\$ 275,651	\$ (98,733)
Special programs:				
Congestion management	3,702,066	2,721,159	1,179,364	198,457
National Pollutant Discharge & Elimination System	1,899,319	126,088	1,396,685	(376,546)
Bay Area Air Quality Management District	771,272	1,106,252	-	334,980
AB 1546	5,172	858	-	(4,314)
Energy watch	501,080	-	419,056	(82,024)
Measure M	6,985,356	7,862,321	-	876,965
Total Governmental Activities	<u>\$ 14,238,649</u>	<u>\$ 11,816,678</u>	<u>\$ 3,270,756</u>	<u>848,785</u>
General Revenues:				
Investment income				<u>137,186</u>
Total General Revenues				<u>137,186</u>
Change in Net Position				985,971
Net Position - Beginning				<u>20,809,514</u>
Net Position - Ending				<u>\$ 21,795,485</u>

See accompanying notes to financial statements

C/CAG AGENDA REPORT

Date: November 9, 2017

To: City/County Association of Governments of San Mateo County Board of Directors

From: Sandy Wong, Executive Director

Subject: Review and accept the C/CAG Single Audit Report for the Year Ended June 30, 2017

(For further information or questions, contact Sandy Wong at 650 599-1409)

RECOMMENDATION

That the C/CAG Board review and accept the C/CAG Single Audit Report for the Year Ended June 30, 2017.

FISCAL IMPACT

None.

SOURCE OF FUNDS

Federal transportation funds.

BACKGROUND

An independent Single Audit Report was performed on C/CAG for the year ended June 30, 2017. The Single Audit is specifically for Federal funds received. A Single Audit is required when an agency received \$750,000 or more in federal awards. During that fiscal year, C/CAG had a total of \$1,174,897 in expenditures of federal funds.

The audit did not identify any deficiencies in internal, or any significant deficiencies, or material weaknesses or instances of noncompliance material to the basic financial statements. The audit did not disclose any findings or questioned costs required to be reported in accordance with Uniform Guidance. The auditor expressed their opinion that the C/CAG complied, in all material respects, with the types of compliance requirements as specified that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

ATTACHMENTS

1. Single Audit Report for Year Ended June 30, 2017.

**CITY/COUNTY ASSOCIATION
OF GOVERNMENTS
OF SAN MATEO COUNTY, CALIFORNIA**

**SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2017**

**CITY/COUNTY ASSOCIATION
OF GOVERNMENTS
OF SAN MATEO COUNTY, CALIFORNIA**

**SINGLE AUDIT REPORT
For The Year Ended June 30, 2017**

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**CITY/COUNTY ASSOCIATION
OF GOVERNMENTS
OF SAN MATEO COUNTY, CALIFORNIA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2017**

SECTION I—SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued on whether the financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Type of auditor’s report issued on compliance for major programs:

Unmodified

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of major programs:

<u>CFDA#(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

SECTION II – FINANCIAL STATEMENT FINDINGS

Our audit did not disclose any significant deficiencies, or material weaknesses or instances of noncompliance material to the basic financial statements. We have also issued a separate Memorandum on Internal Control dated October 26, 2017, which is an integral part of our audits and should be read in conjunction with this report.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Our audit did not disclose any findings or questioned costs required to be reported in accordance with Uniform Guidance.

CITY/COUNTY ASSOCIATION OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2017

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Identifying Number	Pass-Through To Subrecipients	Federal Expenditures
Department of Transportation Pass-Through Programs From: Metropolitan Transportation Commission Highway Planning and Construction Planning and Programming	20.205	STPL-6084(175)		\$665,604
California Department of Transportation Highway Planning and Construction Safe Routes to School Cycle 2	20.205	STPCML-6419(020)	\$391,194	391,194
C/CAG Priority Development Area (PDA) Parking Poilcy Technical Assistance Program	20.205	STPLNI-6419(022)	<u>391,194</u>	<u>118,099</u>
Total Department of Transportation Pass-Through Programs			<u>391,194</u>	<u>1,174,897</u>
Total Expenditures of Federal Awards			<u>\$391,194</u>	<u>\$1,174,897</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards

**CITY/COUNTY ASSOCIATION
OF GOVERNMENTS
OF SAN MATEO COUNTY, CALIFORNIA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2017**

NOTE 1-REPORTING ENTITY

The Schedule of Expenditure of Federal Awards (the Schedule) includes expenditures of federal awards for the City/County of Governments of San Mateo County, California.

NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting refers to *when* revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Expenditures of Federal Awards reported on the Schedule are recognized when incurred.

NOTE 3 – INDIRECT COST ELECTION

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Governing Board of the City/County Association
Of Governments of San Mateo County
Redwood City, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the City/County Association of Governments of San Mateo County (C/CAG) as of and for the year ended June 30, 2017, and the related notes to the financial statements, and have issued our report thereon dated October 26, 2017.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Maze & Associates

Pleasant Hill, California

October 26, 2017

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

To the Governing Board of the City/County Association
Of Governments of San Mateo County
Redwood City, California

Report on Compliance for Each Major Federal Program

We have audited City/County Association of Governments of San Mateo County (C/CAG) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the C/CAG 's major federal programs for the year ended June 30, 2017. The C/CAG 's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the C/CAG's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the C/CAG's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the C/CAG's compliance.

Opinion on Each Major Federal Program

In our opinion, the C/CAG complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect to its major federal program for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the C/CAG's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the C/CAG's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities and each major fund of C/CAG as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the C/CAG's basic financial statements. We issued our report thereon dated October 26, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Maze & Associates

Pleasant Hill, California
October 26, 2017

C/CAG AGENDA REPORT

Date: November 9, 2017
To: City/County Association of Governments of San Mateo County Board of Directors
From: Sandy Wong, Executive Director
Subject: Review and accept the Measure M Fund Financial Statements (Audit) for the Year Ended June 30, 2017

(For further information or questions, contact Sandy Wong at 650 599-1409)

RECOMMENDATION

That the C/CAG Board review and accept the Measure M Fund Financial Statements (Audit) for the Year Ended June 30, 2017.

FISCAL IMPACT

None.

SOURCE OF FUNDS

Dedicated motor vehicle fee.

BACKGROUND

A separate independent audit was performed on the Measure M Fund for the year ended June 30, 2017. No issue was identified that require correction.

The auditor expressed their opinion that the Measure M financial statements present fairly, in all material respects, the respective financial position of the Measure M Fund, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

ATTACHMENT

1. Measure M Fund Financial Statements (audit report).

**CITY/COUNTY ASSOCIATION
OF GOVERNMENTS
OF SAN MATEO COUNTY, CALIFORNIA**

MEASURE M FUND

FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2017

CITY/COUNTY ASSOCIATION OF
GOVERNMENTS OF SAN MATEO COUNTY,
CALIFORNIA

MEASURE M FUND
FINANCIAL STATEMENTS

JUNE 30, 2017

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INDEPENDENT AUDITOR'S REPORT

Governing Board of City/County Association of
Governments of San Mateo County
Redwood City, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Measure M Fund (Fund), the City/County Association of Governments of San Mateo County (C/CAG), California, as of and for the year ended June 30, 2017, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Fund of the C/CAG, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Management has elected not to do the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2017 on our consideration of C/CAG's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering C/CAG's internal control over financial reporting and compliance.

Maze & Associates

Pleasant Hill, California

October 26, 2017

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

**MEASURE M FUND
GOVERNMENTAL FUND BALANCE SHEET
JUNE 30, 2017**

	Measure M Fund
ASSETS	
Cash	\$ 8,653,212
Accounts receivable	<u>1,848,200</u>
Total Assets	<u><u>\$ 10,501,412</u></u>
LIABILITIES	
Accounts payable	\$ 1,778,660
Accrued liabilities	<u>464,213</u>
Total Liabilities	<u>2,242,873</u>
FUND BALANCE	
Restricted for Measure M	<u>8,258,539</u>
Total Fund Balance	<u>8,258,539</u>
Total Liabilities and Fund Balance	<u><u>\$ 10,501,412</u></u>

See accompanying notes to financial statements.

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

**MEASURE M FUND
STATEMENT OF GOVERNMENTAL FUND
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Measure M Fund
REVENUES	
From other agencies	\$ 7,471,128
Cost reimbursement	391,193
Investment income	53,963
	<u>7,916,284</u>
Total Revenues	<u>7,916,284</u>
EXPENDITURES	
Distributions	5,098,698
Professional services	1,847,470
Administrative services	39,128
Conferences & Meetings	60
	<u>6,985,356</u>
Total Expenditures	<u>6,985,356</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	930,928
OTHER FINANCING SOURCES (USES)	
Transfers out	<u>(815,372)</u>
Total Other Financing Sources (Uses)	<u>(815,372)</u>
NET CHANGE IN FUND BALANCE	115,556
FUND BALANCE/NET POSITION AT BEGINNING OF YEAR	<u>8,142,983</u>
FUND BALANCE/NET POSITION AT END OF YEAR	<u><u>\$ 8,258,539</u></u>

See accompanying notes to financial statements.

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

**MEASURE M FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

Note 1: Summary of Significant Accounting Policies

a. Reporting Entity

The City/County Association of Governments of San Mateo County (C/CAG), California Measure M Fund (Fund) is used to account for the Fund's activities. This fund accounts for Motor Vehicle Fees of \$10 per vehicle per year for 25 years. This will raise approximately \$170 million, with \$85 million allocated to the cities and the County for Water Pollution Prevention Programs and Congestion Management Programs. The remaining \$85 million will go to transit operations, safe routes to schools, Intelligent Transportation System projects, and County-wide Water Pollution Prevention Programs.

The Fund is a governmental fund of the C/CAG, and the accompanying financial statements are included in the C/CAG basic financial statements.

The accompanying financial statements are for the Fund only and are not intended to fairly present the financial position of the C/CAG or the results of its operations.

b. Basis of Presentation – Fund Financial Statements

The Fund financial statements provide information about the government's funds. The emphasis of fund financial statements is on major funds. The Fund reports the following major governmental funds:

The Measure M Fund (Fund) is the primary operating fund. It accounts for all financial resources.

c. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues susceptible to accrual consist of grants and interest. Grants collected within 365 days after year end are accrued as revenue. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

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

**MEASURE M FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

Note 1: Summary of Significant Accounting Policies (Continued)

d. Assets, Liabilities, Deferred Inflows, and Net Position or Equity

Cash and Investments

The Fund's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The C/CAG categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Receivables and Payables

All receivables are shown net of an allowance for uncollectibles.

Activity between C/CAG funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

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

**MEASURE M FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and governmental fund balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Fund has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position and governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Fund has no items that qualify for reporting in this category.

Fund Equity

The Fund reports a restricted fund balance which include amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

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

**MEASURE M FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

Note 2: Cash and Investments

At June 30, 2017, the Funds cash and investment totaled \$8,653,212.

The investment fair value measurements within the fair value hierarchy are established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Fund's cash and investments are pooled with C/CAG's cash and investments in order to generate optimum interest income. Each C/CAG fund's share of the pooled cash account is separately accounted for, and investment income is allocated to all participating funds based on the relationship of their average daily cash balances to the total of the pooled cash and investments. Information regarding the authorized types of deposits and investments, the type of risks (i.e. credit, interest rate, custodial, etc.), fair value hierarchy and other disclosures associated with the fund's pooled cash and investments is included in the C/CAG's basic financial statements, which are available at 555 County Center Fifth Floor, Redwood City, CA 94063.

Note 3: Commitments and Contingent Liabilities

The Fund is subject to litigation arising in the normal course of business. In the opinion of legal counsel there is no pending litigation, which is likely to have a material adverse effect on the financial position of the fund.

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

**MEASURE M FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 6,700,000	\$ 6,700,000	\$ 7,471,128	\$ 771,128
Investment income	28,000	28,000	53,963	25,963
Cost reimbursement	252,000	252,000	391,193	139,193
	<u>6,980,000</u>	<u>6,980,000</u>	<u>7,916,284</u>	<u>936,284</u>
EXPENDITURES				
Professional services	1,693,351	1,693,351	1,847,470	(154,119)
Administrative services	35,000	35,000	39,128	(4,128)
Distributions	4,402,500	4,402,500	5,098,698	(696,198)
Conferences and meetings			60	(60)
	<u>6,130,851</u>	<u>6,130,851</u>	<u>6,985,356</u>	<u>(854,505)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>849,149</u>	<u>849,149</u>	<u>930,928</u>	<u>81,779</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(636,500)</u>	<u>(800,000)</u>	<u>(815,372)</u>	<u>(15,372)</u>
NET CHANGE IN FUND BALANCES	<u>\$ 212,649</u>	<u>\$ 49,149</u>	115,556	<u>\$ 66,407</u>
FUND BALANCES AT BEGINNING OF YEAR			<u>8,142,983</u>	
FUND BALANCES AT END OF YEAR			<u>\$ 8,258,539</u>	-

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

**MEASURE M FUND
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2017**

Note 1: Budget Policy

C/CAG's Governing Board adopts an annual operating budget on or before June 30 for the ensuing fiscal year for all funds. C/CAG follows a budgeting process in which C/CAG plans and objectives are outlined and budgeted. From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the various funds.

C/CAG's Governing Board may amend the budget by resolution during the fiscal year. Budgets are adopted on a basis consistent with generally accepted accounting principles.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH APPLICABLE REQUIREMENTS AND ON INTERNAL
CONTROL OVER COMPLIANCE**

Governing Board of City/County Association of
Governments of San Mateo County
Redwood City, California

Report on Compliance

We have audited the City/County Association of Governments of San Mateo County (C/CAG) Measure M Fund's (Fund) compliance with the types of compliance requirements for the year ended June 30, 2017.

Management's Responsibility

Management is responsible for compliance with the requirements of Measure M.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Fund based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and the requirements of Measure M. Those standards and requirements require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a material effect on the Fund occurred. An audit includes examining, on a test basis, evidence about C/CAG's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the Fund. However, our audit does not provide a legal determination of C/CAG's compliance with those requirements.

Opinion

In our opinion, C/CAG is in compliance with the laws and regulations, contracts, and grant requirements related to the Fund for the year ended June 30, 2017.

Report on Internal Control Over Compliance

The management of C/CAG is responsible for establishing and maintaining effective internal control over compliance with the type of compliance requirements referred to above. In planning and performing our audit, we considered the C/CAG's internal control over compliance with the types of requirements to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the C/CAG's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements, specified by Measure M. Accordingly, this communication is not suitable for any other purpose.

Pleasant Hill, California
October 26, 2017

C/CAG AGENDA REPORT

Date: November 9, 2017

To: City/County Association of Governments of San Mateo County Board of Directors

From: Sandy Wong, Executive Director

Subject: Review and accept the C/CAG Smart Corridor Project Audit Report through June 30, 2017

(For further information or questions, contact Sandy Wong at 650 599-1409)

RECOMMENDATION

That the C/CAG Board review and accept the C/CAG Smart Corridor Project Audit Report through June 30, 2017.

FISCAL IMPACT

None.

SOURCE OF FUNDS

State Transportation Improvement Program (STIP) funds.

BACKGROUND

C/CAG received grant funds from the State Transportation Improvement Program (STIP) program for the Smart Corridor project.

To comply with grantor's requirements, an independent audit was performed on the Smart Corridor STIP project as of and for the year ended June 30, 2017. Final Project Expenditure Audit Report is shown in the attachment. The audit did not identify any deficiencies in internal control, and disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The auditor expressed their opinion that the Expenditure Report presented fairly, in all material respects, the financial position of the Smart Corridor Project as of June 30, 2017, for the year then ended in accordance with the Program Supplements to Administering Agency-State Agreement for State Funded Project.

ATTACHMENT

1. C/CAG Smart Corridor Project Audit Report through June 30, 2017

**CITY/COUNTY ASSOCIATION
OF GOVERNMENTS
OF SAN MATEO COUNTY, CALIFORNIA**

**SMART CORRIDOR PROJECT
AUDIT REPORT**

THROUGH JUNE 30, 2017

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

**SMART CORRIDOR PROJECT
THROUGH JUNE 30, 2017**

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INDEPENDENT AUDITOR'S REPORT

To the Governing Board of City/County Association of
Governments of San Mateo County
Redwood City, California

Report on the Expenditure Report

We have audited the accompanying Final Project Expenditure Report (Expenditure Report) for State Transportation Improvement Program (STIP) Project RPL-6419(012) and Project RPSTPL-6419(018) (Smart Corridor Project) of the City/County Association of Governments of San Mateo County (C/CAG), as of and for the year ended June 30, 2017, and the related notes to the Expenditure Report, as listed in the Table of Contents.

Management's Responsibility for the Expenditure Report

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the Expenditure Report referred to above present fairly, in all material respects, the financial position of the Smart Corridor Project as of June 30, 2017, for the year then ended in accordance with the Program Supplements to Administering Agency-State Agreement for State Funded Project.

Emphasis of a Matter

As discussed in Note 2, the Expenditure Report is prepared in accordance with the Program Supplements to Administering Agency-State Agreement for State Funded Project which requires an Expenditure Report that presents only the Program and does not purport to, and does not, present fairly the financial position of C/CAG as of June 30, 2017, or the changes in its financial position for the year then ended in accordance with Program Supplements to Administering Agency-State Agreement for State Funded Project. Our opinion is not modified with respect to this matter.

Other Matters

Our report is intended solely for the information and use of the City/County Association of Governments of San Mateo County, California, and the State of California and is not intended to be and should not be used by anyone other than these specified parties.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2017, on our consideration of the Smart Corridor Project' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Smart Corridor Project' internal control over financial reporting and compliance.



Pleasant Hill, California
October 26, 2017

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

**SMART CORRIDOR PROJECT EXPENDITURE REPORT
THROUGH JUNE 30, 2017**

State Funds Allocated:	Awarded Amount	Amount Used	Amount Remaining
RPL-6419(012)	\$5,270,000	\$5,270,000	
RPSTPL-6419(018)	1,200,000	1,149,526	\$50,474
Total State Fund Allocated	\$6,470,000	6,419,526	\$50,474

Expenditures Incurred:

Project Costs:			
Construction Costs		6,419,526	
State Funds Allocated but Not Used:		\$50,474	

See Accompanying Notes to Final Project Expenditure Report

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

NOTES TO SMART CORRIDOR PROJECT EXPENDITURE REPORT

Note 1: Project Description

The San Mateo County Smart Corridor project is a cooperative effort between cities within San Mateo County to deploy Intelligent Transportation System elements along state routes and major local streets.

Note 2: Basis of Presentation

The Program Supplement Agreements for State Funded Project authorizes the use of moneys received by the state for certain purposes. Reimbursement requests are submitted to the State to release funds directly to the City/County Association of Governments of San Mateo County (C/CAG). The amounts distributed to the C/CAG are maintained in the C/CAG's Smart Corridor Fund. The expenditures and revenues of other activities of the C/CAG have not been included in this report. This report is presented in accordance with the Program Supplement to Administering Agency-State Agreement for State Funded Project.

**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING,
AND ON COMPLIANCE WITH THE APPLICABLE REQUIREMENTS
AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Governing Board of the City/County Association
Of Governments of San Mateo County
Redwood City, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the Final Project Expenditure Report (Expenditure Report) for the State Transportation Improvement Program (STIP) Project RPL-6419(012) and Project RPSTPL-6419(018) (Smart Corridor Project) of the City/County Association of Governments of San Mateo County (C/CAG) for the period ending June 30, 2017, and the related notes to Expenditure Report, and have issued our report thereon dated October 26, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the Expenditure Report, we considered the Project's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the Expenditure Report, but not for the purpose of expressing an opinion on the effectiveness of Project's internal control. Accordingly, we do not express an opinion on the effectiveness of Project's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Project's Expenditure Report is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Our procedures included the applicable audit procedures and tests of compliance with the applicable provisions of the Program Supplements to Administering Agency-State Agreement for State Funded Project. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated October 26, 2017, which is an integral part of our audit and should be read in conjunction with this report.

Purpose of this Report

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

This report is intended solely for the information and use of the California Department of Transportation, management, Governing Board, others within C/CAG, and is not intended to be and should not be used by anyone other than these specified parties.

Maze & Associates

Pleasant Hill, California

October 26, 2017

C/CAG AGENDA REPORT

Date: November 9, 2017

To: City/County Association of Governments of San Mateo County Board of Directors

From: Sandy Wong, Executive Director

Subject: Review and approval of the appointment of Jamie Axt (City of Redwood City) to the C/CAG Bicycle and Pedestrian Advisory Committee (BPAC) for two-year term to fill one vacant public member seat.

(For more information or questions, please contact Sara Muse at 650-599-1460)

RECOMMENDATION

That the C/CAG Board review and approve Jamie Axt (City of Redwood City) to the C/CAG Bicycle and Pedestrian Advisory Committee (BPAC) for two-year term to fill one vacant public member seat.

FISCAL IMPACT

None.

SOURCE OF FUNDS

Not applicable.

BACKGROUND

The Bicycle and Pedestrian Advisory Committee (BPAC) provides advice and recommendations to the full C/CAG Board on all matters relating to bicycle and pedestrian facilities planning, and selection of projects for state and federal funding. The BPAC consists of 15 members comprised of eight (8) elected officials and seven (7) public members.

Currently, there is one (1) vacant public seat on the BPAC. On August 11, 2017, Staff released a recruitment letter seeking one public member to fill one vacancy on the BPAC, with the deadline to apply by September 1, 2017 for appointments to be considered at the September 14, 2017 C/CAG Board meeting. No applications were received.

On September 18, 2017, Staff re-issued a recruitment letter seeking one public member to fill one vacancy on the BPAC, with the deadline to apply by October 6, 2017. No applications were received.

On October 12, 2017, Staff re-issued Staff re-issued the recruitment letter with the deadline to apply by October 27, 2017. Staff received one application from Jamie Axt, resident of the City of Redwood City.

The BPAC membership policy (adopted in March 2006) states that no more than two (2) members, either elected or public, should reside in the same jurisdiction. The appointment of Jamie Axt would not conflict with this policy.

The current members on the BPAC as of September 2017 are listed below:

<u>Elected Official Members</u>	<u>City of Residence</u>
1. Don Horsley	County of San Mateo (Unincorporated)
2. Ken Ibarra	San Bruno (To be vacated at the end of 2017)
3. Karyl Matsumoto	South San Francisco
4. Ann Schneider	Millbrae
5. Gary Pollard	Foster City
6. Ann Wengert	Portola Valley
7. Deirdre Martin	Pacifica
8. Emily Beach	Burlingame

<u>Public Members</u>	<u>City of Residence</u>
1. Marge Colapietro	Millbrae
2. Daina Lujan	South San Francisco
3. Matthew Self	Redwood City
4. Malcolm Robinson	San Bruno
5. David Stanek	City of San Mateo
6. Marina Fraser	Half Moon Bay
7. <i>Vacant</i>	

ATTACHMENTS

1. Application from Jamie Axt

Jamie Axt

321 Alexander Avenue
Redwood City, CA. 94061
650-823-3993
jamie.axt@gmail.com

20th October 2017

Sara Muse

Transportation Programs Specialist
555 County Center, 5th Floor
Redwood City, CA. 94063

Dear Ms. Muse,

I am a current resident of Redwood City, a Bay Area native born and raised on the Peninsula. I would like to express my interest in the position of public member seat on the Bicycle and Pedestrian Advisory Committee (BPAC) for the City/County Association of Governments of San Mateo County (C/CAG.) I follow the issues closely in our community in relation to Pedestrian and Bicycle Safety, as a mother of a 7 year old who walks and bikes in the area, and as a recreational cyclist, and former bicycle racer.

My education and employment experience contribute to my knowledge, understanding, and interest in Transportation Planning: I graduated with a degree from UC Santa Cruz in Environmental Sciences, with an emphasis on City and Transportation Planning. I currently work as an Independent Real Estate Appraiser, which utilizes my abilities to assess and interpret neighborhood data and trends. I often commute by bicycle for work in the immediate area, primarily in Redwood City, San Carlos, Belmont, Atherton, and Menlo Park. I am very interested in making these areas safer and more inviting for those who wish to commute by bicycle to their employment centers and/or to public transportation, as well as recreational walkers and riders.

I love the City of Redwood City, and have really enjoyed watching its growth and development in ways to enhance the community. I feel the potential remains for smart transportation planning in ways to invite more pedestrian and bike traffic and safety.

Thank you for your consideration,

Sincerely,



Attachment A:

1: Expertise/experience: I'm currently an active member of the local cycling community. With a background education in transportation planning, I'm interested in combining my interest in cycling with my interest in making safer places to bike commute and ride recreationally. I have friends who cycle and have helped with bike lane planning along the Alpine Road corridor in Portola Valley. I, along with other cyclists helped provide feedback to make this area safer for cyclists and occasional pedestrians. My family and I also frequent Downtown Redwood City and Menlo Park. We notice the ways these areas have become more pedestrian and cyclist friendly, and are interested in seeing this trend continue.

2. Why I want to serve: I've wanted to become more involved in the community for a long time. When I noticed this vacancy online, it felt like the perfect opportunity to serve the community in an area that I am familiar with and would love to learn more about.

