



# San Gabriel Valley Council of Governments\*

## AGENDA AND NOTICE OF THE **SPECIAL** MEETING OF THE SGVCOG EXECUTIVE COMMITTEE

**Monday, December 7, 2020 – 11:00 AM**

Teleconference Meeting

Livestream is Available at: [https://youtu.be/TOQh5bd\\_9Yk](https://youtu.be/TOQh5bd_9Yk)

President  
**Margaret Clark**

1<sup>st</sup> Vice President  
**Becky Shevlin**

2<sup>nd</sup> Vice President  
**Tim Hepburn**

3<sup>rd</sup> Vice President  
**Ed Reece**

Past President  
**Cynthia Sternquist**

Transportation Chair  
**Jason Pu**

Homelessness Chair  
**Becky Shevlin**

EENR Chair  
**Denis Bertone**

Water Policy Chair  
**Gloria Crudgington**

ACE Chair  
**Tim Sandoval**

Thank you for participating in today's meeting. The Executive Committee encourages public participation and invites you to share your views on agenda items.

**MEETINGS:** *Regular Meetings of the Executive Committee are held the first Monday of every month at 10:00 a.m. at the SGVCOG Office (1000 S. Fremont Ave., Building 10, Suite 10210, Alhambra, California 91803).* The Executive Committee agenda packet is available at the San Gabriel Valley Council of Government's (SGVCOG) Office, 1000 South Fremont Avenue, Suite 10210, Alhambra, CA, and on the website, [www.sgvkog.org](http://www.sgvkog.org). Copies are available via email upon request ([sgv@sgvcog.org](mailto:sgv@sgvcog.org)). Documents distributed to a majority of the Board after the posting will be available for review in the SGVCOG office and on the SGVCOG website. Your attendance at this public meeting may result in the recording of your voice.

**PUBLIC PARTICIPATION:** Your participation is welcomed and invited at all Executive Committee meetings. Time is reserved at each regular meeting for those who wish to address the Board. SGVCOG requests that persons addressing the Executive Committee refrain from making personal, slanderous, profane or disruptive remarks.

**TO ADDRESS THE EXECUTIVE COMMITTEE:** At a regular meeting, the public may comment on any matter within the jurisdiction of the Board during the public comment period and may also comment on any agenda item at the time it is discussed. At a special meeting, the public may only comment on items that are on the agenda. Members of the public wishing to speak are asked to complete a comment card or simply rise to be recognized when the Chair asks for public comments to speak. We ask that members of the public state their name for the record and keep their remarks brief. If several persons wish to address the Board on a single item, the Chair may impose a time limit on individual remarks at the beginning of discussion. **The Executive Committee may not discuss or vote on items not on the agenda.**

**AGENDA ITEMS:** The Agenda contains the regular order of business of the Executive Committee. Items on the Agenda have generally been reviewed and investigated by the staff in advance of the meeting so that the Executive Committee can be fully informed about a matter before making its decision.

**CONSENT CALENDAR:** Items listed on the Consent Calendar are considered to be routine and will be acted upon by one motion. There will be no separate discussion on these items unless a Board member or citizen so requests. In this event, the item will be removed from the Consent Calendar and considered after the Consent Calendar. If you would like an item on the Consent Calendar discussed, simply tell Staff or a member of the Executive Committee.



In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SGVCOG office at (626) 457-1800. Notification 48 hours prior to the meeting will enable the SGVCOG to make reasonable arrangement to ensure accessibility to this meeting.



**\*MEETING MODIFICATIONS DUE TO THE STATE AND LOCAL STATE OF EMERGENCY RESULTING FROM THE THREAT OF COVID-19:** On March 17, 2020, Governor Gavin Newsom issued Executive Order N-29-20 authorizing a local legislative body to hold public meetings via teleconferencing and allows for members of the public to observe and address the meeting telephonically or electronically to promote social distancing due to the state and local State of Emergency resulting from the threat of the Novel Coronavirus (COVID-19).

To follow the new Order issued by the Governor and ensure the safety of Committee Members and staff for the purpose of limiting the risk of COVID-19, in-person public participation at the Executive Committee meeting scheduled for December 7, 2020 at 11:00 a.m. will not be allowed. Members of the public may view the meeting live on the SGVCOG's website. To access the meeting video, please see the link on the front page of the agenda.

Submission of Public Comments: For those wishing to make public comments on agenda and non-agenda items you may submit comments via email or by phone.

- Email: Please submit via email your public comment to Katie Ward (kward@sgvcog.org) at least 1 hour prior to the scheduled meeting time. Please indicate in the Subject Line of the email "FOR PUBLIC COMMENT." Emailed public comments will be part of the recorded meeting minutes. Public comment may be summarized in the interest of time, however the full text will be provided to all members of the Committee prior to the meeting.
- Phone: Please email your name and phone number to Katie Ward (kward@sgvcog.org) at least 1 hour prior to the scheduled meeting time for the specific agenda item you wish to provide public comment on. Please indicate in the Subject Line of the email "FOR PUBLIC COMMENT." You will be called on the phone number provided at the appropriate time, either during general public comment or specific agenda item. Wait to be called upon by staff, and then you may provide verbal comments for up to 3 minutes.

Any member of the public requiring a reasonable accommodation to participate in this meeting should contact Katie Ward at least 48 hours prior to the meeting at (626) 457-1800 or at [kward@sgvcog.org](mailto:kward@sgvcog.org).

## **PRELIMINARY BUSINESS**

1. Call to Order
2. Roll Call
3. Public Comment (*If necessary, the President may place reasonable time limits on all comments*)
4. Changes to Agenda Order: Identify emergency items arising after agenda posting and requiring action prior to next regular meeting (*It is anticipated that the Executive Committee may take action on these matters*)

## **CONSENT CALENDAR**

5. Executive Committee Meeting Minutes – Page 1  
*Recommended Action: Approve Executive Committee minutes.*
6. Committee/TAC/ Appointments  
*Recommended Action: Appoint members to the following standing SGVCOG Policy Committees, and Technical Advisory Committees:  
-EENR Committee: Pomona, El Monte*

## **UPDATE ITEMS** (*It is anticipated that the Executive Committee may take action on the following matters*)

- 1<sup>st</sup> Quarter Financial Report/Treasurer’s Report – Page 3
- SGVCOG Whitepaper on Los Angeles Homeless Services Authority (LAHSA) Reform – Page 27
- Pasadena SGVCOG Membership
- COVID-19 Response Open Discussion

## **PRESIDENT’S REPORT**

## **EXECUTIVE DIRECTOR’S REPORT**

## **GENERAL COUNSEL’S REPORT**

## **ACTION ITEMS** (*It is anticipated that the Executive Committee may take action on the following matters*)

7. 2021 State Housing Legislative Priorities – Page 59  
*Recommended Action: Recommend the Governing Board adopt state housing legislative priorities consisting of two main objectives:*
  1. *Oppose legislation which curtails the land use planning and zoning authority entrusted to and vested in local elected officials, unless the following amendments are included:*
    - a. *Local jurisdictions must first determine that existing and planned infrastructure and public services are sufficient to sustain new housing and new residents, including, but not limited to, sewers, water systems, transit, roads, parks and open space, EV charging, public schools and public safety services. This local government finding would be consistent with new state Accessory Dwelling Unit (ADU) law.*
    - b. *Grant local jurisdictions RHNA credit similar in practice to new state ADU law.*
    - c. *Provide state financial support to help cities meet their RHNA targets for affordable housing where multifamily units are permitted.*
    - d. *Exempt historic districts and properties.*
    - e. *Prohibit land speculation based on lot splits that do not result in the construction of new affordable housing.*

- f. Require access for police, fire, and other public safety vehicles and equipment.*
  - g. Uphold local residential parking requirements.*
  - h. Exempt very high fire severity zones*
  - i. Prohibit ministerial approval of ADUs in new multifamily unit areas; and*
2. *Support legislation (including federal legislation) to provide incentives and grant funding intended to encourage housing production and particularly affordable housing development.*

## **ANNOUNCEMENTS**

## **ADJOURN**



**SGVCOG  
Executive Committee Meeting Minutes  
November 2, 2020  
10:00 AM  
Teleconference Meeting via Zoom**

**PRELIMINARY BUSINESS**

1. Call to Order  
The meeting was called to order at 10:00 AM.

2. Roll Call

**Members Present**

**Members Absent**

- M. Clark, President
- B. Shevlin, 1st Vice President/Homelessness Chair
- T. Hepburn, 2nd Vice President
- E. Reece, 3rd Vice President
- C. Sternquist, Past President
- D. Bertone, EENR Chair
- J. Pu, Transportation Chair
- G. Crudgington, Water Policy Chair
- T. Sandoval, ACE Chair

**Staff/Guests:**

- M. Creter, SGVCOG Executive Director
- K. Ward; P. Hubler; C. Sims, SGVCOG Staff
- D. DeBerry, Woodruff, Spradlin & Smart

3. Public Comment  
There were no comments from the public.
4. Changes to Agenda Order:  
There were no changes to the agenda order.

**CONSENT CALENDAR**

5. Executive Committee Meeting Minutes  
*Recommended Action: Approve Executive Committee minutes.*

**There was a motion to approve the consent calendar (M/S: B. Shevlin/ D. Bertone).**

**[MOTION PASSES]**

|                 |   |
|-----------------|---|
| <b>AYES:</b>    | M. Clark, B. Shevlin, T. Hepburn, D. Bertone, E. Reece, G. Crudgington, T. Sandoval |
| <b>NOES:</b>    |   |
| <b>ABSTAIN:</b> | J. Pu   |
| <b>ABSENT:</b>  | C. Sternquist,  |

**UPDATE ITEMS**

- Legislative Update  
P. Hubler provided an update on this item.

**PRESIDENT’S REPORT**

- M. Clark reported on this item. She provided an update on coordination with Caltrans regarding hosting volunteer clean-up events along freeways. She also mentioned the RMC 68 second round of call for projects will be open until December 16, 2020.

**EXECUTIVE DIRECTOR’S REPORT**

- M. Creter reported on this item. She announced that the City of Covina will be holding a bike share launch event on November 17.

**GENERAL COUNSEL’S REPORT**

- D. DeBerry reported on this item.

**ACTION ITEMS**

6. Draft Governing Board Agenda  
M. Creter presented on this item. There was a request to move Item 24 (Safe, Clean Water Program Transfer Agreements and Contracts) as an action item. Additionally, the SGVCOG’s Gold Line appointment will be added pending an appointment at the November 12 Gold Line Board meeting.

**There was a motion to approve the draft SGVCOG Governing Board agenda as amended. (M/S: B. Shevlin/ T. Hepburn).**

**[MOTION PASSES]**

|                 |  |
|-----------------|--|
| <b>AYES:</b>    | M. Clark, B. Shevlin, T. Hepburn, D. Bertone, E. Reece, G. Crudgington, T. Sandoval, J. Pu, C. Sternquist, |
| <b>NOES:</b>    |  |
| <b>ABSTAIN:</b> |  |
| <b>ABSENT:</b>  |  |

**ANNOUNCEMENTS**

**ADJOURN**

The meeting adjourned at 10:36 AM.

# REPORT

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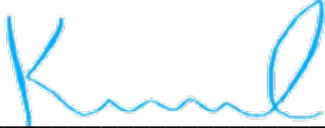
DATE: December 7, 2020  
TO: Executive Committee  
FROM: Marisa Creter, Executive Director  
RE: **1ST QUARTER FINANCIAL REPORT / TREASURER'S REPORT**


## **RECOMMENDED ACTION**

Receive and file.

## **BACKGROUND**

Staff is recommending to receive and file the Treasurer's report. The full 1st Quarter Financial Reports for the SGVCOG and the ACE Project are included as attachments to the Treasurer's report. The Treasurer's report was prepared by the SGVCOG's Treasurer, CliftonLarsonAllen LLP. Renee Graves from CliftonLarsonAllen will present on this item.

Prepared by:   
Katie Ward  
Senior Management Analyst

Approved by:   
Marisa Creter  
Executive Director

## **ATTACHMENT**

Attachment A – 1st Quarter Financial Report/Treasurer's Report

Attachment A

**San Gabriel Valley Council**

**of Governments**

**and**

**Alameda Corridor – East**

**Construction Authority**

**Quarterly Report Ended September 30, 2020**

Draft



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## I. Executive Summary

### ***Background and Objective***

CliftonLarsonAllen LLP (CLA) was retained by the San Gabriel Valley Council of Governments (SGVCOG) to perform consulting services related to the San Gabriel Valley Council of Governments (COG) and the Alameda Corridor-East Construction Authority (ACE). The objective is for CLA to read and assess SGVCOG's quarterly reports, perform selective ratio analysis, and report to the Executive Committee accordingly. Throughout the consulting engagement, CLA maintained contact with Marisa Creter, Executive Director/ Chief Executive Officer and Rey Alimoren, Finance Manager.

### ***Professional Standards***

CLA performed this engagement in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Consulting Services. In consulting engagements, the nature and scope of work is determined solely by the agreement between the practitioner (CLA) and the client. The analysis and report does not constitute an audit, compilation, review, agreed-upon procedures or examination in accordance with Standards of the AICPA, the objective of which would be the expression of an opinion on any specified elements, accounts, or items. Accordingly, CLA does not express any such assurance.

### ***Scope of Engagement***

#### ***General***

CLA reviewed the bank reconciliations, trial balance, and quarterly reports regarding financial position for the quarter ended September 30, 2020. CLA created or obtained various electronic files in order to prepare this report to the Executive Committee; the electronic files are available upon request.

Dollar values included in this report have been rounded; therefore the numbers included here may differ slightly when comparing the values included in this report to the underlying detail.

### ***Results of Procedures Performed***

This section summarizes our findings from the analyses and procedures performed. The applicable sections of the report include a more detailed discussion of each area, specific observations, and recommendations, if applicable.

### **ACE Investments and Cash Balances, including LAIF**

CLA was provided with a Fixed Income Investments Portfolio Summary report dated September 30, 2020. The report included the current book value and market values for ACE's: Government Securities, Certificates of Deposit, Corporate Bonds, Government Mortgages, Municipals, and Cash and Cash Equivalents. The portfolio's total market value of \$44,893,588 includes unrealized gains of \$119,071. The amount on the *Fixed Income Investments Portfolio* report was verified against the Citizens Trust investment book value (cost) balance of \$44,774,517 for the period ending September 30, 2020. The book value and market value of the Local Agency Investment Fund (LAIF) was substantiated through review of the LAIF balance confirmation as of September 2020. The amounts reported as current book value and market value on the September 30, 2020 Fixed Income Investments Portfolio report were reconciled.

ACE's bank account reconciliations and coordinating bank statements were reviewed and corroborated with the trial balance for the quarter ended September 30, 2020.

### **ACE 1st Quarter 2021 Reports**

Expenditures vs. Reimbursements (Exhibit V): Approximately 99% of ACE's Income-to-Date (ITD) Expenditures have been reimbursed, an increase of 2% from the 97% reimbursement rate at the prior quarter ended June 30, 2020.

Receivables total \$17,796,892 of which \$13,120,057 or 74%, was to be billed after the September 30 balance sheet date. Ratio analysis showed expenditures and reimbursements to be consistent with the prior quarter ended June 2020. Cash decreased over 9.5%. The decrease can be attributed to the net decrease in receivables (cash collected), decrease in accounts payable (cash paid to vendors), and increase in investments (cash invested) from the prior quarter.

Other receivables, surplus property and deferred costs remained relatively flat; the 2021 Q1 balance is \$16.315m while the 2020 Q4 balance was \$14.820m. The increase is partially due to a reclassification of Unbilled Receivables to this line item from the *To Be Billed Receivable* line item; the Unbilled Receivables balance for 2021 Q1 is \$1,319,655 while the 2020 Q4 balance was \$1,401,766.

Treasury/Banking Investments (Exhibit VII): Report amounts were agreed to the trial balance. Below is a summary of changes between the 2021 Q1 balance and the 2020 Q4 balance.

|   | <u>Q1</u><br>9.30.2020 | <u>Q4</u><br>6.30.2020 | %<br>Increase/<br>(Decrease) |
|---|------------------------|------------------------|------------------------------|
| Cash  | \$22,112,518           | \$24,424,404           | -9.5%                        |
| Investments   | \$46,468,379           | \$30,794,597           | 50.9%                        |
| Receivables   | \$17,796,892           | \$47,064,773           | -62.2%                       |
| Other Receivables, Surplus Property<br>and Deferred Costs | \$16,314,756           | \$14,820,782           | 10.1%                        |
| Liabilities   | \$89,829,486           | \$103,769,723          | -13.4%                       |
| Fund Balance before PERS Liability                        | \$12,863,059           | \$13,334,833           | -3.5%                        |

### **COG Cash Balances, including LAIF**

CLA was provided a Comparative Summary Balance Sheet for 2021 Q1 and 2020 Q4. Cash balances and Local Agency Investment Fund (LAIF) were verified with the Citizens Business Bank account statements for the period ended September 30, 2020 and the LAIF statement as of September 2020.

Overall, COG's cash and cash equivalents decreased 7.0% since the prior quarter (2020 Q4) from \$7,895,803 to \$7,346,708 for the period ended September 30, 2020. During 2020 Q2, \$5,625,000 was received for the Housing/Homeless project resulting in an initial increase in cash and liabilities (unearned revenue) from historical balances.

|                             | <u>Q1</u><br>9.30.2020 | <u>Q4</u><br>6.30.2020 | %<br>Increase/<br>(Decrease) |
|-----------------------------|------------------------|------------------------|------------------------------|
| Cash                        | \$7,346,708            | \$7,895,803            | -7.0%                        |
| Receivables                 | \$1,633,205            | \$1,246,737            | 31.0%                        |
| Prepays and Deferrals       | \$159,360              | \$162,360              | -1.8%                        |
| Liabilities                 | \$7,658,421            | \$8,063,680            | -5.0%                        |
| Net Position, End of Period | \$1,480,852            | \$1,241,220            | 19.3%                        |

COG's bank account reconciliations and coordinating bank statements were reviewed and corroborated with the trial balance for the quarter ended September 30, 2020.

### **COG 1st Quarter 2021 Reports**

All balances on the Comparative Summary Balance Sheet as of September 30, 2020 were verified against the period trial balance as of September 30, 2020. The Grants Receivable Aging Detail report as of September 2020 was also verified to the trial balance.

### **Risks and Uncertainties**

The Coronavirus Disease 2019 (COVID-19) has recently affected global markets, supply chains, employees of companies and the local communities. Management is taking appropriate actions to mitigate the impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of September 30, 2020.

### **Conclusion**

As discussed herein, no instances that would cause concern that the quarterly reports prepared by ACE and COG are inaccurate or inadequate to meet the governance needs of the Executive Committee and the Board of Directors were noted, specifically related to the sections of the Joint Powers Agreement effective March 12, 2007 included herein.

- Section 4. Purpose and Powers of the Council. The Council shall have, and may exercise the powers to:
  - Subsection b(4) utilize member resources or presently existing single purpose public and public/private groups to carry out its programs and projects;
  - Subsection b(8) serve as a mechanism for obtaining state, federal and regional grants to assist in financing the expenditures of the Council;
  - Subsection b(9) make and enter into contracts, including contracts for the services of engineers, consultants, planners, attorneys and single purpose public/private groups;
  - Subsection b(11) apply for, receive and administer a grant or grants under any federal, state, or regional programs;
  - Subsection b(12) receive gifts, contributions and donations of property, funds, services and other forms of financial assistance from persons, firms, corporations and any governmental entity;
- Section 6. Use of Public Funds and Property. The Council shall be empowered to utilize for its purposes, public and/or private funds, property and other resources received from the Members and/or from other sources.
- Section 17. Control and Investment of Council Funds. The Governing Board shall adopt a policy for the control and investment of its funds and shall require strict compliance with such policy. The policy shall comply, in all respects, with all provisions of applicable law.



Renee S. Graves, CPA, CGFM  
Principal  
CliftonLarsonAllen LLP

## II. Background and Scope of Engagement

### A. Engagement Background and Objectives

CliftonLarsonAllen LLP (CLA), was retained by the San Gabriel Valley Council of Governments. Throughout the engagement, CLA maintained regular contact with the Marisa Creter, Executive Director/ Chief Executive Officer and Rey Alimoren, Finance Manager.

### B. Professional Standards

CLA performed this engagement in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Consulting Services. In consulting engagements, the nature and scope of work is determined solely by the agreement between the practitioner (CLA) and the client. The analysis and report does not constitute an audit, compilation, review, agreed-upon procedures or examination in accordance with Standards of the AICPA, the objective of which would be the expression of an opinion on any specified elements, accounts, or items. Accordingly, CLA does not express any assurance.

### C. Scope of Engagement

Attachment A to our agreement includes possible consulting procedures to be performed on a monthly basis. Correspondence between Renee Graves of CLA and SGVCOG's Marisa Creter, Executive Director/ Chief Executive Officer and Rey Alimoren, Finance Manager, occurred to clarify the scope of the engagement for the quarter ending September 30, 2020. The following areas were agreed to regarding 1st Quarter 2021 Reports prepared as of September 30, 2020.

#### ACE

1. Verify reconciled bank, investment and LAIF statements to the general ledger
2. Review the 1st Quarter 2021 Report as of September 30, 2020
2. Verify key information in the Quarterly Report reconciles to the general ledger

#### COG

1. Verify reconciled bank and LAIF statements to the general ledger
2. Review the 1st Quarter 2021 Report as of September 30, 2020
3. Verify key information in the Quarterly Report reconciles to the general ledger

#### **D. General Disclosures**

CLA created or obtained various electronic files in order to prepare this report to the Executive Committee; the electronic files are available upon request.

Dollar values included in this report have been rounded; therefore the numbers included here may differ slightly when comparing the values included in this report to the underlying detail.

#### **E. Background Information**

##### San Gabriel Valley Council of Governments (COG)

The San Gabriel Valley Council of Governments (SGVCOG) is a joint powers authority made up of representatives from 30 cities, three Los Angeles County Supervisorial Districts, and the three Municipal Water Districts located in the San Gabriel Valley. The SGVCOG serves as a regional voice for its member agencies and works to improve the quality of life for the more than two million residents living in the San Gabriel Valley. The SGVCOG works on issues of importance to its member agencies, including transportation, housing, economic development, the environment, and water, and seeks to address these regionally.

The SGVCOG is a sub-regional government that serves as a unified voice to maximize resources and advocate for regional and member interests to improve the quality of life in the San Gabriel Valley.

The vision of SGVCOG is that by 2021, the SGVCOG will serve as a model subregional agency in Southern California by continuing its existing support of member agency goals and priorities while leveraging the new opportunities provided by the extension and expansion of ACE.

##### Alameda Corridor-East Construction Authority (ACE)

The Alameda Corridor-East (ACE) Construction Authority was established in 1998 by the San Gabriel Valley Council of Governments (SGVCOG) as a single-purpose construction authority to implement a construction program intended to mitigate the vehicle delays and collisions at rail-roadway crossings resulting from growing freight rail traffic in the San Gabriel Valley. The ACE Trade Corridor rail mainlines through Southern California carry 16 percent of all oceangoing containers in the United States and have been designated by Congress as a Project of National and Regional Significance. With trade volumes through the Ports of Los Angeles and Long Beach projected to grow, train counts through the Valley are expected to increase by 150% by 2042, resulting in additional adverse crossing impacts. In 2017, the

SGVCOG was restructured and established the SGVCOG Capital Projects and Construction Committee, as a successor to the ACE Construction Authority with full responsibility for implementing the ACE Project.

The ACE Project is a comprehensive program of constructing grade separations, where the road goes over or under the railroad, at 19 crossings (resulting in the elimination of 23 at-grade crossings) and safety and mobility upgrades at 53 crossings. Construction has been completed on fourteen rail-roadway grade separations. Three grade separations are under construction with another two grade separations and eight crossing safety projects in the design phase. Jump Start safety improvements have been completed at 40 at-grade crossings.

#### **F. Acronyms Used**

ACE - Alameda Corridor-East Construction Authority

CM – Construction Management

COG – San Gabriel Valley Council of Governments

LAIF – Local Agency Investment Fund

MTA – Metropolitan Transit Authority

PERS – Public Employee’s Retirement System

ROW – Right of Way



### III. Review of identified areas for ACE

#### A. Investments and Cash Balances, including LAIF

The September 30, 2020 Fixed Income Investments Portfolio report was verified with the Citizens Trust statement for the period of September 1, 2020 through September 30, 2020 and the LAIF statements as of September 30, 2020. The amounts reported as the market value and the current book value on the September 30, 2020 Fixed Income Investments Portfolio report were reconciled. The allocation of investments within the pool by the type of investment is consistent with the current Investment Policy.

Due to the daily volatility of investments, the balance is reported on a cost basis during the fiscal year and adjusted to fair value during the year end closing process. The applicable balances for the quarter ending September 30, 2020 are:

- Trial balance amount of \$44,977,439 is offset by a “change in market value” balance of \$202,922 for a reported balance of \$44,774,517.
- Book value and market value per Citizens Trust Investment Statement is \$44,774,517 and \$44,893,588, respectively. The unrealized gain is \$119,071.
- Exhibit VII Treasury/ Banking Investments Report amount of \$44,774,517.

#### B. Information Provided by ACE

Exhibit V ACE Expenditures vs. Reimbursements and Exhibit VII Treasury/ Banking Investments reports as of September 30, 2020 were obtained and verified against the preliminary trial balance as of September 30, 2020.

##### Exhibit V ACE Expenditures vs. Reimbursements Report

Amounts shown under the reimbursement status for the categories of 1) *Current/ 30 days or less* of \$1.634m; 2) *Aged Receivable* with no balance; 3) *To be billed* of \$13.120m; and 4) *MTA retention* of \$3.043m were verified against the accounts listed on the trial balance. The *Current/ 30 days or less* and *MTA retention* balances are each in a separate general ledger account. The *To be billed* amount is the aggregate balance of approximately 37 accounts for each individual project by various phases (CM, ROW, Design, Construction, Construction Management and Betterment). These amounts were verified with the accounts listed on the trial balance.

##### Exhibit VII Treasury/ Banking Investments Report

Each of the accounts listed on Exhibit VII were verified with the trial balance. Consistent with the previous quarterly report, Exhibit VII presents *other receivables, unsold surplus property and deferred costs* at the gross aggregate amount of \$16.314m from approximately 13 separate accounts, the most significant accounts being Surplus Property of \$11.1m. The applicable balances for the quarter ending September 30, 2020 are as shown herein.

|                                  |                      |
|----------------------------------|----------------------|
| Other receivables                | \$ (11,289)          |
| Notes receivable                 | 150,000              |
| Unbilled receivables             | 1,319,655            |
| Prepaid expenses                 | 110,653              |
| Intercompany receivable          | 581,990              |
| Surplus property                 | 11,100,036           |
| Deferred costs - indirect        | 2,860,789            |
| Unrealized change in investments | 202,922              |
|                                  | <u>\$ 16,314,756</u> |

The PERS unfunded termination liability of \$5.867m was obtained from the CalPERS Annual Valuation Report as of June 30, 2018, issued July 2019. This liability is not reflected on the trial balance, but is shown on Exhibit VII to reflect the payout that could occur should ACE cease to exist. The actuarially determined PERS net pension liability, including the related deferred outflows and deferred inflows would be reported in the annual audited financial statements in accordance with applicable GASB standards.

#### IV. Review of identified areas for COG

##### A. Cash Balances, including LAIF

The September 30, 2020 Bank and LAIF balances reported on the Comparative Summary Balance Sheet were verified against each Citizens Business Bank statement and LAIF statement as of September 30, 2020.

##### B. Fourth Quarter 2020 Reports

As of September 30, 2020, the Comparative Summary Balance Sheet report was verified to the trial balance. Individual balances on the trial balance were verified to reconciled bank statements and to the LAIF statement at September 30, 2020. All amounts reported were verified to the trial balance. The allocation of investments within the pool by the type of investment is consistent with the current Investment Policy.

##### Grants Receivable Aging Summary

The Grants Receivable Aging Summary report was reconciled to the trial balance. As of September 30, the receivable balance was \$724,996. The most significant receivable is \$327,202 (aged 91+ days) for April 2020 activity for the LA County Regional Homelessness Agreement. The Finance Department has followed up regularly with Los Angeles County since approximately July 2020 on the outstanding

receivables. Recent email communication from the Manager, Homeless Initiative, Chief Executive Office of the County of Los Angeles is that the Auditor-Controller is processing payment and the check(s) will be issued in mid to late November 2020.

The Finance Department reported that the \$310,952 was collected subsequent to the September 30 quarter end. Management believes that all amounts are reasonably expected to be collected. The aged receivable balance is as shown herein.

|                 |    |                |       |
|-----------------|----|----------------|-------|
| Aged 30 days    | \$ | 60,355         | 8.3%  |
| Aged 31-60 days |    | 282,476        | 39.0% |
| Aged 61-90 days |    | 15,462         | 2.1%  |
| Aged 91+ days   |    | 366,703        | 50.6% |
|                 | \$ | <u>724,996</u> |       |

The remaining receivable balance of \$414,044 as of the date of this report is an decrease compared to the amount of remaining receivables in the 2020 Q4 report of \$512,076.

#### Credit Card Charges

Purchases for the period of July 2020 to September 2020 totaled \$19,718. Purchases compared to the prior year quarter and prior year-to-date is shown herein.

|  | <u>Q1</u><br>9.30.2020 | <u>Q1</u><br>9.30.2019 | %<br>Increase/<br>(Decrease) |
|--|------------------------|------------------------|------------------------------|
| Total Credit Card Expenditures - Current Quarter | \$19,718               | \$18,060               | 9.2%                         |

During the quarter, \$10 was expended for meetings and travel, a decrease from last year's Q1 spending of \$5,259. The decrease is a result of COVID-19 and the stay-at-home guidelines implemented by the Governor of California.

|                            | <u>Q1</u><br>9.30.2020 | <u>Q1</u><br>9.30.2019 | <u>Q1</u><br>09.30.2018 |
|----------------------------|------------------------|------------------------|-------------------------|
| Bike Share                 | \$ -                   | \$ 109                 | \$ -                    |
| Coyote Program             | 158                    | -                      | -                       |
| Dues & Subscriptions       | 20                     | 16                     | -                       |
| Energy Wise - Gas Co       | 497                    | 166                    | 583                     |
| Energy Wise - SCE          | -                      | 250                    | 875                     |
| Equipment & Software       | 2,595                  | -                      | -                       |
| General Assembly Event     | -                      | -                      | 2,000                   |
| Homelessness Program       | 8,601                  | 300                    | 2,710                   |
| Interco due from ACE       | 2,128                  | 7,562                  | -                       |
| Meetings/Travel            | 10                     | 3,780                  | 3,150                   |
| Meetings/Travel - Board    | -                      | 1,480                  | 993                     |
| Office Supplies            | 25                     | 458                    | 1,109                   |
| Open Streets - El Monte    | -                      | 1,670                  | -                       |
| Postage                    | -                      | 55                     | 145                     |
| Postage - Board            | -                      | 66                     | 67                      |
| Prepaid expenses           | 927                    | 947                    | 788                     |
| San Gabriel Valley RHT     | 2,455                  | -                      | -                       |
| Staff Training             | -                      | -                      | 1,732                   |
| Utilities                  | 954                    | 861                    | 975                     |
| Webpage/ Software Services | 1,348                  | 340                    | 591                     |
|                            | <u>\$ 19,718</u>       | <u>\$ 18,060</u>       | <u>\$ 15,718</u>        |

Purchases by credit card are utilized for efficiencies in procurement of goods and services.

#### Budget to Actual Comparison Report

##### *Budget v. Actual*

Member Dues comprise approximately 88% of the operating revenue budget. As of September 30, 23% of total Member Dues revenue budgeted for the 2021 fiscal year has been recognized. COG had actual year-to-date operating revenue of 21% and year-to-date operating expenses of 15% of the 2021 fiscal year budget, ending the quarter with year-to-date operating net income of \$55,339. Total net income for operating, RHT and Non-Capital Projects is \$239,632 as of September 30, 2020.

A comparison of the quarterly budget, fiscal budget and percent of fiscal budget is presented herein.

|                                       | Q1<br>Actual<br>2020-21<br>(Operating) | FY 2021<br>Budget<br>2020-21 | Year-To-Date<br>% of Budget<br>2020-21 | Q1<br>Actual<br>2020-21<br>(RHT) | FY 2021<br>Budget<br>2020-21 | Year-To-Date<br>% of Budget<br>2020-21 | Actual<br>2020-21<br>(Non-Capital<br>Projects) | FY 2021<br>Budget<br>2020-21 | Year-To-Date<br>% of Budget<br>2020-21 |
|---------------------------------------|--|------------------------------|--|----------------------------------|------------------------------|--|--|------------------------------|--|
| Membership Dues                       | \$ 183,274                             | \$ 786,013                   | 23%                                    | -                                | -                            | 0%                                     | -  | -                            | 0%                                     |
| Sponsorships                          | -                                      | -                            | 0%                                     | -                                | -                            | 0%                                     | -  | -                            | 0%                                     |
| Hero Program                          | 207                                    | 2,000                        | 10%                                    | -                                | -                            | 0%                                     | -  | -                            | 0%                                     |
| Transportation Administration (Local) | -                                      | 105,509                      | -                                      | -                                | -                            | 0%                                     | -  | -                            | 0%                                     |
| Interest                              | 3,974                                  | 1,000                        | 397%                                   | -                                | -                            | 0%                                     | -  | -                            | 0%                                     |
| Grants & Special Projects             | -                                      | -                            | 0%                                     | -                                | 300,000                      | 0%                                     | 684,909  | 4,113,989                    | 17%                                    |
| <b>Total Revenue</b>                  | <b>\$ 187,455</b>                      | <b>\$ 894,522</b>            | <b>21%</b>                             | <b>\$ -</b>                      | <b>\$ 300,000</b>            | <b>0%</b>                              | <b>\$ 684,909</b>                              | <b>\$ 4,113,989</b>          | <b>17%</b>                             |
| Personnel                             | \$ 94,900                              | \$ 410,842                   | 23%                                    | -                                | 25,000                       | 0%                                     | -  | 80,000                       | 0%                                     |
| Committee & Employee Expenses         | 1,029                                  | 68,100                       | 2%                                     | -                                | 15,000                       | 0%                                     | -  | 11,000                       | 0%                                     |
| Professional Services                 | 10,925                                 | 290,604                      | 4%                                     | -                                | 56,000                       | 0%                                     | -  | 20,000                       | 0%                                     |
| Other Expenses                        | 25,262                                 | 88,824                       | 28%                                    | -                                | 12,000                       | 0%                                     | -  | 62,176                       | 0%                                     |
| <b>Total Indirect Expenses</b>        | <b>\$ 132,116</b>                      | <b>\$ 858,370</b>            | <b>15%</b>                             | <b>\$ -</b>                      | <b>\$ 108,000</b>            | <b>0%</b>                              | <b>\$ -</b>                                    | <b>\$ 173,176</b>            | <b>0%</b>                              |
| Personnel                             | \$ -                                   | \$ -                         | 0%                                     | -                                | 142,000                      | 0%                                     | 118,820  | 434,714                      | 27%                                    |
| Program Management                    | -                                      | -                            | 0%                                     | -                                | 50,000                       | 0%                                     | 381,796  | 3,506,099                    | 11%                                    |
| <b>Total Direct Expenses</b>          | <b>\$ -</b>                            | <b>\$ -</b>                  | <b>0%</b>                              | <b>\$ -</b>                      | <b>192,000</b>               | <b>0%</b>                              | <b>500,616</b>                                 | <b>3,940,813</b>             | <b>13%</b>                             |
| <b>Total Expenditures</b>             | <b>132,116</b>                         | <b>858,370</b>               | <b>15%</b>                             | <b>-</b>                         | <b>300,000</b>               | <b>0%</b>                              | <b>500,616</b>                                 | <b>4,113,989</b>             | <b>12%</b>                             |
| <b>Net Income (Loss)</b>              | <b>\$ 55,339</b>                       | <b>\$ 36,152</b>             | <b>N/A</b>                             | <b>-</b>                         | <b>-</b>                     | <b>N/A</b>                             | <b>184,293</b>                                 | <b>-</b>                     | <b>N/A</b>                             |

## V. List of Exhibits

### 2021 1st Quarter Reports as of September 30, 2020

ACE – Exhibit V – Expenditures vs. Reimbursements  
 ACE – Exhibit VII – Treasury/ Banking Investments (pages 1 and 2)  
 ACE – Exhibit VII – Investments Summary  
 ACE – Exhibit VII – Investments Portfolio

COG – Comparative Summary Balance Sheet  
 COG – Grants Receivable Aging Summary  
 COG – CitiCard Charges  
 COG – Consolidated Budget to Actual

| <b>Reimbursement Status (\$ 000)</b> |                         |                     |                                  |                        |                     |                      |
|--------------------------------------|-------------------------|---------------------|----------------------------------|------------------------|---------------------|----------------------|
| <b>Projects</b>                      | <b>ITD Expenditures</b> | <b>Received</b>     | <b>Current / 30 Days or less</b> | <b>Aged Receivable</b> | <b>To Be Billed</b> | <b>MTA Retention</b> |
| At Grade Crossing                    | \$ 4,091                | \$ 4,078            | \$ -                             | \$ -                   | \$ 7                | \$ 7                 |
| Durfee                               | 56,559                  | 50,458              | 16                               | -                      | 5,607               | 479                  |
| Fairway Drive                        | 151,520                 | 151,155             | -                                | -                      | 105                 | 260                  |
| Fairway-Lemon Betterment             | 21,912                  | 21,482              | 165                              | -                      | 1                   | 264                  |
| Fullerton                            | 92,072                  | 87,204              | 1,452                            | -                      | 2,721               | 695                  |
| Montebello                           | 28,086                  | 27,912              | -                                | -                      | 51                  | 124                  |
| Maple Ave.                           | 612                     | 608                 | -                                | -                      | 0                   | 4                    |
| Montebello At Grade                  | 370                     | 358                 | -                                | -                      | 10                  | 1                    |
| Nogales (LA)                         | 120,639                 | 117,087             | -                                | -                      | 3,092               | 460                  |
| Puente Ave.                          | 88,495                  | 88,484              | -                                | -                      | (93)                | 104                  |
| SG Trench                            | 298,538                 | 298,050             | -                                | -                      | 446                 | 42                   |
| Temple                               | 94,722                  | 94,503              | -                                | -                      | 0                   | 219                  |
| Turnbull Cyn.                        | 11,488                  | 10,692              | -                                | -                      | 412                 | 383                  |
| Baldwin                              | 70,365                  | 70,363              | -                                | -                      | -                   | 2                    |
| Brea Canyon                          | 73,459                  | 73,459              | -                                | -                      | -                   | -                    |
| Crossing Safety / IRRIS              | 34,343                  | 34,343              | -                                | -                      | -                   | -                    |
| EE/Reservoir                         | 78,960                  | 78,960              | -                                | -                      | -                   | -                    |
| Hamilton                             | 1,789                   | 1,789               | -                                | -                      | -                   | -                    |
| Nogales (AH)                         | 49,797                  | 49,797              | -                                | -                      | -                   | -                    |
| Ramona                               | 53,091                  | 53,091              | -                                | -                      | -                   | -                    |
| Sunset                               | 93,794                  | 93,794              | -                                | -                      | -                   | -                    |
| <b>Sub-total Projects</b>            | <b>\$ 1,424,702</b>     | <b>\$ 1,407,667</b> | <b>1,634</b>                     | <b>-</b>               | <b>12,358</b>       | <b>3,043</b>         |
| Project Administration               | 9,278                   | 9,110               | -                                | -                      | 168                 | -                    |
| <b>Total ACE</b>                     | <b>1,433,980</b>        | <b>1,416,777</b>    | <b>1,634</b>                     | <b>-</b>               | <b>12,526</b>       | <b>3,043</b>         |
| <b>Non-Grade Separation</b>          |                         |                     |                                  |                        |                     |                      |
| Rio Hondo                            | 366                     | 330                 | -                                | -                      | 36                  | -                    |
| 57/60 Project                        | 551                     | -                   | -                                | -                      | 551                 | -                    |
| Gold Line Pedestrian                 | 6                       | -                   | -                                | -                      | 7                   | -                    |
|                                      | <b>1,434,903</b>        | <b>1,417,107</b>    | <b>1,634</b>                     | <b>-</b>               | <b>13,119</b>       | <b>3,043</b>         |

|  | <u>09.30.20</u>          | Change              | <u>06.30.20</u>     |
|--|--------------------------|---------------------|---------------------|
| <b><u>Cash on hand</u></b>                                       |                          |                     |                     |
| Operating Account  | \$ 1,754,634             | \$ (3,811,383)      | \$ 5,566,017        |
| Money Market Account (2)   | 18,587,579               | 1,498,605           | 17,088,975          |
| Money Market (UPRR Contributions)                                | 1,770,305                | 892                 | 1,769,413           |
| <b>Total cash on hand</b>  | <b>22,112,518</b>        | <b>(2,311,886)</b>  | <b>24,424,404</b>   |
| <b><u>Investments</u></b>  |                          |                     |                     |
| LAIF   | 1,693,861                | 6,158               | 1,687,703           |
| CBT - Fixed Income at cost                                       | 44,774,517               | 15,667,623          | 29,106,894          |
| <b>Total investments</b>   | <b>46,468,379</b>        | <b>15,673,781</b>   | <b>30,794,597</b>   |
| <b><u>Current - 30 days or less</u></b>                          | <b>1,633,631</b>         | <b>(5,913,527)</b>  | <b>7,547,158</b>    |
| <b><u>Aged Receivable</u></b>                                    | <b>-</b>                 | <b>-</b>            | <b>-</b>            |
| <b><u>To Be Billed</u></b>                                       | <b>13,120,057</b>        | <b>(23,810,165)</b> | <b>36,930,222</b>   |
| <b><u>MTA Retention</u></b>                                      | <b>3,043,204</b>         | <b>455,811</b>      | <b>2,587,393</b>    |
| <b>Total Exhibit V</b>   | <b>17,796,892</b>        | <b>(29,267,881)</b> | <b>47,064,773</b>   |
| Other receivables, unsold surplus properties, and deferred costs | 16,314,756               | 1,493,974           | 14,820,782          |
| <b>Total Cash, Cash Equivalents &amp; Receivables</b>            | <b>102,692,544</b>       | <b>(14,412,011)</b> | <b>117,104,556</b>  |
| <b><u>Liabilities</u></b>  |                          |                     |                     |
| Payables & other Accruals  | 3,976,740                | (14,069,370)        | 18,046,110          |
| Unearned revenues  | 40,852,746 (a.)          | 129,133             | 40,723,613          |
| MTA Working Capital Loan   | 45,000,000               | -                   | 45,000,000          |
| <b>Total liabilities</b>   | <b>89,829,486</b>        | <b>(13,940,237)</b> | <b>103,769,723</b>  |
| <b><u>Fund balance</u></b>                                       |                          |                     |                     |
| Resources net of actual liabilities                              | 12,863,059               | (471,774)           | 13,334,833          |
| Less estimated:  |                          |                     |                     |
| CalPERS - Hypothetical termination liability                     | 5,866,990 (b.)           | -                   | 5,866,990           |
| <b>Resources net of estimated liabilities</b>                    | <b>\$ 6,996,069 (c.)</b> | <b>\$ (471,774)</b> | <b>\$ 7,467,843</b> |

- a.) Represents surplus property appraised value, net proceeds from sale of ROW surplus properties, advanced UPRR funding, disallowed retention, and Betterment funds billed in advance to City of Industry for Fairway Drive and Fullerton projects, as well as Rio Hondo payments from cities.
- b.) Updated based on CalPERS's annual valuation report as of June 30, 2018.
- c.) Decrease represents increase in 06/30/2018 hypothetical termination liability and effect of prior year's deficiency of expenses over revenues

**ALAMEDA CORRIDOR - EAST CONSTRUCTION PROJECT**  
 Asset Allocation  
 As of September 30, 2020

| Deposit/<br>Investment<br>Amount<br>09.30.20 | % of<br>Invest-<br>ments | Bank Deposits   | Maximum<br>Maturity | Maximum<br>Percent of<br>Portfolio | Maximum<br>Investment in<br>One Issuer |
|--|--------------------------|---|---------------------|------------------------------------|--|
|  |                          | Ace deposits are held by Citizens Business Bank (CBB) under a deposit agreement in amounts not to exceed \$50 million. Under the agreement, CBB maintains collateral deposits of at least 110% of the value of all ACE deposits at Bank of New York Mellon in eligible securities. The CBB deposits accounts are: |                     |                                    |  |
| \$ 1,754,634                                 |                          | Checking Account  |                     |                                    |  |
| 20,357,885                                   |                          | Money Market Accounts (3) *   |                     |                                    |  |
| 22,112,518                                   |                          | Total Deposits  |                     |                                    |  |
|  |                          | <b>Permitted Investments **</b>   |                     |                                    |  |
| 27,158,549                                   | 58.45%                   | Government Securities (1.15 - 5.00 years)   | 5 years             | 50%                                | 15%<=                                  |
| 10,755,532                                   | 23.15%                   | Corporate Bonds (1.47 - 4.93 years)   | 5 years             | 30%                                | 10%<=                                  |
| 823,359                                      | 1.77%                    | Gov't Mortgages (4.13 - 4.80 years)   | 5 years             | 15%                                | None stated                            |
| 954,979                                      | 2.06%                    | Municipals (2.65 - 4.84 years)  | None stated         | None stated                        | None stated                            |
| 450,119                                      | 0.97%                    | CDs (4.00 - 5.00 years)   | 5 years             | 30%                                | 10%<=                                  |
| 4,631,979                                    | 9.97%                    | Cash and Cash Equivalents   | None stated         | None stated                        | None stated                            |
| 44,774,517                                   | 96.35%                   | Subtotal Investments - Book value *   |                     |                                    |  |
| 1,693,861                                    | 3.65%                    | State's Local Agency Investment Fund  | None stated         | None stated                        | None stated                            |
| 46,468,379                                   | 100.00%                  | Total Investments   |                     |                                    |  |
| \$ 68,580,897                                |                          | <b>Total</b>  |                     |                                    |  |

\* Note: Includes \$31,549,462 of available unearned revenues

\*\* Complies with SGVCOG Investment Policy

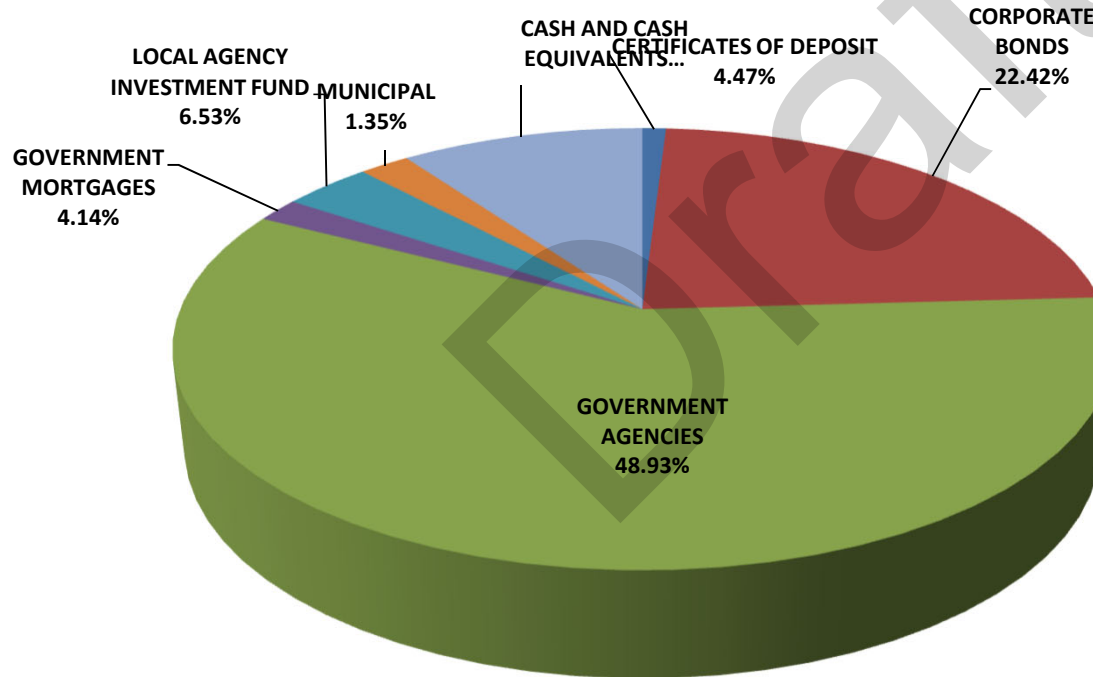


**Alameda Corridor - East Construction Project  
Office of ACE Construction Authority Finance Director/Treasurer**



**ASSET ALLOCATION**

| Assets (Dollars)             | Current Par Value | Current Book Value | Market Value      | Mkt/Book       |
|------------------------------|-------------------|--------------------|-------------------|----------------|
| CERTIFICATES OF DEPOSIT      | 450,000           | 450,119            | 453,178           | 100.68%        |
| CORPORATE BONDS              | 10,525,000        | 10,755,532         | 10,827,123        | 100.67%        |
| GOVERNMENT AGENCIES          | 26,709,771        | 27,158,549         | 27,263,715        | 100.39%        |
| GOVERNMENT MORTGAGES         | 746,205           | 823,359            | 754,951           | 91.69%         |
| LOCAL AGENCY INVESTMENT FUND | 1,693,861         | Revis              | Revis             | #VALUE!        |
| MUNICIPALS                   | 910,000           | 954,979            | 962,641           | 100.80%        |
| CASH AND CASH EQUIVALENTS    | 4,631,979         | 4,631,979          | 4,631,979         | 100.00%        |
| <b>Totals (Dollars)</b>      | <b>45,666,817</b> | <b>44,774,517</b>  | <b>44,893,588</b> | <b>100.27%</b> |



**Fixed Income Composition by Book Value**

**Par Value:** Or face value is the amount of money redeemed to the bondholder once the bonds matures

**Book Value :** Is the par value or face value plus any unamortized premiums or less any unamortized discounts.

**Market Value:** Is the current price at which the bond is trading

**Mkt/Book:** Measures the market value over the book value of a bond.

| Cusip   | Name  | Coupon | Yield to |               | Maturity   |                  | Current Price | Par Value            | Market               | Current Book         | Time to           |
|---|---|--------|----------|---------------|------------|------------------|---------------|----------------------|----------------------|----------------------|-------------------|
|   |   |        | Maturity | Purchase Date | Date       | Quarter 1 Report |               |                      | September            | 2020 Attachment 5    |                   |
| 3137FEU99   | Federal Home Loan Bank                      | 3.45   | 2.508    | 12/27/2019    | 9/25/2024  | 104.205          | 72,743        | 75,802               | 74,777               | 4.75                 |                   |
| 3130ADMJ8   | Federal Home Loan Bank                      | 2.38   | 1.676    | 12/16/2019    | 2/8/2021   | 100.793          | 130,000       | 131,031              | 130,468              | 1.15                 |                   |
| 3130AJRE1   | Federal Home Loan Bank                      | 0.75   | 0.925    | 6/24/2020     | 6/24/2025  | 99.146           | 1,500,000     | 1,487,190            | 1,499,530            | 5.00                 |                   |
| 3133ELZY3   | Federal Farm Credit Bank                    | 0.64   | 0.638    | 5/26/2020     | 5/20/2024  | 100.006          | 2,000,000     | 2,000,120            | 1,998,440            | 3.99                 |                   |
| 3133EJZR9   | Federal Farm Credit Bank                    | 2.75   | 2.472    | 12/14/2018    | 12/14/2020 | 100.539          | 200,000       | 201,078              | 199,724              | 2.00                 |                   |
| 3133ELN75   | Federal Farm Credit Bank                    | 0.23   | 0.229    | 6/29/2020     | 12/23/2021 | 100.001          | 1,000,000     | 1,000,010            | 999,500              | 1.48                 |                   |
| 3133ELT61   | Federal Farm Credit Bank                    | 0.34   | 0.357    | 7/16/2020     | 1/13/2023  | 99.957           | 500,000       | 499,785              | 499,650              | 2.50                 |                   |
| 3133ELZ64   | Federal Farm Credit Bank                    | 0.64   | 0.692    | 8/10/2020     | 1/27/2025  | 99.771           | 852,000       | 850,049              | 852,000              | 4.47                 |                   |
| 3133EKAK2   | Federal Farm Credit Bank                    | 2.53   | 0.167    | 9/25/2020     | 2/14/2022  | 103.277          | 225,000       | 232,373              | 232,408              | 1.39                 |                   |
| 3134GWNM4   | Freddie Mac                                 | 0.25   | 0.269    | 8/18/2020     | 11/18/2022 | 99.957           | 1,000,000     | 999,570              | 1,000,000            | 2.25                 |                   |
| 3134GW2P0   | Freddie Mac                                 | 0.40   | 0.425    | 8/28/2020     | 12/1/2023  | 99.920           | 1,000,000     | 999,200              | 1,000,000            | 3.26                 |                   |
| 3134GWA48   | Freddie Mac                                 | 0.40   | 0.400    | 9/1/2020      | 12/1/2023  | 100.000          | 500,000       | 500,000              | 500,000              | 3.25                 |                   |
| 3134GW3B0   | Freddie Mac                                 | 0.70   | 0.693    | 9/2/2020      | 9/2/2025   | 100.033          | 500,000       | 500,165              | 500,000              | 5.00                 |                   |
| 3134GWL20   | Freddie Mac                                 | 0.30   | 0.315    | 9/16/2020     | 9/15/2023  | 99.955           | 360,000       | 359,838              | 360,000              | 3.00                 |                   |
| 3134GWUG9   | Freddie Mac                                 | 0.57   | 0.595    | 9/24/2020     | 9/24/2025  | 99.879           | 1,000,000     | 998,790              | 1,000,000            | 5.00                 |                   |
| 3134GWTL0   | Freddie Mac                                 | 0.30   | 0.321    | 9/28/2020     | 9/28/2023  | 99.938           | 2,000,000     | 1,998,760            | 2,000,000            | 3.00                 |                   |
| 3134GWVJ2   | Freddie Mac                                 | 0.40   | 0.400    | 9/30/2020     | 9/30/2024  | 100.000          | 1,000,000     | 1,000,000            | 1,000,000            | 4.00                 |                   |
| 31607A703   | Freddie Mac                                 | 0.60   | 0.609    | 9/30/2020     | 9/30/2025  | 99.954           | 1,000,000     | 999,540              | 1,000,000            | 5.00                 |                   |
| 3137F5LM9   | FHLMC Series KSMC Class                     | 3.00   | 1.577    | 5/26/2020     | 3/25/2025  | 106.959          | 914,515       | 974,832              | 976,327              | 4.83                 |                   |
| 3137B04Y7   | FHLMC Series KSMC Class                     | 2.62   | 1.417    | 9/19/2018     | 1/25/2023  | 105.039          | 680,000       | 714,264              | 664,063              | 4.35                 |                   |
| 3137FHQ22   | FHLMC Series KSMC Class                     | 3.37   | 1.573    | 9/21/2020     | 7/25/2025  | 108.349          | 135,000       | 146,271              | 145,769              | 4.84                 |                   |
| 3137F5LQ0   | FHLMC Series KSMC Class                     | 3.17   | 2.162    | 9/25/2020     | 6/25/2025  | 104.526          | 594,731       | 621,647              | 624,360              | 4.75                 |                   |
| 31381K7C7   | Fannie Mae Pool FN 469621                   | 5.14   | 1.816    | 5/29/2020     | 10/1/2024  | 113.829          | 249,850       | 284,401              | 289,669              | 4.35                 |                   |
| 3138L4N58   | Fannie Mae Pool AM4011                      | 3.67   | 1.543    | 12/9/2019     | 7/1/2023   | 107.345          | 475,000       | 509,889              | 499,883              | 3.56                 |                   |
| 3138L7GY6   | Fannie Mae Pool AM6514                      | 3.26   | 1.445    | 9/10/2019     | 9/1/2024   | 108.692          | 307,394       | 334,113              | 325,162              | 4.98                 |                   |
| 3138L85M2   | Fannie Mae Pool AM 8051                     | 2.68   | 2.140    | 9/16/2020     | 2/1/2025   | 102.247          | 167,400       | 171,161              | 173,209              | 4.38                 |                   |
| 3138L45T6   | Fannie Mae Pool AM4457                      | 3.89   | 1.097    | 9/21/2020     | 10/1/2023  | 108.294          | 367,896       | 398,410              | 397,328              | 3.03                 |                   |
| 3138L5VP2   | Fannie Mae Pool AM5151                      | 3.85   | 1.074    | 9/25/2020     | 1/1/2024   | 108.892          | 271,172       | 295,285              | 297,188              | 3.27                 |                   |
| 3140HS5L1   | Fannie Mae Pool BL1750                      | 3.58   | 1.183    | 9/21/2020     | 6/1/2025   | 110.917          | 172,790       | 191,654              | 191,754              | 4.70                 |                   |
| 3138EJNY0   | Fannie Mae Pool AL2206                      | 3.73   | 3.188    | 9/18/2019     | 7/1/2022   | 101.430          | 295,117       | 299,337              | 302,034              | 2.79                 |                   |
| 3136AHAG5   | Fannie Mae                                  | 3.33   | 1.676    | 11/12/2019    | 10/25/2023 | 106.297          | 139,163       | 147,925              | 144,815              | 3.95                 |                   |
| 3135G0N66   | Fannie Mae                                  | 1.40   | 1.169    | 8/25/2016     | 8/25/2021  | 101.121          | 400,000       | 404,484              | 400,000              | 5.00                 |                   |
| 3136G4VN0   | Fannie Mae                                  | 0.50   | 0.491    | 5/19/2020     | 5/5/2023   | 100.026          | 1,000,000     | 1,000,260            | 1,000,000            | 2.96                 |                   |
| 3136G4XZ1   | Fannie Mae                                  | 0.74   | 0.738    | 6/30/2020     | 6/30/2025  | 100.012          | 500,000       | 500,060              | 500,000              | 5.00                 |                   |
| 3136G4ZB2   | Fannie Mae                                  | 0.72   | 0.729    | 7/21/2020     | 7/21/2025  | 99.956           | 1,000,000     | 999,560              | 999,940              | 5.00                 |                   |
| 3136G4J53   | Fannie Mae                                  | 0.60   | 0.653    | 8/18/2020     | 8/18/2025  | 99.741           | 1,000,000     | 997,410              | 1,000,000            | 5.00                 |                   |
| 880591EN8   | Tenn Valley Authority DTD                   | 1.88   | 0.669    | 1/23/2020     | 8/15/2022  | 103.057          | 600,000       | 618,342              | 603,281              | 2.56                 |                   |
| 880591ER9   | Tenn Valley Authority DTD                   | 2.88   | 0.647    | 1/21/2020     | 9/15/2024  | 110.200          | 2,100,000     | 2,314,200            | 2,270,950            | 4.65                 |                   |
| 880591EL2   | Tenn Valley Authority DTD                   | 3.88   | 3.534    | 9/19/2016     | 2/15/2021  | 101.382          | 500,000       | 506,910              | 506,320              | 4.41                 |                   |
| <b>58.45% Government Securities (1.15 - 5.00 years)</b> |   |        |          |               |            |                  |               | <b>26,709,771</b>    | <b>27,263,715</b>    | <b>27,158,549</b>    |                   |
| 140420YS3   | Capital One Bank Medium                     | 1.60   | 1.398    | 5/4/2016      | 5/4/2021   | 100.972          | 250,000       | 252,430              | 250,119              | 5.00                 |                   |
| 254672W20   | Discover Bank DTD                           | 1.85   | 1.753    | 12/14/2016    | 12/14/2020 | 100.374          | 200,000       | 200,748              | 200,000              | 4.00                 |                   |
| <b>0.97% CDs (4.00 - 5.00 years)</b>                    |   |        |          |               |            |                  |               | <b>450,000</b>       | <b>453,178</b>       | <b>450,119</b>       |                   |
| 291011BC7   | Emerson Electric Co                         | 4.25   | 4.017    | 9/28/2018     | 11/15/2020 | 100.473          | 280,000       | 281,324              | 281,487              | 2.13                 |                   |
| 911312AMB   | United Parcel Service DTD                   | 3.13   | 2.929    | 6/10/2016     | 1/15/2021  | 100.838          | 185,000       | 186,550              | 186,417              | 4.60                 |                   |
| 69371RN93   | PACCAR Financial Corp                       | 2.80   | 2.069    | 9/12/2019     | 3/1/2021   | 101.052          | 300,000       | 303,156              | 301,170              | 1.47                 |                   |
| 440452AE0   | Hormel Foods Corp                           | 4.13   | 3.847    | 1/31/2017     | 4/15/2021  | 101.069          | 500,000       | 505,345              | 508,596              | 4.21                 |                   |
| 14912L6U0   | Caterpillar Financial Serv Corp             | 1.70   | 1.436    | 9/9/2016      | 8/9/2021   | 101.249          | 746,000       | 755,318              | 742,815              | 4.92                 |                   |
| 06406RAA5   | Bank of NY Mellon Corp                      | 2.60   | 1.897    | 10/18/2017    | 2/7/2022   | 102.897          | 511,000       | 525,804              | 513,147              | 4.31                 |                   |
| 166764AT7   | Chevron                                     | 2.41   | 1.821    | 7/26/2017     | 3/3/2022   | 102.593          | 370,000       | 379,594              | 371,241              | 4.61                 |                   |
| 87236YAE8   | Ameritrade Holding Corp                     | 2.95   | 0.738    | 9/17/2020     | 4/1/2022   | 103.375          | 650,000       | 671,998              | 673,511              | 1.54                 |                   |
| 09247XAJ0   | Blackrock Inc                               | 3.38   | 0.428    | 9/17/2020     | 6/1/2022   | 105.000          | 500,000       | 525,000              | 525,970              | 1.70                 |                   |
| 244199BE4   | Deere & Co                                  | 2.60   | 1.865    | 7/26/2017     | 6/8/2022   | 103.406          | 150,000       | 155,109              | 151,235              | 4.87                 |                   |
| 69351UAQ6   | PPL Electric Utilities DTD                  | 2.50   | 0.629    | 9/18/2020     | 9/1/2022   | 103.627          | 557,000       | 577,202              | 577,247              | 1.95                 |                   |
| 037833DC1   | Apple Inc                                   | 2.10   | 1.230    | 9/25/2018     | 9/12/2022  | 103.358          | 500,000       | 516,790              | 489,341              | 3.97                 |                   |
| 67021CAG2   | NSTAR Electric Co                           | 2.38   | 0.678    | 9/18/2020     | 10/15/2022 | 103.488          | 2,158,000     | 2,233,271            | 2,238,154            | 2.07                 |                   |
| 207597EF8   | CONNECTICUT LIGHT & PWR DTD                 | 2.50   | 0.917    | 5/19/2020     | 1/15/2023  | 104.150          | 223,000       | 232,255              | 231,211              | 2.66                 |                   |
| 24422ERT8   | John Deere Capital                          | 2.80   | 0.636    | 6/16/2020     | 1/27/2023  | 105.606          | 100,000       | 105,606              | 105,646              | 2.62                 |                   |
| 24422EUH0   | John Deere Capital                          | 3.45   | 0.440    | 9/18/2020     | 6/7/2023   | 108.122          | 330,000       | 356,803              | 357,644              | 2.72                 |                   |
| 69371RQ90   | PACCAR Financial Corp                       | 0.35   | 0.399    | 9/18/2020     | 8/1/2023   | 99.860           | 1,000,000     | 998,600              | 1,000,520            | 2.90                 |                   |
| 69371RQ41   | PACCAR Financial Corp                       | 1.90   | 0.484    | 9/22/2020     | 2/7/2023   | 103.345          | 965,000       | 997,279              | 1,000,551            | 2.38                 |                   |
| 05531FBJ1   | Trust Financial Corp                        | 2.20   | 1.023    | 9/16/2019     | 3/16/2023  | 104.036          | 500,000       | 520,180              | 499,630              | 3.50                 |                   |
| <b>23.15% Corporate Bonds (1.47 - 4.93 years)</b>       |   |        |          |               |            |                  |               | <b>102,871</b>       | <b>10,525,000</b>    | <b>10,827,123</b>    | <b>10,755,532</b> |
| 31407RTU8   | Fannie Mae Pool #838563                     | 5.00   | 4.993    | 4/29/2016     | 10/1/2020  | 100.027          | 301           | 301                  | 319                  | 4.43                 |                   |
| 3137A6B27   | Freddie Mac                                 | 4.33   | 4.345    | 9/7/2016      | 10/25/2020 | 99.953           | 430           | 429                  | 475                  | 4.13                 |                   |
| 3137A8PP7   | Freddie Mac                                 | 4.18   | 4.038    | 9/7/2016      | 12/25/2020 | 100.550          | 249,475       | 250,846              | 275,553              | 4.30                 |                   |
| 3137ABFH9   | Freddie Mac                                 | 3.99   | 3.649    | 9/7/2016      | 6/25/2021  | 101.487          | 496,000       | 503,375              | 547,013              | 4.80                 |                   |
| <b>1.77% Gov't Mortgages (4.13 - 4.80 years)</b>        |   |        |          |               |            |                  |               | <b>101,172</b>       | <b>746,205</b>       | <b>754,951</b>       | <b>823,359</b>    |
| 91412GDY8   | Univ of California Revenues                 | 5.05   | 1.285    | 9/18/2020     | 5/15/2025  | 116.968          | 50,000        | 58,484               | 58,756               | 4.66                 |                   |
| 91412HG7  | Univ of California Revenues                 | 0.88   | 0.692    | 9/24/2020     | 5/15/2025  | 100.873          | 105,000       | 105,917              | 105,671              | 4.64                 |                   |
| 801181CY2   | Santa Ana CLG                               | 0.74   | 0.713    | 9/28/2020     | 8/1/2025   | 100.145          | 95,000        | 95,138               | 95,198               | 4.84                 |                   |
| 91412GU94   | Univ of California Revenues                 | 3.06   | 0.821    | 9/17/2020     | 7/1/2025   | 110.506          | 325,000       | 359,145              | 358,343              | 4.79                 |                   |
| 91412G2U8   | Univ of California Revenues                 | 2.52   | 0.689    | 9/18/2020     | 5/15/2023  | 104.805          | 40,000        | 41,922               | 41,945               | 2.65                 |                   |
| 91412GM28   | Univ of California Revenues                 | 2.22   | 0.686    | 9/18/2020     | 5/15/2023  | 104.029          | 45,000        | 46,813               | 46,834               | 2.65                 |                   |
| 13066YTTZ   | California State Dept of Water Resources PW | 2.00   | 1.351    | 1/22/2018     | 5/1/2022   | 102.685          | 150,000       | 154,028              | 148,231              | 4.27                 |                   |
| 13063DGA0   | California State Dept of Water Resources PW | 2.80   | 2.376    | 4/25/2018     | 4/1/2021   | 101.196          | 100,000       | 101,196              | 100,001              | 2.94                 |                   |
| <b>2.06% Municipals (2.65 - 4.84 years)</b>             |   |        |          |               |            |                  |               | <b>105,785</b>       | <b>910,000</b>       | <b>962,641</b>       | <b>954,979</b>    |
| 31607A208   | Fidelity Prime Mon Mar-Ins                  | 1.00   |          | 10/7/2015     |            | 100.000          | 4,631,979     | 4,631,979            | 4,631,979            |                      |                   |
| <b>9.97% Cash and Cash Equivalents</b>                  |   |        |          |               |            |                  |               | <b>4,631,979</b>     | <b>4,631,979</b>     | <b>4,631,979</b>     | <b>-</b>          |
| <b>TOTAL (Dollars)</b>                                  |   |        |          |               |            |                  |               | <b>\$ 43,972,955</b> | <b>\$ 44,893,588</b> | <b>\$ 44,774,517</b> | <b>\$ -</b>       |

**SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS**

## Comparative Summary Balance Sheet

As of September 30, 2020

|  | <b>9.30.2020</b>    | Change            | 06.30.20            |
|--|---------------------|-------------------|---------------------|
| CBB - Checking                           | \$ 1,682,932        | \$ (218,785)      | \$ 1,901,717        |
| CBB- 242-034-325 CD                      | 55,744              | 14                | 55,730              |
| CBB - 2766 Savings                       | 1,593               | 1                 | 1,592               |
| CBB -242-034-953 CD                      | 54,975              | 14                | 54,961              |
| CBB - 242-300-597 Money Market           | 4,606,670           | (1,031,226)       | 5,637,896           |
| CBB - 103-501-0361- Investment           | 700,000             | 700,000           | -                   |
| Petty Cash                               | 400                 | -                 | 400                 |
| LAIF                                     | 244,309             | 888               | 243,421             |
| LAIF Maket Value                         | 86                  | -                 | 86                  |
|  | <u>7,346,708</u>    | <u>(549,095)</u>  | <u>7,895,803</u>    |
| Cash and equivalents                     |                     |                   |                     |
| Member Receivable                        | 178,183             | 178,183           | -                   |
| Grants/Contracts Receivable              | 724,997             | (47,714)          | 772,711             |
| Sponsorships Receivable                  | -                   | -                 | -                   |
| Rental Deposit Receivable                | 5,489               | -                 | 5,489               |
| Unbilled Grant Receivable                | 419,041             | 214,683           | 204,358             |
| Receivables - other                      | 305,494             | 41,315            | 264,179             |
|  | <u>1,633,205</u>    | <u>386,468</u>    | <u>1,246,737</u>    |
| Receivables                              |                     |                   |                     |
| Prepays and deferrals                    | 159,360             | (3,000)           | 162,360             |
|  | <u>9,139,274</u>    | <u>(165,626)</u>  | <u>9,304,900</u>    |
| Total assets                             |                     |                   |                     |
| Accounts Payable                         | 7,466               | (345,378)         | 352,844             |
| Citi Bank Card                           | 11,574              | 5,409             | 6,165               |
| Payroll Payable                          | (426)               | (400)             | (26)                |
| Accrued Vacation                         | 39,655              | 3,341             | 36,314              |
| Unearned Revenues - Member Cities Dues   | 602,739             | 602,739           | -                   |
| Unearned Revenues - Housing/Homelessness | 4,530,524           | (1,060,192)       | 5,590,716           |
| Unearned Revenues - SGVRHT               | -                   | -                 | -                   |
| Accruals, deferrals and other payables   | 2,466,890           | 389,223           | 2,077,667           |
|  | <u>7,658,422</u>    | <u>(405,258)</u>  | <u>8,063,680</u>    |
| Total liabilities                        |                     |                   |                     |
| Net Position, beginning of period **     | 1,241,220           | 20,093            | 1,221,127           |
| Change in net position                   | 239,631             | 219,537           | 20,094              |
| Net Position, end of period              | <u>\$ 1,480,852</u> | <u>\$ 239,631</u> | <u>\$ 1,241,221</u> |

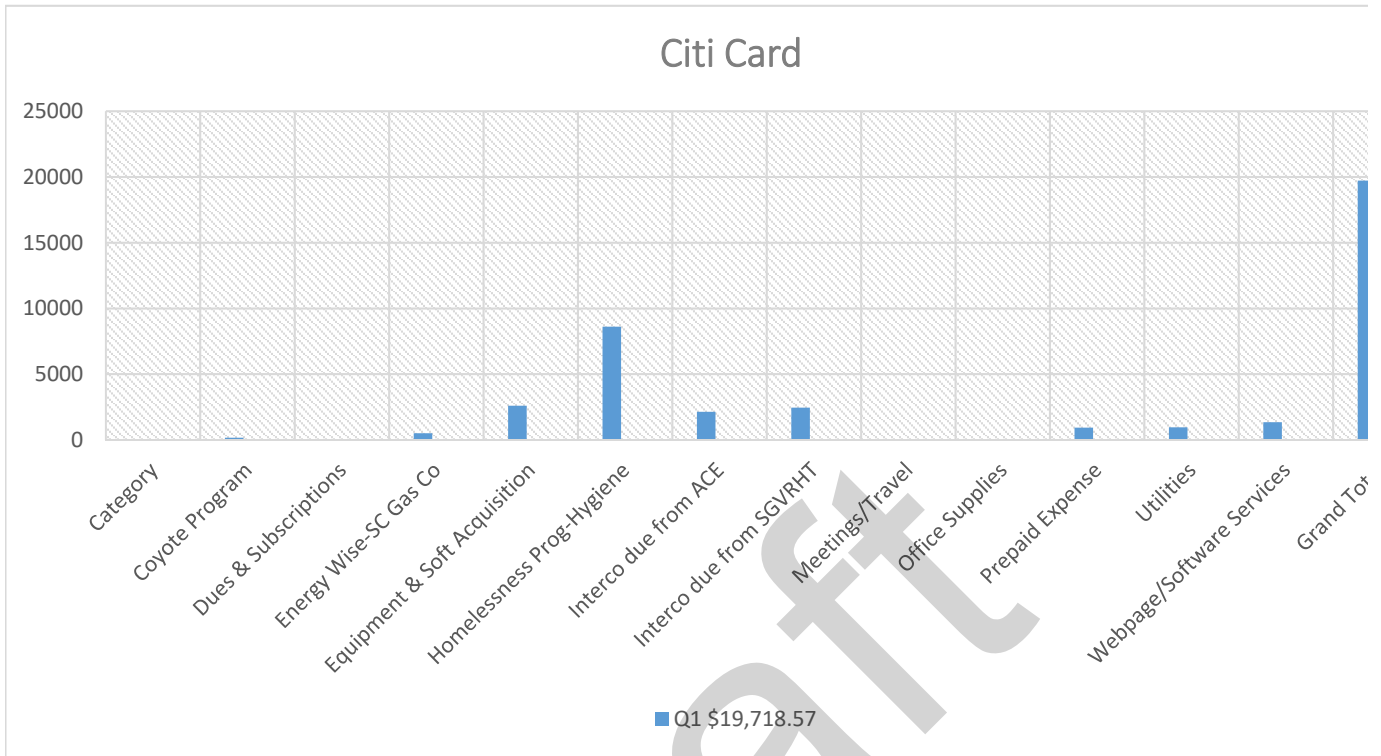


**San Gabriel Valley Council of Governments  
Grants Receivable Aging Summary  
As of September 30, 2020**

| Month   | SC Gas - Energy Wise | LA County - Homelessness Planing Grant | MTA - Measure M | Caltrans - BikeShare | Various Cities - Service Delivery Cost Study | Various Cities - VMT | LA County-SGVRHT | Coyote Management Implementation Plan | SoCAL REN | ULAR CIMP Stormwater | Totals     | Notes                                  |
|---------|----------------------|--|-----------------|----------------------|--|----------------------|------------------|---------------------------------------|-----------|----------------------|------------|--|
| Jun-19  | -                    | -                                      | -               | -                    | -  |                      |                  |                                       |           |                      | -          |  |
| Jul-19  | -                    | 13,167                                 | -               | -                    | -  |                      |                  |                                       |           |                      | 13,167     | Sent an email to Homeless Services and |
| Aug-19  | -                    | 13,167                                 | -               | -                    | -  |                      |                  |                                       |           |                      | 13,167     | and receive a confirmation             |
| Sep-19  | -                    | 13,167                                 | -               | -                    | -  |                      |                  |                                       |           |                      | 13,167     | are processing the payments, hopefully |
| Dec-19  | -                    |  | -               | -                    | -  |                      |                  |                                       |           |                      | -          | we will receive the checks             |
| Jan-20  | -                    |  | -               | -                    | -  |                      |                  |                                       |           |                      | -          |  |
| Mar-20  | -                    |  | -               | -                    | -  |                      |                  |                                       |           |                      | -          |  |
| Apr-20  | -                    |  | -               | -                    | -  |                      | 327,202          |                                       |           |                      | 327,202    | Same as above.                         |
| May-20  | -                    |  | -               | -                    | -  |                      |                  |                                       |           |                      | -          |  |
| June-20 | -                    |  | 3,303           | -                    | -  | 12,159               |                  |                                       |           |                      | 15,462     |  |
| July-20 | -                    |  |                 |                      |  |                      |                  | 10,000                                | 1,554     | 270,922              | 282,476    |  |
| Sept-20 | 7,855                |  |                 |                      |  | 52,500               |                  |                                       |           |                      | 60,355     |  |
|         | \$ 7,855             | \$ 39,500                              | \$ 3,303        | \$ -                 | \$ -   | \$ 64,659            | \$ 327,202       | \$ 10,000                             | \$ 1,554  | \$ 270,922           | \$ 724,996 |  |

Draft

**San Gabriel Valley Council of Governments  
Credit Charges July 1, 2020 - September 30, 2020**



Draft

**SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS**  
**Consolidated Budget to Actual**  
 FY 2021 First Quarter Report  
 As of September 30, 2020

|   | Jul 20 - Sep 20<br>Actual<br>(Operating) | FY 2021<br>Budget | % of<br>Budget | Jul 20 - Sep 20<br>Actual (RHT-<br>Local) | FY 2021<br>Budget | % of<br>Budget | Jul 20 - Sep 20<br>Actual<br>(Non-Capital<br>Projects) | FY 2021<br>Budget   | % of<br>Budget |
|---|--|-------------------|----------------|---|-------------------|----------------|--|---------------------|----------------|
| <b>1 Revenue</b>  |  |                   |                |   |                   |                |  |                     |                |
| <b>2 Operating</b>  |  |                   |                |   |                   |                |  |                     |                |
| 3 Member Dues   | \$ 183,274                               | \$ 786,013        | 23%            |   |                   |                |  |                     |                |
| 4 Hero Program  | 207                                      | 2,000             | 10%            |   |                   |                |  |                     |                |
| 5 Transportation Administration (Local)                                       | -  | 105,509           | 0%             |   |                   |                |  |                     |                |
| 6 Interest  | 3,974                                    | 1,000             | 397%           |   |                   |                |  |                     |                |
| 7 <b>Subtotal Operating Revenue</b>   | <b>\$ 187,455</b>                        | <b>\$ 894,522</b> | <b>21%</b>     |   |                   |                |  |                     |                |
| <b>8 Non-Capital Projects</b>   |  |                   |                |   |                   |                |  |                     |                |
| Local (Homelessness, Energy, Mear M, Transportation,<br>Stormwater, Coyote)** |  |                   |                |   | 300,000           | 0%             | \$684,909  | 4,113,989           | 17%            |
| Subtotal Revenue  | \$ -                                     | \$ -              | 0%             | -   | 300,000           | 0%             | \$ 684,909   | \$ 4,113,989        | 0%             |
| <b>Total Revenue</b>  | <b>\$ 187,455</b>                        | <b>\$ 894,522</b> | <b>21%</b>     | <b>-</b>                                  | <b>300,000</b>    | <b>0%</b>      | <b>\$ 684,909</b>                                      | <b>\$ 4,113,989</b> | <b>17%</b>     |
| <b>Expenditure</b>  |  |                   |                |   |                   |                |  |                     |                |
| <b>Indirect Expenses</b>  |  |                   |                |   |                   |                |  |                     |                |
| Personnel   | \$ 94,900                                | 410,842           | 23%            |   | 25,000            | 0%             |  | 80,000              | 0%             |
| Committee & Employee Expenses (Meetings/Travel, Dues &<br>Subscription)       | 1,029                                    | 68,100            | 2%             |   | 15,000            | 0%             |  | 11,000              | 0%             |
| Professional Services (Audit, Legal, Const, MTA Supp)                         | 10,925                                   | 290,604           | 4%             |   | 56,000            | 0%             |  | 20,000              | 0%             |
| Other Expenses  | 25,262                                   | 88,824            | 28%            |   | 12,000            | 0%             |  | 62,176              | 0%             |
| Total Indirect Expenses   | \$ 132,116                               | \$ 858,370        | 15%            | -   | 108,000           | 0%             | \$ -   | \$ 173,176          | 0%             |
| <b>Direct Expenses</b>  |  |                   |                |   |                   |                |  |                     |                |
| Personnel/Construction Direct Labor   |  |                   |                |   | 142,000           | 0%             | 118,821  | 434,714             | 27%            |
| Program Management **   |  |                   |                |   | 50,000            | 0%             | 381,796  | 3,506,099           | 11%            |
| Total Direct Expenses   | \$ -                                     | \$ -              | 0%             | -   | 192,000           | 0%             | \$ 500,616   | \$ 3,940,813        | 13%            |
| <b>Total Expenditures</b>   | <b>\$ 132,116</b>                        | <b>\$ 858,370</b> | <b>15%</b>     | <b>-</b>                                  | <b>300,000</b>    | <b>0%</b>      | <b>\$ 500,616</b>                                      | <b>\$ 4,113,989</b> | <b>12%</b>     |
| <b>Net income (Loss)</b>  | <b>\$ 55,339</b>                         | <b>\$ 36,152</b>  | <b>N/A</b>     | <b>-</b>                                  | <b>-</b>          | <b>0%</b>      | <b>\$ 184,293</b>                                      | <b>\$ -</b>         | <b>N/A</b>     |

\*\* Includes Bike Share

# REPORT

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DATE: December 7, 2020

TO: Executive Committee

FROM: Marisa Creter, Executive Director

RE: **SGVCOG WHITE PAPER ON LOS ANGELES HOMELESS SERVICES AUTHORITY (LAHSA) REFORM**

## **RECOMMENDED ACTION**

For information only.

## **BACKGROUND**

In response to the Countywide homelessness crisis and the problems with the current homelessness services system, the Los Angeles County Board of Supervisors approved a motion on September 1, 2020, seeking to explore changes to the structure and function of Los Angeles Housing Services Authority (LAHSA) and highlighting the need to examine the system as a whole. A similar motion was approved by the City of Los Angeles City Council. Meanwhile, LAHSA itself convened an Ad Hoc Committee on Governance to consider similar concerns.

In response, the SGVCOG convened a working group to draft a white paper to ensure the San Gabriel Valley had a leading voice in these reform efforts. This working group consisted of representatives from 11 cities. From September to November 2020, the working group met five times.

The resulting white paper (Attachment A) is organized around the following discussion topics:

- Exploring the causes and impacts of systemic problems with the current homelessness response system, especially as they relate to smaller cities;
- Identifying comprehensive solutions; and
- Confirming the San Gabriel Valley's commitment to best practices and programs and to affirming a willingness to lead the region to a more effective, County-wide coordinated strategy to combat homelessness.

Specifically, the paper identifies several problems with the current system, including a lack of collaborative relationship with smaller cities, a lack of funding for locally-based and supported initiatives and programs, and poor communication and lack of transparency. To address these problems, the white paper proposes potential solutions including increasing representation for smaller cities within the current system and providing more autonomy within the current system, as well as leaving the door open to pursue independent control of homelessness funds if these strategies are unsuccessful at sufficiently resolving the stated concerns.

## **NEXT STEPS**

# REPORT

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The review schedule for the white paper is as follows:

- November 30, 2020: City Managers' Steering Committee Meeting
- December 2, 2020: Homelessness Committee
- December 7, 2020: Executive Committee
- January 21, 2021: Governing Board

Following review by the Executive Committee, the white paper will be distributed to individual member cities and other councils of governments for their own review and possible adoption.

Simultaneously, the SGVCOG will conduct other outreach efforts, including direct outreach to County Supervisors, LAHSA, the public, and the Measure H Citizens' Oversight Committee. Outreach to the County Supervisors will include the draft letter included as Attachment B to this report.

Prepared by: Brian McCullom  
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Approved by: Marisa Creter  
Marisa Creter  
Executive Director

## **ATTACHMENTS**

Attachment A – SGVCOG White Paper on LAHSA Reform

Attachment B – Letter on LAHSA Structure and Function



**United We Stand:  
Supporting a comprehensive, coordinated structure and strategy to meet  
the homelessness crisis in Los Angeles County**

*A White Paper  
Prepared and Adopted  
by the San Gabriel Valley Council of Governments*

*January 21, 2021*

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## **INTRODUCTION**

The ever-worsening homeless crisis is a growing threat to the wellbeing, prosperity and quality of life of our region. It is likely only to intensify due to the ongoing COVID-19 pandemic. The gravity and urgency of the crisis requires a comprehensive, coordinated, Countywide structure and strategy to end the shame of tens of thousands of people living on our streets.

Acknowledging this crisis and the problems with the current homelessness services system, the Los Angeles County Board of Supervisors approved a motion, “Exploring New Governance Models to Improve Accountability and Oversight of Homeless Funds” on September 1, 2020. This motion focused on the structure and function of Los Angeles Housing Services Authority (LAHSA), but highlighted the need to examine the system as a whole. Meanwhile, LAHSA itself has convened an Ad Hoc Committee on Governance to consider similar concerns.

While we support the efforts of the County, LAHSA and the City of Los Angeles to seek a more effective coordinating structure, we believe it is critical to directly involve the remaining 87 cities that make up the County. These cities represent 60% of the County’s population, nearly 40% of the population of those experiencing homelessness and are the source of the majority of the tax revenue for Measure H.

Municipalities in the San Gabriel Valley are committed to be leaders in the fight to combat homelessness. We have the need and the desire to serve the most vulnerable in our communities and to maximize local ideas, resources, and programs to this end. The San Gabriel Valley Council of Governments (SGVCOG) and its member cities developed this white paper to demonstrate our commitment to creating a more coordinated, effective homelessness services system which is capable of solving our homelessness crisis.

We bring tangible resources to the table. Our city governments, non-profits, faith communities, healthcare providers, businesses, civic organizations and volunteers are already actively engaged in meeting this crisis. We already have boots on the ground working every day on all aspects of this challenge. What we lack is participation in a focused, flexible and responsive Countywide structure to coordinate strategy, services and funding to effectively address the causes and solutions for homelessness.

In this white paper, we lay out the background and our perspective on the shortcomings of the current approach to homelessness across LA County. We lay out a range of potential solutions. Our concerns are substantive and we believe our alternatives are realistic. We believe that failure is not an option.

The cities of the San Gabriel Valley pledge to work with the County of Los Angeles, the City of Los Angeles, our sister communities and the myriad of private, non-profit, academic, philanthropic and civic institutions across the County to mobilize an effective, efficient and equitable response to the homelessness crisis.

## **EXECUTIVE SUMMARY**

The SGVCOG is a joint powers authority that supports regional issues and implements regional programs. The SGVCOG includes the 30 cities and unincorporated areas of Los Angeles County Supervisorial Districts 1, 4, and 5, representing 20% of the population of Los Angeles County.

The 2020 Homeless Count identified 4,555 people experiencing homelessness in the San Gabriel Valley. This represents an increase of 47% over the last five years. With the inclusion of the separate count within the separate Pasadena Continuum of Care, the homeless population of the San Gabriel Valley represents nearly 10% of the Countywide total.

Of those counted in 2020, two-thirds were unsheltered with the majority of those staying in vehicles (59.8%) and the remainder (40.2%) on the streets. One third were sheltered. People of color represent 75% of those experiencing homelessness

The SGVCOG cities are actively engaged in providing homelessness services and work with LAHSA, LA County Homeless Initiative, LA County Department of Mental Health, LA County Sheriff's Department, and various other State and County departments, nonprofits, service providers, and other municipalities. The cities of Claremont, Pomona, and La Verne are also served by Tri-City Mental Health.

Most San Gabriel Valley cities have adopted formal homelessness response plans and others are currently developing them. Several cities have used Measure H implementation funding to offer Housing Navigation services to their communities. In 2018, the City of Pomona opened a 200-bed interim housing facility, contributing much of the capital funding themselves. The region has strong networks of outreach efforts, shelters, housing assistance programs and a range of public, non-profit and faith-based social services. Finally, twenty SGVCOG member cities have joined the San Gabriel Valley Regional Housing Trust (SGVRHT) that is financing the planning and construction of affordable housing, including permanent supportive housing for homeless individuals and families.

### **Problems with the Current System:**

- **Lack of Collaborative Relationship with Smaller Cities:** LAHSA and the broader County homeless services delivery system do not engage with SGV cities as partners. Yet our cities are on the front line when residents have complaints or concerns about homelessness. Without effective collaboration from LAHSA or the County, cities are largely left on their own to address the needs of their homeless residents. At worst, this can lead to duplicative efforts with LAHSA that are a waste of precious resources. LAHSA programs would be more effective if they built on the close relationship that city governments have with their communities and their knowledge of local conditions. To do this, there must be an effort to understand the specific needs of these small communities and collaborate with jurisdictions to implement these more targeted approaches. Communication and transparency need to be improved to build trust and collaboration.
- **Lack of Funding for Locally-Based and Supported Initiatives and Programs:** Cities throughout the County have constrained funding to address a wide range of issues,

including homelessness, transportation, public safety, parks, and stormwater. Under the current system, when cities propose an innovative solution, it does not appear to be taken seriously unless it can be applied County-wide. Funding for locally-based and locally-supported initiatives and programs can leverage Measure H funding for greater impact. Other countywide tax measures, including Measure W (Water), Measure A (Parks), Measure M (Transportation), Measure R (Transportation), have all included a “local return” component that have allowed cities to implement projects and programs customized to local needs.

- **Poor Communication and Lack of Transparency:** Currently, cities struggle to access information about programs, do not have direct access to appropriate contacts that can answer questions and respond to concerns. There is a lack of timely and accurate shared data about people experiencing homelessness served in their communities. When cities are able to find appropriate contacts, it can be difficult to get clear and concise direction from LAHSA and the County. At times, staff receive different answers from different people, creating confusion and making program implementation more difficult. Further complicating these issues is that cities often interact with LAHSA in both its capacity as an administrator of funding and as a direct service provider through its outreach teams.

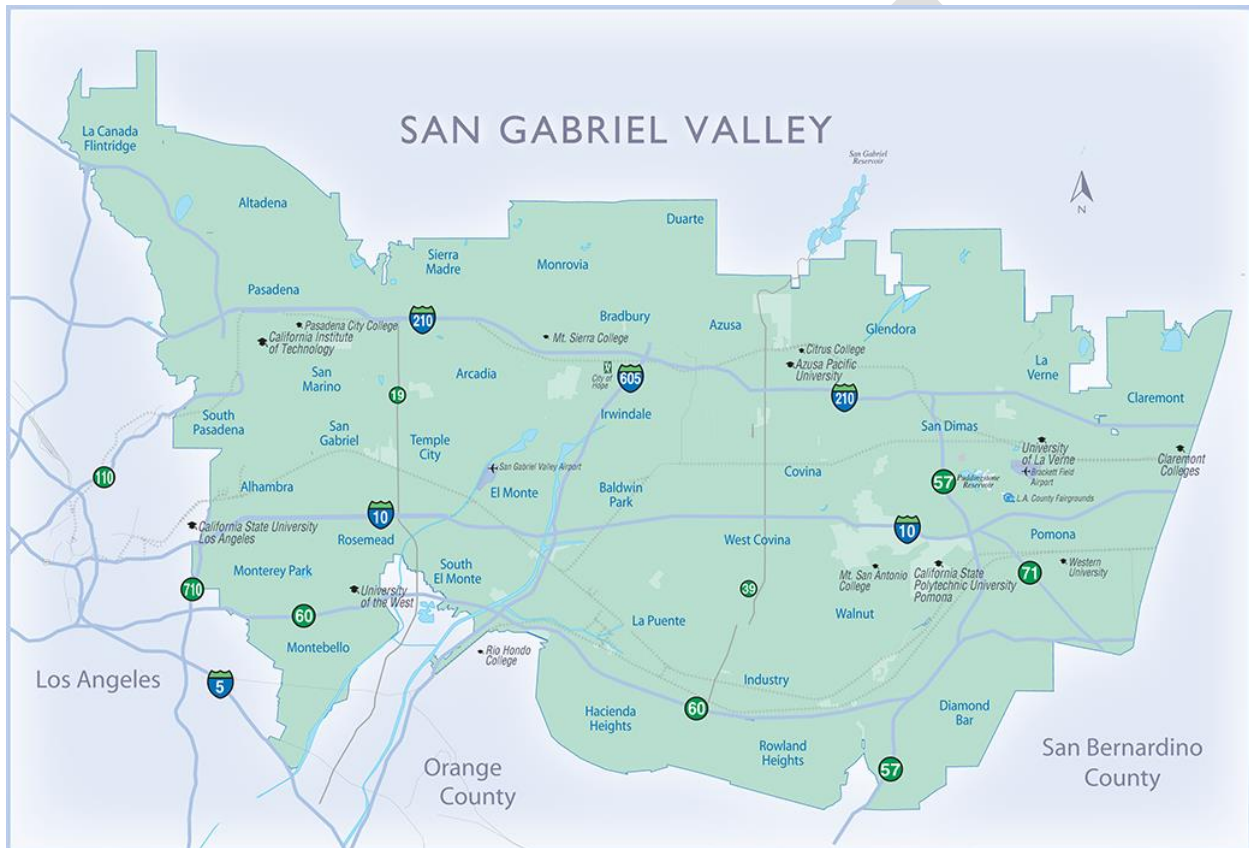
#### **Potential Solutions:**

- **Increasing Representation Within the Current System:** LAHSA was created nearly three decades ago as a joint structure for the County and the City of Los Angeles to administer funding for homeless programs, primarily from the Federal government. Many options have been proposed for restructuring the governance of LAHSA to more effectively coordinate countywide homeless strategies, programs and funding. These include using the Metro board as a model; adding representatives from all the Service Planning Areas or the Councils of Government; and a new model implemented in King County (Seattle) that has a bifurcated board structure to direct policy and operations and includes representation from elected officials, experts and people with lived experience.
- **More Autonomy Within the Current System:** Even without restructuring LAHSA governance, there can be improvements within the current system by granting greater autonomy on programming and funding within each Service Planning Area and with the cities they cover.

The white paper proposes additional proposals for improving the delivery of services to reduce homelessness. Finally, it poses the option that in the absence of consensus on a comprehensive coordinated strategy and structure to effectively address the growing crisis, the San Gabriel Valley is prepared to accept independent responsibility for administering our own Continuum of Care.

## **BACKGROUND**

The San Gabriel Valley Council of Governments (SGVCOG) is a regional government planning agency that aims to maximize the quality of life in the San Gabriel Valley. We are a joint powers authority that consists of 30 incorporated cities, unincorporated communities in Los Angeles County Supervisorial Districts 1, 4, and 5, and three San Gabriel Valley Municipal Water Districts. The SGVCOG works on issues of importance to its member agencies, including homelessness, transportation, the environment, and water, and seeks to address these regionally.



The SGVCOG is the largest and most diverse sub-regional council of governments in Los Angeles County. The San Gabriel Valley encompasses more than 374 square miles and has more than two million residents of thirty cities that are represented by 154 councilmembers. In comparison, the City of Los Angeles, with a population of four million, is represented by fifteen councilmembers. This allows councilmembers to be closely in tune with the concerns of their constituents and to shape local policy accordingly.

Our communities each have a unique character and history and often face unique challenges that they have varying resources to address. Our member cities' populations range from 1,008 in the City of Industry and 1,084 in the City of Bradbury to 117,000 in the City of El Monte and 156,000 in the City of Pomona.

It's a diverse region: of the residents in the San Gabriel Valley, 44.7% identify as Hispanic or Latino; 25.7% as Asian; 24.8% as white non-Hispanic; 2.4% as Black; and 2.4% as Native American, Alaskan Native, Native Hawaiian, or another race.

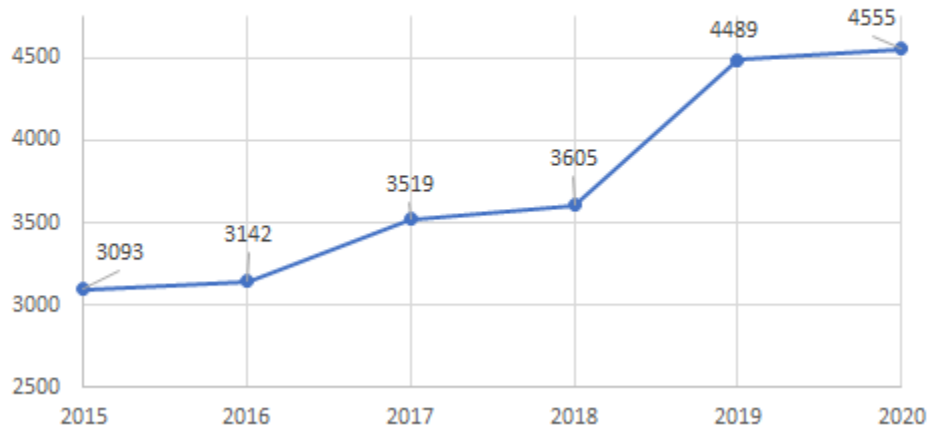
At the time of the 2010 Census, 61% of residents in the San Gabriel Valley lived in owner-occupied housing, while 39% lived in rental housing units.

While our member cities have unique needs and resources, our communities also face many of the same challenges and have developed a unified voice to maximize resources, achieve sustainable solutions, and advocate for regional and member interests to improve the quality of life in the San Gabriel Valley.

### Scope of Homelessness

In January 2020, the Greater Los Angeles Point-in-Time (PIT) Count determined there were 4,555 people experiencing homelessness within the SPA 3, the boundaries of which closely mirror those of the SGVCOG. The number of people experiencing homelessness in the San Gabriel Valley has steadily increased since 2015, when 3,093 people were identified through the PIT Count.

Number of People Experiencing Homelessness  
(Point in Time Count)



Just as our cities have varying populations, needs, and resources, our communities experience varying levels of homelessness. The 2020 Point-In-Time Count determined there was a range of homelessness in each of our cities - from 0 people experiencing homelessness (PEH) in some communities to 723 people experiencing homelessness in another, with a median of 68 PEH in each SGV city.

Of the people experiencing homelessness within the San Gabriel Valley who were captured through the PIT Count, the majority are unsheltered: 66.5% were unsheltered, with 59.8% of those staying in vehicles (59.8%) and the remaining (40.2%) staying outdoors on the streets, in parks, or in tents. 33.5% were sheltered, or sleeping in emergency shelters or transitional housing.

Other key concerns from the region's 2020 Point-in-Time Count data of concern to our region include the following:

- People experiencing chronic homelessness rose 40%
- Number of seniors 62 and over experiencing homelessness rose 13%, 68.7% of whom are unsheltered
- People of color represent 75% of those experiencing homelessness

Our region also has deep concern with the impacts of the COVID-19 pandemic on housing stability and homelessness. The 2020 PIT count data predates the pandemic and the full effects on homelessness in the region remain to be seen.

### **Regional Homelessness Response**

As the homeless population has risen over the last 5 years, so too has the amount of San Gabriel Valley resources allocated to policies and programs to respond to the regional homelessness crisis. The cities of the SGVCOG are strongly committed to providing homelessness services and have supplemented the programs and funding administered by LAHSA and the County to provide additional resources to PEH in their communities. Nineteen cities have developed homelessness response plans, with five more cities currently developing plans to be approved by their City Councils in the coming months. The SGVCOG received an influx of \$5.625 million from the State Budget in FY 2020, and the majority of those funds have been allocated to these cities to implement their homeless plans. With additional funding supported by the County's Measure H Innovation Fund - which provided approximately \$1.5 million to the San Gabriel Valley - in total, 22 cities are utilizing these funds to implement prevention, diversion, rapid rehousing programs, and other pilot programs aimed at reducing homelessness in the San Gabriel Valley. This funding has supplemented funding that some communities received from Measure H implementation grants, which they also used to provide additional housing navigation services to their communities. Recently, during spring and summer 2020, 11 cities participated in the SGVCOG's hygiene program (funded by the County) to provide people experiencing homelessness increased access to hygiene services during the pandemic and to mitigate the spread of COVID-19 in our unhoused neighbors.

These programs often fill key gaps in the larger homeless services system. For example, there is currently a serious lack of funding for rapid rehousing in the San Gabriel Valley, with CES programs often unable to take new clients after the first few months of the fiscal year. With the funding sources listed above, the SGVCOG and its member cities are able to provide additional case management and housing navigation and rapid rehousing slots - as well as targeted outreach and incentives to landlords to increase the supply of available units - to provide more resources to house our homeless population.

Even with limited staff, cities have also allocated staff resources to ensure that their city can respond to homelessness. Cities' homelessness response falls within a variety of city departments, often working in coordination with one another. Cities' homelessness response teams are staffed in different departments, with some in the City Manager's Offices, some in departments of community/neighborhood/human services, housing departments, economic development departments, police departments, and fire departments. Our cities work with LAHSA, the LA County Homeless Initiative, LA County Department of Mental Health, LA County Sheriff's Department, and various other State and County departments, nonprofits, service providers, and



other municipalities. The cities of Claremont, Pomona, and La Verne are also served by Tri-City Mental Health.

Our region is committed to providing shelter to those experiencing homelessness and developing affordable housing to stop the inflow into homelessness. In 2018, the City of Pomona opened a 200-bed interim housing facility, contributing much of the capital funding themselves. The region has strong networks of churches, one of which provides shelter for families, and another of which provides winter shelter locations, in addition to those operated at County parks each year. Smaller scale programs offer transitional housing to youth or families, or residential treatment for substance use disorder. The cities of Baldwin Park and Pomona operate housing authorities to offer rental assistance to qualifying families and individuals through a Housing Choice Voucher Program (HCV). Our cities have engaged in advocacy to use surplus and underutilized public properties to meet the needs of those with mental illness. In 2020, the SGVCOG also started the San Gabriel Valley Regional Housing Trust (SGVRHT) - which has joined by twenty SGVCOG member cities to date - to fund and finance the planning and construction of homeless housing, and extremely-low, very-low, and low-income housing projects. Already, the SGVRHT has issued funding letters of commitment to projects that would provide 125 units of housing for the region, 30% of which would serve extremely-low income households or homeless residents.

### **White Paper Development Process**

To inform the white paper, the SGVCOG engaged its thirty member cities and formed a working group of representatives from the following 11 cities: Arcadia, Baldwin Park, Claremont, Duarte, Glendora, Montebello, Monterey Park, Pomona, San Dimas, South El Monte, and South Pasadena. Stakeholders included City Managers, Assistant City Managers, Directors of Community/Neighborhood/Human Services, Public Safety Outreach Coordinators, and Police Chiefs. During a three-month period from September to November 2020, the working group met five times.

The white paper was developed through a multi-phase process. The first component included information gathering and assessment to understand the problems with the existing homelessness response system, as well as our region's current resources and programs. Subsequent meetings each focused on one section of the white paper.

The white paper was reviewed by the SGVCOG's City Manager's Steering Committee, Homelessness Committee (made up of elected officials and staff from 10 of our member cities and 1 LA County Supervisorial District), and ultimately approved by the SGVCOG Governing Board.

The purpose of this white paper is to address the systemic problems with the current homelessness response system, identify comprehensive solutions, confirm our commitment to best practices and programs, and demonstrate our desire to lead the region to a more effective, County-wide coordinated strategy to combat homelessness.

The white paper does this by approaching the following topics:

- Exploring the causes and impacts of systemic problems with the current homelessness response system, especially as they relate to smaller cities;

- Identifying comprehensive solutions; and
- Confirming the San Gabriel Valley’s commitment to best practices and programs and to affirming a willingness to lead the region to a more effective, County-wide coordinated strategy to combat homelessness.

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## **PROBLEMS WITH THE CURRENT SYSTEM**

To identify solutions, it is important to have a good understanding of the existing problems. To that end, the first section of this white paper articulates these obstacles, provides examples of how this impacts service delivery to PEH, and identifies potential root causes. These problems prevent the SGVCOG's cities, the County, and LAHSA from most effectively assisting and housing people experiencing homelessness (PEH) and prevent homelessness.

The SGVCOG has identified the following specific problems and their impacts, which will be discussed in more detail below:

- Lack of Collaborative Relationship with Smaller Cities
- Poor Communication and Lack of Transparency
- Lack of Funding for Locally-Based and Supported Initiatives and Programs

### **Lack of Collaborative Relationship with Smaller Cities**

In general, LAHSA and the broader County homeless services delivery system often do not effectively collaborate with cities. Cities do not feel informed of programs before they are implemented and, at times, it appears that cities are viewed as obstacles rather than partners.

In small cities, the relationship between residents and the City is much closer than in larger jurisdictions (e.g. County of Los Angeles; City of Los Angeles). Cities' councils and staff are on the front line in addressing homelessness and responding to residents, and they are expected to address issues. This means that programs that are much more localized and responsive to city-specific conditions. With limited support from and collaboration with LAHSA or the County, cities are largely left on their own to address the needs of their homeless residents. At worst, this can lead to duplicative efforts with LAHSA that are a waste of precious resources.

### ***Examples***

Specific examples of this lack of collaboration are as follows:

- **Project Roomkey:** During the recent initial rollout of Project Roomkey, cities were not consulted or informed as potential project sites were identified and pursued. This approach not only created the impression that cities were being deliberately excluded from the discussion but also likely created more opposition, as cities were not able to properly prepare for the launch of Project Roomkey in their communities. Neither staff nor councilmembers had adequate information on the program implementation and had many questions that were unanswered, such as the following:
  - What additional city services/resources (if any) would need to be provided to those sites?
  - Would cities receive transient occupancy tax on the occupied rooms?
  - Who would be housed in these Project Roomkey sites?
  - Would homeless residents from their communities have first priority?
  - Where would Project Roomkey residents go after sites were decommissioned?

Instead, the County's and LAHSA's efforts moved forward without the cities' engagement, leaving councilmembers and residents concerned and frustrated by the lack of up-front information and engagement. It was difficult to overcome this initial lack of collaboration: even as LAHSA and the County attempted to engage cities as Project Roomkey advanced,

there was still distrust and uncertainty about the program and its implementation. With a collaborative approach, questions could have been discussed and addressed prior to project launch which would have led to a more successful launch of the Project Roomkey program.

- **Point-in-Time Count:** Cities have often raised the issue that the LAHSA Homeless Count methodology produces a PIT count which is substantially different from a city's understanding of its homeless count, based on its knowledge of its homeless populations. This has in the past included either a substantial undercount or overcount. For example, from 2019 to 2020, the City of Baldwin Park experienced a 100% increase in its homeless count, to 555. This number seemed improbable given Baldwin Park's size, efforts related to address homelessness locally, and observations of staff. To that end, Baldwin Park City staff spent significant time and effort to identify the reason for the significant increase and raised these concerns to LAHSA. However, no action was taken and city staff were left unable to provide an adequate explanation to the community. Baldwin Park's experience is consistent with the experience of other San Gabriel Valley communities. When cities have raised these concerns and presented specific corrections to the official count, no action has been taken.

City staff are deeply knowledgeable about their communities, and, in some instances, may have collected data throughout the year. LAHSA and the County should collaborate with cities on this data, in order to make better decisions and better direct resources and services to specific areas. This is extremely important from both a political and technical level. City level counts are also highly significant to each community's perception of progress made against homelessness. A PIT count is less accurate at smaller geographies, so it's important to fully vet and understand the data and analyze the reasons for significant changes, especially to assess if the significant change is the result of an error. Input from and meaningful collaboration with cities could resolve these serious discrepancies.

***Key Cause: Lack of Representation***

The SGVCOG believes that these issues may arise from the fact that LAHSA only represents the City of Los Angeles and the County of Los Angeles, and only representatives from the City and County of Los Angeles are seated on the LAHSA Commission. There are 84 other cities in the County that are also part of the LA Continuum of Care that do not have representation at the level where the most impactful decisions about homelessness are made. Instead, cities are considered as one of many stakeholders within the process, rather than as an independent partner that is also responsible for providing services to its residents. County Departments that provide numerous services to PEH have a seat at the table in discussions on how to address homelessness. However, departments that provide services to PEH in the other 84 cities are not a recognized part of these discussions. Without a seat at the table, it is impossible for true collaboration with all cities.

The SGVCOG recognizes that collaboration is challenging in a region so large and diverse, with thirty jurisdictions in the San Gabriel Valley, each with its own council members, ordinances, programs, and staff. However, it is critical to providing the most effective services and resources to our unhoused residents. San Gabriel Valley cities have a shared goal of ending homelessness, and each city implements the approach that is most responsive to the needs of all of its community members and is based on the resources available, historical knowledge of their communities, and previous experiences.

LAHSA programs could benefit from the close relationship that cities have with their communities and their knowledge of local conditions. To do this, there must be an effort to understand the specific needs of these small communities and collaborate with jurisdictions to implement these more targeted approaches.

### **Lack of Funding for Locally-Based and Supported Initiatives and Programs**

Cities have had limited access to funding that can be used to develop and implement programs that would best serve their communities. This is despite the fact that County residents passed Measure H, voting to tax themselves to provide additional resources to address homelessness. Other tax measures - Measure W (Water), Measure A (Parks), Measure M (Transportation), Measure R (Transportation) - have all included a “local return” component that have allowed cities to implement these unique programs. In each of these instances, the “local return” is only one component of the funding allocation, and there is still significant funding that is allocated towards regional projects and programs.

Local return is missing from Measure H. Instead, Measure H funding is managed by LAHSA and the County, where cities participate merely as minor stakeholders amongst a group of other stakeholders. This mindset has been demonstrated in the various stakeholder meetings used to develop the Measure H Approved Strategies to Combat Homelessness. At these meetings, the majority of representatives have been from County departments or the homeless services system, with very limited representation from cities.

As a result, cities have had limited access to funding that could be used to develop and implement programs that would best serve their communities. This has severely limited cities’ flexibility or creativity to create programs that uniquely serve their own communities. Moreover, even when cities propose an innovative solution, it does not appear to be taken seriously unless it can be applied County-wide.

#### ***Examples***

Specific examples demonstrating the lack of locally-available funding are as follows:

- **Burdensome Funding Requirements:** When funding is provided, it comes with numerous restrictions. When cities received grants for the implementation of their homeless plans, the County placed restrictions on how the funding could be used and provided cities with little ability to reprogram funds. This left funding that could have supported PEH unused because cities could not use the funds as originally intended but also could not reprogram it. Funding also cannot be used for law enforcement, even if the funding is not used for enforcement activities. Funding also has program standards which small cities are not equipped to provide, such as retaining Licensed Clinical Social Worker (LCSW) level staff. This is especially problematic given that many small cities cannot support enough city staffing to adequately address homelessness issues. Finally, LAHSA appears to apply Federal restrictions to the Measure H, locally-generated funds. These overly-burdensome requirements do not increase the transparency or effectiveness of the use of funds - they merely increase the time and capacity required by cities and LAHSA to administer and implement the funds.

- **Prohibition on Funding for Law Enforcement Implementation:** In some communities, police or fire departments are the first responders to PEH in their communities and, as such, lead cities' homeless response efforts. With limited resources, cities must use the resources that they have in order to make an impact. Moreover, police officers are on the streets in their communities and often know their local homeless populations. However, with LAHSA's and the County's restrictions, cities that engage their law enforcement to implement homeless programs are precluded from many resources that could support their efforts to address homelessness. They do not have access to data; they have limited access to the county-wide resources that are intended to serve the whole County. Law enforcement has been prevented from communicating directly with the SPA 3 outreach coordinator, even though a strong prior relationship existed. While partnerships with LAHSA's Homeless Engagement Teams (HET) have been made, these teams don't have the resources to adequately communicate and build partnerships with each city. Departments have specialized staff and trained mental health personnel that respond to the homeless within their communities and help to place PEH into housing. For example, in Monterey Park, where the Police Department leads homeless outreach efforts and where several Project Roomkey sites were located, officers were able to house several individuals in temporary Project Roomkey housing. Monterey Park officers worked closely with their assigned County Mental Health team to provide mental health services to those PEH in need.

With LAHSA's and the County's restrictions, cities that engage their law enforcement to implement homeless programs are precluded from many resources that could support their efforts to address homelessness. These blanket determinations prohibiting engagement with law enforcement have hampered efforts to address homelessness in those communities. PEH would be better served by improving coordination and identifying opportunities to fund those innovative and unique programs, even if they fall within law enforcement agencies. In the longer-term, PEH would also be well-served by efforts to develop and implement a mental health-first response, rather than enforcement, first response. The SGVCOG is currently undertaking an effort to incorporate these services on a regional level. However, even as this effort advances, law enforcement will play a role and, to most effectively provide services to PEH, they should be provided with access to the data and services to do so effectively.

***Key Cause: Lack of Understanding of Cities***

The 30 independent cities in the San Gabriel Valley - and an additional 54 other independent cities also in the LA Continuum of Care - are each unique, and operate differently from the City and County of Los Angeles. Cities have unique and diverse stakeholders and different programs, procedures, and policies to serve these stakeholders. LAHSA does not appear to understand this diversity or to value the diversity and information that cities do bring to the table. As discussed previously, cities have an intimate knowledge of their communities, as well as their homeless populations. The overall homeless services system would benefit greatly if LAHSA made a more concerted effort to understand the diversity of individual cities and worked with them to support more localized homelessness programs, rather than try to apply a one-size-fits-all approach across the entire County.

City government is the most effective level of government where residents, service providers, faith communities, businesses, and non-profit organizations can work together to develop solutions that work best for their communities. Acknowledging this fact would allow for more opportunities to identify and implement unique solutions.

### **Poor Communication and Lack of Transparency**

As alluded to previously, there is poor communication between LAHSA, the County, and cities. Cities have no centralized point of contact at LAHSA, nor do they have access to appropriate contacts that can answer questions about programs, respond to concerns, and provide data about PEH served in their communities. Further complicating these issues is that cities often interact with LAHSA in both its capacity as an administrator of funding and as a direct service provider through its outreach teams.

When cities are able to find appropriate contacts, it can be difficult to get clear and concise direction from LAHSA and the County. At times, staff receive different answers from different people, creating confusion and making program implementation more difficult. It often seems that information is being withheld from cities, creating the appearance of a lack of transparency.

### ***Examples***

Specific examples of this lack of communication and transparency are as follows:

- **Data Sharing:** HMIS is the critical component of data sharing in the County's homeless services system. However, staff are often denied access. In some instances, HMIS access is denied because city staff are members of law enforcement, or, in some cases, simply work closely with law enforcement. Cities are working to use HMIS as a part of an effort to better coordinate their services with the broader system, to share knowledge of individual clients' whereabouts, and to better target city resources and avoid duplication. Without HMIS access, cities are hindered from embracing the principles of the Coordinated Entry System (CES) - intended to be a no-wrong door, county-wide system - while at the same time being encouraged to follow the CES process. It has led to numerous instances of cities working with a particular person experiencing homelessness, only to learn later that they had a case manager elsewhere actively looking for them, or that a service provider was working with someone actively receiving services from a city program. Alternatively, when clients working with a city are later connected to services, their new provider does not have the context which could have been already entered into HMIS. Though cities attempt to facilitate information sharing through individual communications, this is much less efficient or effective. There likely are legitimate issues related to privacy; however, LAHSA has not partnered with cities to attempt to overcome these issues. With genuine collaboration and communication, LAHSA could learn from other contexts in which cities or law enforcement have access to sensitive information and apply these best practices to HMIS and other data.

Without full access to data and information-sharing systems, work done by cities or smaller community based providers (either separately or in coordination with cities) is not effectively coordinated within the system. As a result, services remain fractured. Even as new initiatives, such as Housing Central Command, aim to unify diverse resources, smaller

cities or independent public housing authorities are not included. The need for improved communication is especially critical when cities are impacted by homelessness in areas outside of their jurisdiction. Cities have few options related to homelessness in County parks or Caltrans property within or near their borders, or in unincorporated County which borders the city, and which may not even be in the same SPA.

- **Undermining Public Support for and Success of Measure H:** Beyond the impact on PEH, these problems jeopardize the success of Measure H and challenge the goodwill of residents that want to see progress in addressing homeless in their communities. San Gabriel Valley cities receive numerous complaints regarding the lack of progress made surrounding homelessness, despite the promises of Measure H. Cities, shut off from influencing the services delivery system, cannot assist in a meaningful way. Cities that do not have their own housing navigators - funded using separate funding - or existing relationships with CES providers or outreach teams can only themselves access services for their homeless residents by using the Homeless Outreach Portal (LA-HOP), which can only commit to a response within days. Alternatively, cities can direct their residents to use the same process to request services. If and when an outreach team arrives days later - at which time the PEH may or may not still be there in need of services - nothing appears to change. Then, when programs like Project Roomkey are launched in a community and are not preceded by community engagement, city staff and elected officials are the ones responsible for addressing community complaints. Because they are provided information - and are not in control of the programs, they have little to offer. Community members who wish to serve their homeless neighbors have comparatively few options to get involved. This sours future support in communities for any measure to extend homeless services funding, putting in jeopardy the future of Measure H, as well as the system we have all worked so hard to build.

***Key Cause: Lack of Trust***

It appears that LAHSA and the County do not trust the cities' partnership in addressing homelessness. They do not appear to trust cities' ability to develop and administer programs responsibly, nor do they appear to trust cities to appropriately use the data to serve their homeless populations. LAHSA and the County have focused on creating an overarching system and establishing best practices but have not actively involved the cities in this process. As a result, an understanding of local context and situation is not included.

Our cities truly are willing partners in the fight against homelessness and having more communication with and trust in cities to develop and implement programs that are responsive to the local communities will lead to a stronger system. Currently, nonexistent and/or slow communication prevents the timely resolution of problems, creates confusion, and, ultimately makes program implementation more difficult. It undermines the intended approach of CES and the County homeless system to have a no-wrong door approach and ensure that PEH receive services as quickly and efficiently as possible.

Cities have developed - and want to continue to develop - their own programs that serve their communities, and they want these programs to be recognized as legitimate components of the County's homeless services system.



## **POTENTIAL SOLUTIONS**

The SGVCOG believes there are multiple alternatives that would address the issues discussed in detail in the previous section. The SGVCOG believes these alternatives would strengthen the County’s overall homeless services delivery system. These alternatives would be more responsive to the partners in small cities around the County and allow for more robust collaboration and coordination between all partners participating in the fight to end homelessness in LA County.

Our proposed solutions include both recommendations to improve the system at a high level as well as smaller-scale adjustments to be made concurrently. All fall into one of the following categories:

- Increasing Representation Within the Current System
- More Autonomy Within the Current System
- Additional Improvements to the Current System
- Independent Control

Our hope is that it will be possible to resolve the issues identified without necessitating a wholesale overhaul of the current system or the creation of new entities. We believe that starting from scratch in that way is only in the best interest of all involved if sufficient alternatives cannot be agreed upon. To that end, it is our intent to advocate for the options in the “Independent Control” category after first attempting to find an agreeable resolution to our concerns from among the other categories.

and help to facilitate a collaborative, in-depth process to determine which would be most mutually beneficial at the current time.

### **Increasing Representation Within the Current System**

#### ***Recommendation 1a: Increase Representation and Seats on the LAHSA Commission***

The SGVCOG believes that, within the current system, there must be increased representation for jurisdictions besides the City and County of Los Angeles. Seats should be added to the LAHSA Commission, to provide a voice to and increase knowledge of other areas of the region and smaller cities.

The SGVCOG proposes that jurisdictions other than the City of Los Angeles and the County of Los Angeles should have representation that is equal to that of the City and the County. Four potential approaches are summarized in Table 1, below.

| <b>Model</b>   | <b>Representation Structure</b>  |
|--|--|
| Los Angeles County Metropolitan Transportation Authority (Metro) board | <ul style="list-style-type: none"><li>● 5 seats for the City of Los Angeles</li><li>● 5 seats for the County of Los Angeles</li><li>● 5 seats selected by the City Selection Committee</li></ul> |

|  |  |
|--|--|
| <p>Add Service Planning Area (SPA) Based Representation</p>  | <ul style="list-style-type: none"> <li>● 5 seats for the City of Los Angeles</li> <li>● 5 seats for the County of Los Angeles</li> <li>● 5 seats allocated to all 8 SPAs according to their population, excluding portions in the City of Los Angeles and unincorporated County. That could be divided potentially as follows: <ul style="list-style-type: none"> <li>● SPAs 1 and 2 (Combined) (approx. 1.3 million people)</li> <li>● SPA 3 (approx. 2 million people)</li> <li>● SPAs 4 and 5 (Combined) (approx. 550,000 people)</li> <li>● SPA 7 (approx. 2 million people)</li> <li>● SPAs 6 and 8 (Combined) (approx. 1.8 million people)</li> </ul> </li> </ul>  |
| <p>Add Council of Government (COG) Based Representation</p>  | <ul style="list-style-type: none"> <li>● 5 seats for the City of Los Angeles</li> <li>● 5 seats for the County of Los Angeles</li> <li>● 5 seats allocated to COGs according to their population, excluding portions in the City of Los Angeles and unincorporated County. That could be divided potentially as follows: <ul style="list-style-type: none"> <li>● San Gabriel Valley COG (approx. 2 million people)</li> <li>● Gateway Cities COG (approx. 2 million people)</li> <li>● South Bay Cities COG (approx. 1.3 million people)</li> <li>● Westside Cities COG and the Las Virgenes/Malibu COG (Combined) (approx. 500,000 people)</li> <li>● San Fernando COG, Arroyo Verdugo COG, and North Los Angeles County COG (Combined) (approx. 1.35 million people)</li> </ul> </li> </ul> |
| <p>King County (Seattle) Regional Homelessness Authority</p> | <ul style="list-style-type: none"> <li>● A Governing Committee <ul style="list-style-type: none"> <li>● One seat for the Mayor of Los Angeles, three seats for LA Councilmembers</li> <li>● Five seats for the Supervisors</li> <li>● Five seats for elected officials representing the other 87 cities</li> <li>● Two seats representing people with lived experience with homelessness</li> </ul> </li> <li>● An Implementation Board of twelve members with specialized skills and experience appointed by the County, the City of Los Angeles and the smaller cities in the County.</li> </ul>   |

**Table 1.**  
**Summary of Possible Governance Structures.**

Many problems identified stem from the fact that LAHSA does not represent the other 87 cities in LA County, and behaves accordingly. While this solution does not solve other specific problems immediately, it allows for appropriate representation to ensure issues in all categories can be addressed over time. It takes the existing structure and improves it incrementally, preventing the disruption associated with building out a new system. Because small cities would have direct authority within the LAHSA structure, LAHSA staff would start to appropriately prioritize their needs, and those cities would have advocates within LAHSA they could call upon as specific situations arise. It also would provide cities with trusted insight into how decisions are being made.

*Issue(s) Addressed*

- Lack of Collaborative Relationship with Smaller Cities
- Lack of Funding for Locally-Based and Supported Initiatives and Programs
- Poor Communication and Lack of Transparency.

*Key Considerations*

We recommend an option that provides representation directly to COGs or SPAs, so that the representatives can be more fully accountable to the diverse interests of cities within those regions, rather than only the city they represent. If such alternatives are chosen, the portions of each COG or SPA which are composed of the City of Los Angeles or unincorporated County should not be considered for population weighting purposes, and those entities should recuse themselves from the selection of representatives. Otherwise, this will continue to provide them with disproportionate influence over the homeless services system. Where a seat is to be shared by multiple COG's or SPA's, they could be provided with the option of jointly selecting their representative or rotating who makes the selection. Additionally, policies would need to be created surrounding cities which are not members of any COG or are members of multiple COG's.

This change must still be accompanied by a shift in perspective by LAHSA to view cities and their commissioners as full partners and to endeavor to understand how cities function. Because small cities would not be able to collectively enact any change on their own even with five votes, cities would need to feel assured that the voices of their new commissioners would be listened to.

***Recommendation 1b: Increase Small City Representation on Stakeholder Groups***

A commitment from LAHSA and the County to provide seats dedicated to small cities on advisory bodies, ad hoc committees, and/or stakeholder groups whenever they are formed. This will allow for important, otherwise overlooked considerations to be raised from the beginning and provide cities with influence in more areas.

*Issue(s) Addressed*

- Lack of Collaborative Relationship with Smaller Cities

*Key Considerations*

A thoughtful process would need to be developed to determine which entities select these representatives. Those selected would need to bring the perspective of small cities as a group, but it is also necessary for each region to advocate for their distinct needs. Whenever possible, representation from multiple areas should be provided. We also recommend adding additional seats to such bodies for people with lived experience with homelessness.

## **More Autonomy Within the Current System**

### ***Recommendation 2a: Modify LAHSA's Mission to Acknowledge its Services to All Cities***

Modifications to LAHSA's mission to specify that it represents and services all 88 cities, and to clarify responsibilities and provide more of them to the cities. This would include, for example, committing to always consult cities for input on siting locations and developing overall strategy in each area. By including the need to be accountable to smaller cities in its mission, LAHSA staff would better grasp the importance of understanding the priorities and structures of cities. By requiring early input from cities on matters which affect them, strategies will be better tailored to local needs and foreseeable problems can be averted.

#### *Issue(s) Addressed*

- Lack of Collaborative Relationship with Smaller Cities

#### *Key Considerations*

Modifications to written policy must be accompanied by good faith collaboration. Because any outline of responsibilities will not be able to capture all circumstances, it will be important to develop strong relationships and active lines of communication to address each new situation.

### ***Recommendation 2b: Incorporate City Input into Program Design***

Cities should be provided the opportunity to have input in program design and on the development of Requests for Proposals (RFP's) and Scopes of Required Services, as well as a process to request exemptions from certain requirements. This should also include public funding related to homelessness administered through any other agency. This would allow for the removal of barriers to small cities or small providers being awarded funding through the LAHSA RFP process or otherwise. These changes could include, but not be limited to:

- Allowing for programs to target a catchment area approved by the cities but smaller than the whole SPA.
- Removing requirements related to having Licensed Clinical Social Worker level staff.
- Removing prohibitions on funding law enforcement.

This would better facilitate cities being directly awarded funding and to support smaller scale programs by trusted community providers. Both groups are sometimes unable to meet the program requirements LAHSA requires, unreasonably restricting funding to larger social services providers with the expansive infrastructure necessary. It would allow cities who operate their local homeless services through or in close coordination with their police departments to continue these programs, taking advantage of the knowledge they have of their communities.

While homelessness is a regional issue, the SPA is too broad a catchment area for programs in a region as large and diverse as the San Gabriel Valley. This requirement prevents PEH from receiving services in their community. For many in our region, this may mean separation from those who speak their language or from foods from their community or origin, undermining goals related to cultural competency. Our communities may be understanding of serving some PEH from neighboring cities, but requiring the acceptance of referrals from the entire SPA serves neither housed nor unhoused residents of the San Gabriel Valley. Allowing cities to collaboratively determine a local catchment area of 2-5 cities solves these problems while allowing for flexibility.

*Issue(s) Addressed*

- Lack of Funding for Locally-Based and Supported Initiatives and Programs

*Key Considerations*

This process would need to be ongoing and allow for flexibility as new programs are designed or new problems are identified.

***Recommendation 2c: Create No-Wrong Door Communication Approach with Cities***

LAHSA and the County should provide a “no wrong door” style central point of contact for cities who would be empowered to determine answers to new, city-specific problems. LAHSA and the County would develop better, formal mechanisms within their own structures for engaging with cities as stakeholders and incorporating their input when making decisions.

This would solve a variety of issues related to a collaborative relationship and responsiveness to questions or needs. It would create a mechanism for solutions to novel problems to be developed in a timely manner. This point of contact could be tasked with ensuring there is always outreach to cities when a new program may be located in their jurisdiction.

*Issue(s) Addressed*

- Poor Communication and Lack of Transparency
- Lack of Collaborative Relationship with Smaller Cities

*Key Considerations*

A key element to this solution is that the contact would have the ability to prioritize these issues within LAHSA and facilitate decision making. Providing a single point of contact without this ability only solves a small portion of the problem.

***Recommendation 2d: Make Funding and Programming Decisions at the SPA-level***

Making funding and programming decisions at the SPA-level rather than Countywide. This could include distinct allocations of each Measure H strategy for each SPA and/or SPA specific RFP’s. This could resolve issues of a mismatch between the strategies for programs and funding determined for each sub-region at the County level and their actual needs.

*Issue(s) Addressed*

- Lack of Funding for Locally-Based and Supported Initiatives and Programs

*Key Considerations*

A thoughtful engagement of SPA level stakeholders would be needed to make these decisions.

***Recommendation 2e: Increase Measure H Allocations to Cities and COGs***

Increasing the Measure H allocation to cities and COGs, with a dedicated minimum funding level for each year.

Ensuring a consistent local return will bring Measure H more in line with other County sales tax measures. It would help to address a variety of concerns which were raised with respect to local

control and needs. Creating more city controlled programs allows for better responsiveness to community concerns and improves public perception about the impact made by Measure H.

*Issue(s) Addressed*

- Lack of Funding for Locally-Based and Supported Initiatives and Programs
- Lack of Collaborative Relationship with Smaller Cities

*Key Considerations*

The use of previous allocations of funding to COG's demonstrated their ability to use this funding effectively to create city-specific programs. By providing dedicated funding on an ongoing basis, it will become possible to create long-term programs.

***Recommendation 2f: Collect Input on the PIT Methodology from Cities Prior to Finalizing***

Providing an opportunity for input from each City on the data and methodology used to calculate their city level PIT count before it is finalized, as may be possible within HUD guidelines. This can include input on the correct multiplier to use for the number of individuals per car, tent, or makeshift structure, as well as ensuring the census includes a count of areas within each city with disproportionately high or low concentrations of unsheltered individuals.

This lowers the likelihood of an official overcount or undercount which is at odds with the observations of those who know the city well. It prevents fluctuations from year to year related more to how the count was conducted than changes in reality. It will allow for better data related to the geographic distribution of the homeless population within SPA 3 to inform program targeting decisions.

*Issue(s) Addressed*

- Lack of Collaborative Relationship with Smaller Cities

*Key Considerations*

Cities can provide valuable information about their homeless population both when planning for the PIT count and when functioning as a check against inaccurate data or conclusions afterwards.

**Additional Improvements to the Current System**

***Recommendation 3a: Increase Flexibility in Implementing Programs***

Increased flexibility in implementing programs. Overall, there should be more flexibility, whether through modifications to existing program types or the option of proposing new ones. This could include, for example, funding more, smaller programs rather than fewer, larger programs, or the funding of creative programs proposed by cities. LAHSA should not set minimum numbers of PEH to be served by proposed programs and should not restrict the number of providers to be awarded in each SPA. Program funding levels should be set to make smaller programs feasible. This would allow for more access centers, interim housing programs, winter shelters, safe parking sites, and rapid rehousing providers. Currently, the limited number of these programs in each SPA hinders program access by PEH, prevents access to funds by smaller providers, and leads to greater neighborhood pushback as compared to the same funds split across more programs.

This will allow for versions of programs which fit better into communities or otherwise better meet local needs. Using the same amount of funding for smaller programs allows for better geographic distribution, lowers neighborhood impact, and facilitates the participation of smaller providers. For example, in the 2020 Access Centers RFP, in which LAHSA added more funding overall to SPA 3 but did not increase the number of sites. The funding available would have been sufficient to fund two or three smaller programs capable of carrying out the full scope of required services. The current approach leaves most of the region without any nearby access center.

*Issue(s) Addressed*

- Lack of Funding for Locally-Based and Supported Initiatives and Programs

*Key Considerations*

This should be addressed both through the creation of the “menu” of programs available to be implemented, but also within RFP documents themselves. RFP’s should be less specific in mandating, for example, how many programs will be selected per SPA, and should state more generally goals programs must meet, allowing for some discretion in the proposal itself.

***Recommendation 3b: Allow Cities to Access HMIS***

Creating a streamlined way for cities to access HMIS, and collaborating to resolve any legitimate privacy concerns. LAHSA should provide a clear process for beginning HMIS participation, and standard policies related to privacy concerns cities are likely to face.

