



SOUTHERN CALIFORNIA  
ASSOCIATION OF GOVERNMENTS  
900 Wilshire Blvd., Ste. 1700  
Los Angeles, CA 90017  
T: (213) 236-1800  
www.scag.ca.gov

MEETING NO. 679

# REGIONAL COUNCIL

**Thursday, March 5, 2026**  
**11:45 a.m. – 1:45 p.m.**

**Members of the Public are Welcome to Attend  
In-Person & Remotely**

**To Attend In-Person:**

**SCAG Main Office - Regional Council Room**  
**900 Wilshire Blvd., Ste. 1700**  
**Los Angeles, CA 90017**

**To Attend and Participate on Your Computer:**

**<https://scag.zoom.us/j/83115565458>**

**To Attend and Participate by Phone:**

**Call-in Number: 1-669-900-6833**  
**Meeting ID: 831 1556 5458**

**To Watch or View Only:**

**<https://scag.ca.gov/scag-tv-livestream>**

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Community, Economic, &  
Human Development  
**David J. Shapiro, Calabasas**

Energy & Environment  
**Rick Denison, Yucca Valley**

Transportation  
**Mike T. Judge, Ventura County**  
Transportation Commission

**PUBLIC ADVISORY**

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Maggie Aguilar at (213) 630-1420 or via email at [aguilarm@scag.ca.gov](mailto:aguilarm@scag.ca.gov). Agendas & Minutes are also available at: <https://scag.ca.gov/meetings-leadership>.

SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation to participate in this meeting. SCAG is also committed to helping people with limited proficiency in the English language access the agency's essential public information and services. You can request such assistance by calling (213) 236-1895. We request at least 72 hours (three days) notice to provide reasonable accommodations and will make every effort to arrange for assistance as soon as possible.



## Instructions for Members of the Public Attending the Meeting

**Attend In-Person:** Go to the SCAG Main Office located at 900 Wilshire Blvd., Ste. 1700, Los Angeles, CA 90017. The meeting will take place in the Regional Council Meeting Room on the 17<sup>th</sup> floor starting at 11:45 a.m.

**Attend by Computer:** Click the following link: <https://scag.zoom.us/j/83115565458>. If Zoom is not already installed on your computer, click “Download & Run Zoom” on the launch page and press “Run” when prompted by your browser. If Zoom has previously been installed on your computer, please allow a few moments for the application to launch automatically. Select “Join Audio via Computer.” The virtual conference room will open. If you receive a message reading, “Please wait for the host to start this meeting,” simply remain in the room until the meeting begins.

**Attend by Phone:** Call **(669) 900-6833** to access the conference room. Given high call volumes recently experienced by Zoom, please continue dialing until you connect successfully. Enter the **Meeting ID:** 831 1556 5458, followed by #. Indicate that you are a participant by pressing # to continue. You will hear audio of the meeting in progress. Remain on the line if the meeting has not yet started.

## Instructions for Participating and Public Comments

**In Writing:** Written comments can be emailed to: [ePublicComment@scag.ca.gov](mailto:ePublicComment@scag.ca.gov). Written comments received by 5pm on **Wednesday, March 4, 2026**, will be transmitted to members of the legislative body and posted on SCAG’s website prior to the meeting. You are **not** required to submit public comments in writing or in advance of the meeting; this option is offered as a convenience should you desire not to provide comments in real time as described below. Written comments received after 5pm on Wednesday, March 4, 2026, will be announced and included as part of the official record of the meeting. Any writings or documents provided to a majority of this committee regarding any item on this agenda (other than writings legally exempt from public disclosure) are available at the Office of the Clerk, at 900 Wilshire Blvd., Suite 1700, Los Angeles, CA 90017 or by phone at (213) 630-1420, or email to [aguilarm@scag.ca.gov](mailto:aguilarm@scag.ca.gov).

**Remotely:** If participating in real time via Zoom or phone, please wait for the presiding officer to call the item for which you wish to speak and use the “raise hand” function on your computer or \*9 by phone and wait for SCAG staff to announce your name/phone number.