3. Special strengths: I'm a very organized person who is well-spoken and pleasant to work with. These would be some personal strengths that would serve me well on this committee. I am very familiar with many of the neighborhoods in San Mateo County, as I'm a native of this area, and currently work in Real Estate in this area. I'm an active member of the cycling community and ride many of the roads in this area frequently. I understand the importance of cycling as a mode of transportation, as part of a healthy lifestyle, and its significance in reducing auto traffic congestion. I would love to encourage all of these in my community. I'm the Mom of a 7 year old who loves to ride her bike, and walk to local parks. I would love to encourage this further in a safe environment.

4. Role of BPAC: My understanding is that this committee helps the Board of Supervisors make decisions on the funding of projects specific to walking and biking in the area. The committee provides detailed specifics to assist in prioritizing projects for the overall budget. These specifics may include bike/ped traffic volumes for certain areas, commute routes, and areas of concern for collisions/accidents. The committee advocates for pedestrians and cyclists in the area to encourage further development of areas which are safe and pleasant to use for the community.

5. Meeting Attendance: I have never attended a meeting, but have read the meeting minutes online.

6. Meeting Times: I have no conflict with these times/dates.

7. Other Memberships: I have no other committee or organization memberships.

8. I live in Redwood City, in the unincorporated neighborhood of Horgan Ranch, which is between Woodside Road and Selby Lane.

C/CAG AGENDA REPORT

Date: November 9, 2017

To: City/County Association of Governments of San Mateo County Board of Directors

From: Sandy Wong, Executive Director

Subject: Receive information and update on the US 101 Managed-lane project
(For further information or questions contact Sandy Wong at 650-599-1409)

RECOMENDATION

That the C/CAG Board of Directors receive information and update on the US 101 Managed-Lane project.

FISCAL IMPACT

This is an information item.

BACKGROUND

On May 4, 2015, the California State Department of Transportation (Caltrans) approved a Project Initiation Document (PID) for a project that proposes to extend existing High Occupancy Vehicle (HOV) lanes on the Highway 101 Corridor in San Mateo County 14.5 miles from Whipple Road to Interstate 380.

On October 1, 2015, the SMCTA approved \$8.5 million for the environmental phase of the project. The project also received \$3 million in private partnership funds. In addition, C/CAG received \$9.5 million Federal funds directed to this project.

Resulting from input of project stakeholders including both public agencies and private employers, the limits of the study expanded beyond what had been developed in the PID. Project limits have been extended seven miles south to a total length of 22½ miles to better coordinate with the work Santa Clara County is proposing on the 101 Corridor.

In June 2016, environmental study for the 22½ miles project was launched. Public outreach and engagement with project stakeholders began in October 2016 with a public scoping meeting. Since that time, there have been a number of meetings with staff from local jurisdictions along this segment of the US 101 corridor. There were two Community Meetings in San Mateo and Redwood City in May and June, respectively.

Multiple technical studies, including such as traffic analysis, air quality analysis, noise study, and biological study, etc. were conducted to assess the performance and impacts of the project.

Adopted project purpose and need are as follows:

- Reduce congestion in the corridor
- Encourage carpooling and transit use
- Improve travel time reliability
- Minimize operational degradation of the general purpose lanes
- Increase person throughput
- Apply technology and/or design features to help manage traffic

The Draft Environmental Document is scheduled to be released at the end of November. The draft document will describe the project benefits as well as project impacts anticipated. During the public comment period, the public will have the opportunity to review and comment on the draft document. The project team will compile and respond to comments according to procedures.

Express lanes, while not new to the Bay Area, would be new to San Mateo County. In order to implement express lanes, as part of the project development process, discussions and decisions will need to take place regarding new roles and associated responsibilities for toll facilities. Staff recommends continue discussion on toll facility owner and operator, toll system manager, and toll system integrator.

A powerpoint presentation will be presented at the November 9, 2017 C/CAG Board meeting to provide more detail project information.

ATTACHMENT

None.

C/CAG AGENDA REPORT

Date: November 9, 2017

To: City/County Association of Governments of San Mateo County Board of Directors

From: Sandy Wong, Executive Director

Subject: Receive an update on the Carpool Incentive Program

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

RECOMMENDATION

Receive an update on the Carpool Incentive Program.

FISCAL IMPACT

Up to \$1,000,000 is available for incentives.

SOURCE OF FUNDS

Funding comes from Transportation Fund for Clean Air (TFCA) County Program Manager funds (FY 2017/18) and Congestion Relief Program funds.

BACKGROUND

C/CAG Countywide Carpooling Incentives Pilot Program

At the July 13, 2017, meeting, the C/CAG Board adopted Resolution 17-36 authorizing the C/CAG Countywide Carpooling Incentives Pilot Program (Program) for up to \$1,000,000. Subsequently, C/CAG entered into agreement with Scoop, a company that provides a dynamic ride matching / carpooling matching application (App) and services to enable implementation of the Program. Staff anticipates having a second App, Waze Carpool (Google) under contract soon.

The Program, named “Carpool In San Mateo County!”, went live on July 24, 2017, with Scoop and officially launched on August 1, 2017. The goal of the Program is to reduce the number of single occupancy vehicles (SOV) on the road and increase usage of carpooling and ridesharing during peak commute periods, focusing on residents of San Mateo County and individuals who work in the County.