This will allow cities to participate in HMIS who do not currently do so either because of lack of a clear avenue to gain access, or because they are prohibited from doing so. Where privacy concerns must be addressed, a collaborative process could result in cities adopting the appropriate policies to resolve them.

*Issue(s) Addressed*

- Poor Communication and Lack of Transparency

*Key Considerations*

This should include a clear mechanism to produce city level data and reports to best take advantage of increased HMIS use.

***Recommendation 3c: Better Integrate Law Enforcement into Homeless Response***

Better incorporating homeless outreach within law enforcement. This could be based on the existing model operated by the Department of Mental Health (DMH) with local law enforcement. For example, Monterey Park has a DMH psychiatric social worker assigned to their police department. This person works in conjunction with their officers who focus on homeless outreach. This clinician has to follow the policies of the County related to privacy and program standards, but this individual is integrated with this local city team. LAHSA could utilize a similar model, assigning an outreach worker to each independent city or to groups of cities depending on their size and/or PIT count. This integration could better tailor outreach to specific community needs.

This will allow the homeless services system to take advantage of the knowledge local law enforcement has of their city. It will reduce fragmentation between the larger system and the work

currently taking place in cities who operate their homelessness programs through their police departments, especially as relates to individual PEH who interact with both.

*Issue(s) Addressed*

- Poor Communication and Lack of Transparency
- Lack of Collaborative Relationship with Smaller Cities

*Key Considerations*

The appropriate points of contact and areas for integration will vary by city depending on their law enforcement structure or methods of operating homeless services within their city.

***Recommendation 3d: Expand Participation in Housing Central Command***

Participation in Housing Central Command by smaller cities and independent public housing authorities (PHA's), once it expands beyond its pilot phase. This would better streamline the use of these entity's resources to address homelessness in their communities.

*Issue(s) Addressed*

- Poor Communication and Lack of Transparency

*Key Considerations*

PHA's have different policies and differing approaches to homelessness which may influence their relationship to Housing Central Command.

**Independent Control**

Should all attempts to reform or restructure LAHSA fail or be determined to be infeasible, the San Gabriel Valley could pursue the creation or expansion of an entity or entities independent of LAHSA to manage Measure H and other funding. This could include:

- Administration of the majority of funds and programs directly through the COG's
- Forming new homeless services authorities to serve each sub-region.
- Forming a new homeless services authority to serve the County minus the City of LA
- Administration of the majority of funds and programs directly through each city.

Such an entity or entities could, with the necessary approvals, join the Pasadena, Glendale, or Long Beach Continuums of Care (CoC) or create independent CoC's.

Managing funding independently would allow cities to solve all or most of the problems we have identified. Because such an overhaul comes with downsides in terms of disruption of the current system, we hope that these problems can be resolved through other means. However, we view these options as effective solutions to prioritize if other methods fail.

These smaller entities also may be better equipped to act as the fiscal agent to administer funds, as LAHSA struggles to do. Smaller entities could provide more timely payments to providers and cities and be responsive to fiscal questions.



*Issue(s) Addressed*

- Lack of Collaborative Relationship with Smaller Cities
- Lack of Funding for Locally-Based and Supported Initiatives and Programs
- Poor Communication and Lack of Transparency

*Key Considerations*

The governance structure of any new entity created would need to be thoughtful to ensure problems of representation are not duplicated and that the needs of all member cities are taken into account. Additionally, Measure H funding would need to be allocated to the respective entities proportionally, either by PIT count, population, or amount of sales taxes collected within their borders. The costs associated with these options should be borne by new or existing County funding.

| <b>Recommendation</b>   | <b>Collaboration with Smaller Cities</b> | <b>Funding for Local Programs</b> | <b>Communication and Transparency</b> |
|---|--|-----------------------------------|---------------------------------------|
| Additional LAHSA Commission seats for smaller cities  | X  | X                                 | X                                     |
| Dedicated seats for smaller cities on advisory bodies, ad hoc committees, and/or stakeholder groups.  | X  |                                   |                                       |
| Expansion/clarification of LAHSA’s mission and responsibilities to specify that it represents and serves all 88 cities.                         | X  |                                   |                                       |
| Formally incorporate cities’ input into program design, RFPS, and SOWS and allow cities to be exempted from certain RFP requirements            |  | X                                 |                                       |
| Provide a “no wrong door” style central point of contact for cities who would be empowered to determine answers to new, city-specific problems. | X  |                                   | X                                     |
| Making funding and programming decisions at the SPA-level rather than Countywide.   |  | X                                 |                                       |
| Increasing the Measure H allocation to cities and COG’s, with a dedicated minimum annual funding level.   | X  | X                                 |                                       |

|  |   |   |   |
|--|---|---|---|
| Providing an opportunity for input from each City on the data and methodology used to calculate their city level PIT count before it is finalized. | X |   |   |
| Increased flexibility in implementing programs.  |   | X |   |
| Streamline access for cities to HMIS, collaborating to resolve any legitimate privacy concerns.  |   |   | X |
| Better incorporating homeless outreach within law enforcement.   | X |   | X |
| Participation in Housing Central Command by smaller cities and independent public housing authorities.   |   |   | X |
| The selection of an entity or entities independent of LAHSA to manage Measure H and other funding.   | X | X | X |

**Table 2.  
Summary of Proposed Recommendations.**

## **DEMONSTRATING COMMITMENT TO QUALITY PROGRAMS AND SERVICES**

The San Gabriel Valley is committed to continuing to pursue philosophies which lead to quality programs and services and align with nationally recognized best practices. Our existing practices and plans demonstrate this, and we intend to deepen our commitment to them as our work expands. This demonstrates that funding will be used effectively as the San Gabriel Valley is provided with more autonomy as our recommended solutions are put into effect. While this may look different depending on the level of autonomy provided, these principles will guide the work to combat homelessness in the San Gabriel Valley regardless.

### **Pursuing Best Practices**

All programs in the San Gabriel Valley will follow nationally and regionally recognized best practices, such as those mandated by HUD or recommended by the National Alliance to End Homelessness. These include, but are not limited to, Housing First, Harm Reduction, Trauma-informed Care, Cultural Competency, and a focus on equity, including racial equity and a distribution of funds and services among subpopulations.

Our programs will be operated in accordance with program standards, facilities standards, and performance targets substantially similar to those currently in use by LAHSA. They will follow best practices in terms of caseload ratios and the use of interventions such as motivational interviewing. With respect to unsheltered homelessness in our communities, cities will follow a public health approach which prioritizes services over enforcement as recommended by LAHSA's Principles and Practices for Local Responses to Unsheltered Homelessness. PEH served in our communities will benefit from non-discrimination, equal access, and grievance policies similar to those currently in use. Overall, funds which cities or the COG control will be put to use according to the Measure H strategies.

In order to support the implementation of these philosophies, staff at individual cities who focus on homelessness will provide education on the importance of these best practices to their city councils, particularly to councilmembers who may sit on the LAHSA commission or other boards which oversee homeless services.

### **CES Participation and Regional Services**

Programs in the San Gabriel Valley will participate in the Coordinated Entry System and operate from a regional perspective. Our work will continue to prioritize administering the VI-SPDAT in all programs and entering all participants into CES. City or COG funded programs will require collaboration with CES providers through case conferencing and other venues. Any permanent housing we control will be allocated according to LA County CES prioritization policies. Our programs will participate in HMIS and use it to the fullest extent possible. The only exception to this would be where prohibited by LAHSA, as outlined in the "problems" section of this paper.

Site based programs, such as interim housing, will be structured to serve a portion of the region. Many of our cities already address homelessness in cohorts of neighboring cities. As locally-controlled homelessness programming expands, the remaining cities can form themselves into self-selected cohorts of two to five cities each. These cohorts will form the basis of the catchment

area that each site based program would serve, rather than the entire SPA, and eligibility criteria would include having contact with an outreach team while in that area or otherwise having ties to a member city. In this way, local programs will have a regional approach while serving PEH from the communities where the sites are located.

### **Use of Local Resources and Control**

Our communities commit to using local resources and control to effectively expand the homeless services delivery system. Once the above-mentioned cohorts of cities are formed, we will work to site interim housing beds in each one. By doing so, interim housing options will be available to PEH anywhere in the SPA, resolving a key limitation of this approach. The number of beds within each catchment area will be in accordance with targets to be determined at a later time, for example, 10% of each area's PIT count.

It will be important for member cities to maintain a level of control over beds in their catchment area. This could include the targeting of specific encampments, the use of preference lists, or a set-aside of beds to be filled specifically by city referral. This will not preclude the integration of interim housing into CES, such as by using eligibility criteria related to acuity or housing match status.

Our communities will also support the siting of permanent supportive housing within our communities. We will prioritize using surplus land for homeless services and affordable housing and are actively working to identify parcels for this purpose. We will also prioritize leveraging funding such as CDBG and the Regional Housing Trust to support regional goals.



December \_\_, 2020

Los Angeles County Board of Supervisors  
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Los Angeles, CA 90012

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**RE: STRUCTURE AND FUNCTION OF LAHSA**

In our letter to you on October 14, the San Gabriel Valley Council of Governments (SGVCOG) supported the County’s leadership in reexamining LAHSA’s structure and function.

We want to urgently reiterate that support -- and urge the County to collaborate with LAHSA’s Ad Hoc Committee on Governance to develop a consensus approach to restructuring.

It has been clear for some time that the current structure cannot meet the moment. The SGVCOG’s working group on LAHSA restructuring has identified significant liabilities that directly impact service delivery to people experiencing homelessness. These include lack of clarity on the role and mission of LAHSA; an absence of a collaborative relationship with smaller cities and a lack of funding for locally based and supported initiatives and programs; as well as poor communication and opaque decision-making.

The preliminary findings from the LAHSA’s Ad Hoc Committee’s consultant bear out that those concerns are shared countywide, including:

- Unclear what the common vision is among partners – not rowing in the same direction.
- No single entity is clearly in charge of homelessness in LA; LAHSA answers to too many “bosses”.
  - LAHSA’s authority does not match its level of responsibility.
  - Those in control of LAHSA’s funds are not always in agreement.
  - Leaves the door open for disruption from other sources (i.e., current lawsuit, elected official subregional priorities).
  - Lack of role clarity for various governing bodies . . . (that) leads to a lack of/unclear accountability.
  - Creates fragmentation/lack of trust throughout the system.
  - Collective impact is difficult to achieve.
- Commission membership challenges: does not include City Council, no job descriptions or characteristics for elected officials to use when appointing commissioners.
  - Need balance between expertise and political acumen.
  - Accountability for and by elected leadership.

The LAHSA consultant also identified the lack of representation and direct participation by the 87 cities outside of the City of Los Angeles who represent 60% of the population of the

**MEMBERS**

*Alhambra*

*Arcadia*

*Azusa*

*Baldwin Park*

*Bradbury*

*Claremont*

*Covina*

*Diamond Bar*

*Duarte*

*El Monte*

*Glendora*

*Industry*

*Irwindale*

*La Cañada Flintridge*

*La Puente*

*La Verne*

*Monrovia*

*Montebello*

*Monterey Park*

*Pomona*

*Rosemead*

*San Dimas*

*San Gabriel*

*San Marino*

*Sierra Madre*

*South El Monte*

*South Pasadena*

*Temple City*

*Walnut*

*West Covina*

*First District, LA County  
Unincorporated Communities*

*Fourth District, LA County  
Unincorporated Communities*

*Fifth District, LA County  
Unincorporated Communities*

*SGV Water Districts*

County. There is no “one size fits all” approach to homelessness in LA County and strategies must be tailored to the unique needs and resources of diverse populations and communities.

The cities of the San Gabriel Valley truly are actively engaged in the fight against homelessness. We bring our own resources to the table, with three independent public housing authorities, three cities receiving ESG funding directly, a regional housing trust, and recent State funding towards homeless services administered through the SGVCOG. We ask to be included in this discussion to ensure that LAHSA can best take advantage of these critical partnerships and resources. We believe that solving these problems will strengthen the homeless services system.

We have not yet received a reply to our earlier request for a broadened opportunity to participate in the discussions on the future structure of LAHSA and a coordinated approach to tackling homelessness in our County.

We hope that the 31 cities of the San Gabriel Valley can actively work with the County and LAHSA to develop a workable shared approach to mission and governance for ending homelessness. We believe all the cities in the County should have the same opportunity to best forge effective solutions to this growing crisis.

We look forward to your response and to a successful collaborative effort!

Sincerely,



Marisa Creter  
Executive Director  
San Gabriel Valley Council of Governments

# REPORT

DATE: December 7, 2020

TO: Executive Committee

FROM: Marisa Creter, Executive Director

**RE: 2021 STATE HOUSING LEGISLATIVE PRIORITIES**

## **RECOMMENDED ACTION**

Recommend the Governing Board adopt state housing legislative priorities consisting of two main objectives:

- (1) Oppose legislation which allows multifamily housing in single-family zones unless the following amendments are included:
  - a. Local jurisdictions must first determine that existing and planned infrastructure and public services are sufficient to sustain new housing and new residents, including, but not limited to, sewers, water systems, transit, roads, parks and open space, EV charging, public schools and public safety services. This local government finding would be consistent with new state Accessory Dwelling Unit (ADU) law.
  - b. Grant local jurisdictions RHNA credit similar in practice to new state ADU law.
  - c. Provide state financial support to help cities meet their RHNA targets for affordable housing where multifamily units are permitted.
  - d. Exempt historic districts and properties.
  - e. Prohibit land speculation based on lot splits that do not result in the construction of new affordable housing.
  - f. Require access for police, fire, and other public safety vehicles and equipment.
  - g. Uphold local residential parking requirements.
  - h. Exempt very high fire severity zones.
  - i. Prohibit ministerial approval of ADUs in new multifamily unit areas; and
- (2) Support legislation (including federal legislation) to provide incentives and grant funding intended to encourage housing production and particularly affordable housing development.

## **BACKGROUND**

The SGVCOG Governing Board annually adopts a legislative platform consistent with the Strategic Plan and upon recommendation of the various policy committees. The Governing Board this year asked the Executive Committee to consider recommended actions relating to housing policy and specific legislation. An Executive Committee working group advised by city managers, SGVCOG staff and our Sacramento lobbyist developed these housing policy priorities. Senator Susan Rubio was also consulted in her role as a principal member of a Senate housing legislation working group and as author of SGVCOG-sponsored legislation establishing the San Gabriel Valley Regional Housing Trust (SGVRHT).

Numerous housing bills were introduced during the 2019-2020 legislative session in response to the statewide housing shortage, but most bills failed by the conclusion of the session in September.

Several nearly passed bills are likely to be reintroduced in the next two-year session, which convenes on December 7.

### **Oppose and Seek Amendments to Legislation that Would Curtail Local Control**

The SGVCOG supports the principle that land use planning and zoning authority should remain vested with locally elected officials most directly accountable to their communities. Absent local planning, unrestrained development of multifamily housing in single-family or nonresidential zones could overwhelm infrastructure, strain public services and drive land speculation without necessarily increasing the supply of affordable housing and could adversely impact homeownership in minority communities. In addition, California law since 1969 has required local governments to plan and rezone for affordable to market-rate housing through the Regional Housing Need Allocation (RHNA) process. Current legislation should not override and instead should support ongoing housing element update efforts.

#### **Position:**

- Oppose legislation that requires ministerial approval of multi-family housing developments and lot splits in single-family (R-1) zones unless the following amendments are included:

#### Amendments:

- A. Local jurisdictions must first determine that existing and planned infrastructure and public services are sufficient to sustain new housing and new residents, including, but not limited to, sewers, water systems, transit, roads, parks and open space, EV charging, public schools and public safety services. This local government finding would be consistent with new state Accessory Dwelling Unit (ADU) law<sup>1</sup>.
- B. Grant local jurisdictions RHNA credit similar in practice to new state ADU law<sup>2</sup>.
- C. Provide state financial support to help cities meet their RHNA targets for affordable housing where multifamily units are permitted.
- D. Exempt historic districts and properties.
- E. Prohibit land speculation based on lot splits that do not result in the construction of new affordable housing.
- F. Require access for police, fire, and other public safety vehicles and equipment.
- G. Uphold local residential parking requirements.
- H. Exempt very high fire severity zones.
- I. Prohibit ministerial approval of ADUs in new multifamily unit areas.

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<sup>1</sup> Govt Code Section 65852.2. subd. (a) (1) A local agency may, by ordinance, provide for the creation of accessory dwelling units in areas zoned to allow single-family or multifamily dwelling residential use. The ordinance shall do all of the following: (A) Designate areas within the jurisdiction of the local agency where accessory dwelling units may be permitted. The designation of areas may be based on the adequacy of water and sewer services and the impact of accessory dwelling units on traffic flow and public safety.

<sup>2</sup> Pursuant to Gov. Code § 65852.2 subd. (m) and section 65583.1, ADUs and JADUs may be utilized towards the Regional Housing Need Allocation and Annual Progress Report pursuant to Gov. Code section 65400.




## **Support Incentives and Grants**


SGVCOG supports state incentives and new grant programs to help plan, zone for and fund housing production, particularly affordable housing. For instance, the SGVCOG has supported legislation to provide state funding to the Local Housing Trust Fund (LHTF) Matching Grant Program administered by the state Housing and Community Development Department. The SGVRHT is currently seeking LHTF funding to help fund construction next year of 125 units of affordable housing in the San Gabriel Valley. SGVCOG has also sought to amend state law to permit direct grant funding, instead of pass-through funding, from the state Homeless Housing, Assistance and Prevention (HHAP) program<sup>3</sup> which is providing \$950 million through two rounds of funding.

### **Positions:**

- Make SGVCOG and/or SGVRHT eligible to receive direct funding from relevant state or federal housing grant or formula programs.
- Provide grants, bond funds, infrastructure financing plans, tax or other credits directed to affordable housing projects and programs, such as the Local Housing Trust Fund Matching Grant Program, which could fund projects sponsored by the SGVRHT and/or SGVCOG member cities. Amend eligibility or matching funds program provisions, as required, to increase the competitiveness of San Gabriel Valley-supported projects and programs.
- Provide state incentives to offset lost sales taxes if vacant commercial sites are rezoned by cities to permit housing or mixed-use developments.
- Help homeowners finance construction of Accessory Dwelling Units, particularly affordable units for very low, low-, or moderate-income households.

Adoption of the recommended positions will be communicated to Governor Newsom, the San Gabriel Valley's state legislative delegation and Majority and Minority Leadership in the Assembly and Senate and respective housing policy committees. SGVCOG staff will continue to coordinate legislative advocacy with the League of California Cities and its Los Angeles County Division as well as other Councils of Governments, SCAG and the California Contract Cities Association.

Prepared by:   
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Director of Government and Community Relations

Approved by:   
Marisa Creter  
Executive Director

<sup>3</sup> The HHAP program is established in Health and Safety Code, Chapter 6 (commencing with Section 50216). Direct funding distribution is restricted to cities with populations over 300,000, counties and continuums of care. However, SGVCOG is not recognized as providing homelessness services despite being duly "legally incorporated to provide local government services to its population" similar to a city or county, see Section 50216 (c).