**In-Person:** If participating in-person, you are invited but not required, to fill out and present a Public Comment Card to the Clerk of the Board or other SCAG staff prior to speaking. It is helpful to indicate whether you wish to speak during the Public Comment Period (Matters Not on the Agenda) and/or on an item listed on the agenda.

## General Information for Public Comments

Verbal comments can be presented in real time during the meeting. Members of the public are allowed a total of 3 minutes for verbal comments. The presiding officer retains discretion to adjust time limits as necessary to ensure efficient and orderly conduct of the meeting, including equally reducing the time of all comments.

For purpose of providing public comment for items listed on the Consent Calendar, please indicate that you wish to speak when the Consent Calendar is called. Items listed on the Consent Calendar will be acted on with one motion and there will be no separate discussion of these items unless a member of the legislative body so requests, in which event, the item will be considered separately.

***In accordance with SCAG’s Regional Council Policy, Article VI, Section H and California Government Code Section 54957.9, if a SCAG meeting is “willfully interrupted” and the “orderly conduct of the meeting” becomes unfeasible, the presiding officer or the Chair of the legislative body may order the removal of the individuals who are disrupting the meeting.***



**RC - Regional Council**  
**Members – March 2026**

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- 2. Hon. Ray Marquez**  
1st Vice President, Chino Hills, RC District 10
- 3. Hon. Jenny Crosswhite**  
2nd Vice President, Santa Paula, RC District 47
- 4. Sup. Curt Hagman**  
Imm. Past President, San Bernardino County
- 5. Hon. Valerie Amezcua**  
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- 18. Hon. Rick Denison**  
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- 19. Hon. Jon Dumitru**  
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- 20. Ms. Lucy Dunn**  
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- 21. Hon. J. John Dutrey**  
Montclair, RC District 9
- 22. Hon. Keith Eich**  
La Cañada Flintridge, RC District 36
- 23. Hon. Shaunna Elias**  
Glendora, RC District 33
- 24. Hon. Margaret Finlay**  
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- 25. Hon. Claudia Frometa**  
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- 27. Hon. Gary Gardner**  
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- 28. Hon. William Go**  
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- 29. Hon. Michael Goodsell**  
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- 30. Hon. Jan C. Harnik**  
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- 33. Hon. Eunisses Hernandez**  
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  - 59. Hon. Curren Price**  
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  - 60. Hon. Nithya Raman**  
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  - 61. Hon. Daniel Ramos**  
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  - 66. Hon. Steve Sanchez**  
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  - 86. Hon. Frank A. Yokoyama**  
Cerritos, RC District 23



## REGIONAL COUNCIL AGENDA

Southern California Association of Governments  
900 Wilshire Boulevard, Suite 1700 – Regional Council Room  
Los Angeles, CA 90017  
**Thursday, March 5, 2026**  
**11:45 AM**

The Regional Council may consider and act upon any of the items on the agenda regardless of whether they are listed as Information or Action items.

### **CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

*(The Honorable Cindy Allen, President)*

### **PUBLIC COMMENT PERIOD (Matters Not on the Agenda)**

This is the time for public comments on any matter of interest within SCAG’s jurisdiction that is *not* listed on the agenda. For items listed on the agenda, public comments will be received when that item is considered. Although the committee may briefly respond to statements or questions, under state law, matters presented under this item cannot be discussed or acted upon at this time.

### **REVIEW AND PRIORITIZE AGENDA ITEMS**

#### **CHAIR’S REPORT**

- *The Honorable David J. Shapiro – Community, Economy, and Human Development Committee*
- *The Honorable Rick Denison – Energy and Environment Committee*
- *The Honorable Mike T. Judge – Transportation Committee*

#### **ACTION ITEM**

1. Approval of the Fiscal Year 2026-27 Draft Comprehensive Budget  
*(Cindy Giraldo, Chief Financial Officer, SCAG)*

PPG. 10

#### **RECOMMENDED ACTION:**

That the Regional Council: 1) Approve the Fiscal Year 2026-27 Draft Comprehensive Budget in the amount of \$269,189,485; 2) Authorize the release of the FY 2026-27 Draft Overall Work Program (OWP) to initiate the 30-day public comment period; and 3) Approve the FY 2026-27 General Fund Budget and Membership Assessment and transmit to the General Assembly.

#### **CONSENT CALENDAR**

##### