

South Bay Cities Council of Governments Infrastructure Working Group Meeting Notes – November 18, 2015

Attendees: Rob Beste (Torrance); Stephanie Katsouleas (El Segundo); Alan Leung (Hawthorne); Andrew Brozyna (Hermosa Beach); Louis Atwell (Inglewood); Crystal Killian (Los Angeles); Tony Olmos (Manhattan Beach); Diana Reznik (Rancho Palos Verdes); Didar Khandker, Brad Lindahl & Ted Semaan (Redondo Beach); Craig Bilezerian & Steve Finton (Torrance); Josie Gutierrez & Andres Narvaez (LA County DPW); Marcy Hiratzka & Steve Lantz (SBCCOG); Alice Scott (California Infrastructure and Economic Development Bank); Alan Clelland (Iteris)

Chair Beste called the meeting to order at 12:09 pm.

I. **Self-Introductions and Approval of October 21, 2015 Minutes** (Attachment A) – Minutes were approved as presented.

II. Agency & Other Reports

- **SBCCOG** – Steve Lantz reported the following on behalf of Jacki Bacharach:
 - Los Angeles Councilman, Joe Buscaino, will be chairing the SBCCOG’s new Homeless Services Committee, which will meet quarterly. The PATH (People Assisting the Homeless) contract with the SBCCOG that is being funded equally by Supervisors Ridley-Thomas and Knabe probably will commence in February 2016.
 - The South Bay Cities Green Building Challenge has 34 participants; the SBCCOG is looking for additional businesses and property managers that are interested in participating (improving sustainability and energy efficiency, conserving water, and reducing waste.)
 - The LA County Board of Supervisors approved the funding of \$300,000 for an LA County Choice Aggregation feasibility study and created an LA County Community Choice Aggregation Task Force. Eleven cities have passed resolutions in order to have a seat on the task force, including Rolling Hills Estates. The County will pay for the city data; cities only need to submit authorization documentation. Data on municipal facilities are to commence in the summer or 2016.
 - State Treasurer, John Chiang, has confirmed his attendance as a speaker at the 2016 General Assembly on February 26, 2016.
 - The SBCCOG is taking a two-hour tour of the South Coast Air Quality Management District Operation Labs on Thursday, December 10. RSVPs may be sent to Jacki Bacharach.
 - Hasan Ikhmeta, Executive Director for SCAG, will be giving a workshop on the RTP/SCS at the SBCCOG office directly after the Steering Committee meeting on January 11, 2016. Elected officials and city staff are invited.
 - West Basin Municipal Water District will be giving a presentation on its Ocean Water Desalination Program at the November 19 SBCCOG Board meeting.
- **South Bay Traffic Forum, LA County DPW** – Andres Narvaez reported that the construction of the Gardena Traffic Management Center is complete with minor software issues pending. Two 2007 CFP awarded TSSP projects affecting eight South Bay cities have finished the design phase and will begin construction in 2016.
- **Caltrans** – Not present
- **L. A. Metro**
 - **Board Updates** – Steve Lantz reported that an organization called Investing in Place held a COG/Sub-regional Forum on November 16 regarding Los Angeles County transportation policy and the potential sales tax measure. The SBCCOG has not yet taken a position on the potential sales tax measure. The SBCCOG would also like to see modes of transportation that have not been eligible in previous transportation sales tax measures allowed in new sales tax measure (e.g.: complete streets). Additionally, the SBCCOG is opposing earmarking for projects within the sub-regional or local return elements of the measure and is advocating that 25% of the revenue from the measure be dedicated to local return, and that there be sub-regional programs similar to the SBHP.
 - **TAC and Streets & Freeway Subcommittee Updates** – Ted Semaan reported that the TAC is dark in December. At the November meeting Metro reported that a survey to capture lessons learned from the 2015 CFP process is planned to be underway in December. There is discussion of adding a ninth modal category into future Calls that would focus on multi-modal projects. Metro staff is forming a working group to address potential CFP restructuring. Steve Lantz added that the SBCCOG is advocating for the elimination of the traditional CFP and have Metro create a subvention program for sub-regional and local projects. Metro staff is opposed to this idea. Brad Lindahl reported that the next Streets & Freeways Subcommittee meeting will take place on November 20.

III. **Measure R Updates** –

- **SBHP Project Progress – Financial Risk Report** (Attachment B, Exhibits 1 & 2) – Steve Lantz listed the cities that are late in submitting either the latest monthly or quarterly reports. Marcy Hiratzka announced that she changed the format of the gantt chart so that notes are in the final column of the chart.
 - **Three-Month Look Ahead** (Attachment C) - Steve Lantz said that, starting in January, SBCCOG staff is going to be asking for the agencies' input on the SBHP Implementation Plan Update. The last update occurred in 2013.
- IV. **SBCCOG's Metro Measure R SBHP Budget Request** (Attachment D, Exhibits 1 & 2) – Steve Lantz explained that the attachment contains the final draft of the FY 16-17 Metro Budget Request, and that it would be submitted to the SBCCOG Board for approval on November 19. Once approved by the SBCCOG Board, it will be sent to Metro staff, which will present it to the Metro Board in spring 2016. Isidro Panuco, of Metro's Highway staff, was involved much earlier in the list development process this year, which was helpful. Cities that have requested new projects for FY 16-17 must have resolutions committing to their SBHP projects passed by their City Council by the end of December.
- V. **Project Spotlight: California Infrastructure and Economic Development Bank (IBank)** (Attachment E) – Alice Scott, Deputy Director of External Affairs of the IBank, explained that the IBank was founded in 1994 by the Legislature within the Governor's Office of Business and Economic Development. As the State's only general purpose financing authority, the IBank was created to finance a wide variety of public infrastructure and private and non-profit development. Ms. Scott described the four programs of the IBank and showed sample projects from each category:
- **Infrastructure State Revolving Fund Direct Loan Program:** funding is available in amounts ranging from \$50,000 to \$25,000,000+ with loan terms for the life of a project, up to 30-years. The target markets for this program include municipalities, universities, schools, hospitals, non-profits, JPAs, and special districts. Types of eligible projects include: Streets, Highways and Public Transit, Sewage and Solid Waste, Environmental Mitigation, Schools, Ports, Parks, Utilities, Public Safety, Commercial Facilities, Cultural/Social, Industrial, etc. Ms. Scott described the sources of repayment and rate methodology and suggested that interested parties call to be pre-approved before taking the time to complete an application. Loan officers refer projects to the IBank Board for final approval. Applications for this program are accepted throughout the year. Fact sheets about this program were distributed.
 - **CLEEN/SWEEP:** The California Lending for Energy and Environmental Needs (CLEEN) Center utilizes IBank's access to capital markets for clean energy, water-conserving, and energy efficiency projects and helps drive energy related projects for State and local governments through the Statewide Energy Efficiency Program (SWEEP). Funding is available in amounts ranging from \$500,000 to \$30,000,000+ with loan terms for the life of a project, up to 30-years. Target markets for this program include municipalities, special districts, and other state/local governmental entities. Types of eligible projects include: solar, energy generation/storage/distribution, EE retrofits, LED lighting, EV charging, advanced metering systems and data communication, demand response, HVAC, building envelope, and water conservation/treatment/distribution. The IBank will accept any "green" project, as long as it is not a "first-time" experimental project. Many funding recipients have used their subsequent energy savings to pay back the loans. The IBank is willing to lower the interest rate for green projects. Loans are generally below market rate. Financing may be via a combination of a direct loan from IBank or public market tax-exempt bonds. Fact sheets about this program were distributed.
 - **Bond Program:** The IBank offers several conduit bond options, all of which are low-cost and long-term: 501c3 Revenue Bond Program, Industrial Development Revenue Bond Program, Exempt Facility Revenue Bond Program, and Public Agency Revenue Bond Program. Bond recipients may also use IBank funds to refinance old debt. The IBank issues its own bonds.
 - **Small Business Loan Guarantee Program:** provides loans to small business that experience capital access barriers. Through this program, a small business can establish a favorable credit history with a lender and obtain access to future loans on its own, independent of the program. The IBank guarantees the loans to reduce the risk for financial institutions. Funding is available in amounts up to \$20,000. The Maximum Loan Guarantee Percentage is 80% of the loan value. Interest rates are negotiated between the lender and borrower. Types of eligible projects include: Business purposes such as expansion into new facilities, Purchase of equipment, New market development, Working capital, Lines of credit, Franchise fees, and New construction or renovation.

Steve Lantz asked if the Governor limits IBank expenditures and Ms. Scott said that when the IBank went to the bond market this year, it only received \$90M. Applicants may apply for multiple projects but the IBank wishes to spread the funds fairly, on a variety of project types. Steve Finton asked if applicants are asked to put up any collateral and Ms. Scott said that as long as the applicant can prove that it has a strong revenue stream with which to pay back the IBank (rate payer fees, enterprise funds) that will suffice.

- VI. **Adjournment** – Chair Beste adjourned the meeting at 1:17 pm until January 20, 2016. To include an item on the agenda, please email Marcy Hiratzka (marcy@southbaycities.org) by January 4, 2016.