At the November 9, 2017, meeting, the C/CAG Board will receive a presentation on the Program’s preliminary results, including evaluation of data through the month of September.

ATTACHMENTS

1. Carpool In San Mateo County! Flyer

Carpool

IN SAN MATEO COUNTY!

NEW CARPOOL DISCOUNT PROGRAM AVAILABLE FOR SAN MATEO COUNTY COMMUTERS



Carpool In San Mateo County! is available to residents or commuters who work in San Mateo County.

An Innovative C/CAG Pilot Program Carpool In San Mateo County! utilizes mobile carpooling apps to increase local carpool ridership during peak travel periods, therefore reducing single occupancy vehicles, traffic congestion, and greenhouse gas (GHG) emissions.

Receive \$4 Incentive per Day By Carpooling!

Drivers and riders that use the incentive can get up to \$4 per day. This includes a \$2 incentive per person for each commute trip to and from the cities of San Mateo County. The discount will be applied to your account.



www.ccag.ca.gov

Benefits to Commuters It's fun and convenient. You can save time, save money, reduce stress, and meet new friends. It is also good for the environment.

Carpool With Your Co-Workers and Neighbors! The app automatically links drivers and riders to other users as close as possible to their origins and destinations. This includes door-to-door pickups and drop-offs.

How Does Carpool In San Mateo County! Work? Drivers and riders using Scoop will automatically receive the \$2 incentive per person during commute periods (5:30 a.m. – 10:00 a.m. and 3:30 p.m. – 8:00 p.m.), with a maximum incentive of \$4 per day.

How Do I Sign Up? The program is available now on the Scoop app downloadable from iTunes and Google Play.



Safe and Flexible. Drivers using the Scoop app already have their motor vehicle histories checked. Use it once a week or every day at the times that works for you.

Need More Info? Please visit www.commute.org



C/CAG

CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY

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October 12, 2017

Steve Heminger
Bay Area Metro Center
375 Beale Street Suite 800
San Francisco, CA 94105

RE: Proposal to condition the State Transportation Improvement Program (STIP) on Regional Housing Need Allocation (RHNA) production

Dear Mr. Heminger:

On September 19, 2017 MTC staff hosted a discussion with CMA Directors and introduced a new proposal to incentivize and condition the programming of 2018 STIP funds on housing production at the local jurisdictional level. While C/CAG shares your sense of urgency with regard to the Bay Area's housing situation, we have some concern about the fairness and efficacy of this current proposal.

C/CAG supports your proposed incentive to award jurisdictions with the best performance in housing production, permitting, and streamlining, but strongly urges that MTC reconsider its proposed strategy to penalize jurisdictions who have not produced sufficient housing units by conditioning new STIP funding eligibility to those jurisdictions producing at least 10-15% of their RHNA numbers for low, very low, and moderate income housing, using the 1999-2014 and 2007-2014 cycles.

A principle concern with this approach is that MTC would be changing the eligibility rules after the fact. The RHNA process requires cities and counties to identify sufficient sites, policies and programs to support the total number of housing units (by affordability level) that each jurisdiction has been assigned for the cycle, and which must be accommodated in its Housing Element. It is designed to provide opportunities (and remove obstacles) for housing production, but does not require "production", since that is beyond a local jurisdiction's ability. Therefore, to "punish" jurisdictions that have not produced sufficient housing during the past RHNA cycles, even though that was never a requirement, appears unfair. If a stick is to be considered, fairness dictates that it should be one that is used only after clear rules are laid out, so a jurisdiction has an opportunity to take corrective action to avoid its imposition.

Another concern is the time frame in which the housing production would be evaluated. As you are aware, the true severity of the housing shortage was not really fully evident until a few years ago, after a severe economic downturn in 2008 and 2009. Compounding this, the dissolution of redevelopment agencies throughout the state in 2012, as well as some unfavorable court decisions (ex. Palmer), removed many local affordable housing tools during this timeframe. Most jurisdictions began to seriously address the housing shortfall through policies in the last several years, many in response to

the efforts of ABAG and MTC in their promotion (and funding) of Priority Development Area planning. As a result, many housing developments are currently either in the pipeline or under construction, but the fact remains that it takes several years to actually produce housing. Therefore, using affordable housing production data during the 1999-2014 period as a threshold does not line up well with current and future efforts of local jurisdictions with regard to housing promotion.

We recognize that the Bay Area is in a crisis situation with regard to low and moderate income housing and we strongly support MTC's programs to incentivize, through loans, land purchases and other means, the production of very low, low and moderate income housing. However, we do not believe that the STIP is the appropriate program to provide disincentives to influence individual local jurisdiction housing production.

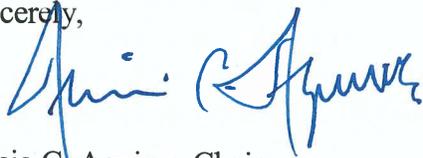
Housing production is dependent on local policy, developers, and markets. It is a false assumption that constraining our use of STIP funds will incentivize the production of housing. We cannot support any constraint to our STIP application rights and responsibilities that has the potential to damage our local economy by preventing investments that address our county transportation needs. C/CAG has been investing the STIP on projects that are regional in nature and serve regional needs. Subjecting a STIP project to the housing policies of one or two local jurisdictions who fail to produce their RHNA housing would inadvertently hinder large transportation projects that serve wider regional benefits.

It should also be noted that several of the jurisdictions that are not meeting the housing production thresholds MTC has suggested are in counties that have already advanced their STIP shares for many cycles, and would therefore have no influence on their housing policy at all. The probability of influencing city policies using the STIP is very weak, if not non-existent, and would only hinder regional type projects that often serve those targeted populations of concern in their daily commute.

A final concern is timing. Issuing regional STIP policy and procedures in late October and expecting county CMAAs to submit final lists on November 1, 2017 does not allow time for the proper public engagement process that MTC promotes.

C/CAG believes that there is room to collaborate with us and local jurisdictions to develop effective policies such as those that resulted in 100% of San Mateo County jurisdictions having a certified Housing Element; it is our belief that cities are currently setting sound housing policies, and will continue to do so regardless of how the STIP is appropriated. We believe that there are more effective ways to encourage local housing production and would be happy to collaborate with MTC on developing incentives to address the affordable housing issue.

Sincerely,



Alicia C. Aguirre, Chair

City/County Association of Governments of San Mateo County

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Office of Sustainability
 San Mateo County
 455 County Center
 Redwood City, CA 94063

October 11, 2017

Caltrans SB 1 Adaptation Grant Program

RE: Support Letter for the San Mateo County Caltrans SB 1 Adaptation Grant Program Application

To Whom It May Concern:

I am writing in support of the County of San Mateo's application for a Caltrans SB 1 Adaptation Grant program. The grant will help the County's Office of Sustainability, in partnership with cities and other stakeholders, continue to lead a coordinated approach to increasing community resilience. Through the SB 1 grant, the County proposes to expand upon its existing sea level rise planning work to include analysis and planning support for other climate change impacts, such as extreme heat, change in precipitation, wildfire risk, and air quality and build adaptation into policy and planning processes. We are especially interested in the proposed precipitation and heat studies related to climate change, as our member agencies are now engaged in County-wide green infrastructure planning that would benefit from the results of these analyses.

We believe the County is undertaking an invaluable effort that builds on years of work and inter-agency collaboration achieved through the County-wide sea level rise vulnerability assessment project. The proposed project will assist the County and cities in mainstreaming adaptation planning, implementing the requirements of Senate Bill 379, and will provide cities with critical technical support in developing pragmatic and implementable adaptation action plans to minimize climate change impacts. The proposed project will also help clarify County-wide climate change impacts to critical infrastructure, such as transportation, and help stakeholders maintain a focus on disadvantaged communities vulnerable to climate change impacts.

Effective resilience planning will require extensive coordination, collaboration, and technical expertise. San Mateo County and its Climate Change team has already demonstrated leadership in this realm and is well-positioned to advance this vital work in partnership with its many and diverse stakeholders.

As the Executive Director of the City/County Association of Governments of San Mateo County, I support this much-needed project. Please do not hesitate to contact me with any questions at 650-599-1409 or slwong@smcgov.org.

Sincerely,



Sandy Wong
 Executive Director
 City/County Association of Governments of San Mateo County

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October 16, 2017

Steve Heminger
Executive Director
Metropolitan Transportation Commission
375 Beale Street, Suite 800
San Francisco, CA 94105-2066

Subject: Support for The Future of Mobility: Ride-Hailing Data Collection and Analysis

I would like to offer this letter in support of the application for the SB1 Sustainable Communities Planning Grant prepared by the Metropolitan Transportation Commission (MTC) in partnership with the San Diego Association of Governments (SANDAG), the Southern California Association of Government's (SCAG) and the San Francisco County Transportation Authority (SFCTA) for the The Future of Mobility: Ride-Hailing Data Collection and Analysis. We appreciate that MTC, SANDAG, and SCAG have been collaborating on a Future Mobility Research Project (FMRP) as leaders in researching emerging transportation technology, and this is an area of great interest for our agency.

Transportation Network Companies (TNC) such as Uber and Lyft as well as carpooling applications such as Scoop and Waze Carpool represent great opportunities to improve mobility for local residents. TNCs have the potential to provide first and last mile access to transit hubs as well as to reduce household vehicle ownership, which may result in more multi-modal travel choices and reduced vehicle miles traveled (VMT).

At the same time, these services may also serve to replace transit, walking and bicycling trips, and the ubiquity of these services in denser, transit-friendly areas may serve to increase VMT. As such, to effectively engage in long-range transportation and land use planning, it is critical to better understand the impacts of TNCs on user behavior and on VMT. I support this multi-agency FMRP project to assemble demographic and travel diary survey data for both TNC users and non-users. As they are private sector companies facing competition issues in an emerging market, getting data from TNCs has been a challenge for public sector entities. I appreciate that this effort will fill a crucial gap in the data necessary to plan for the growth of these services in our respective regions.

I anticipate that MTC will share this data with the Congestion Management Agencies and look forward to seeing the results of this project. Information it will provide will help in understanding how these services are used and help us developing effective Transportation Demand Management (TDM) strategies in the future.

Sincerely,



Sandy Wong, Executive Director

City/County Association of Governments of San Mateo County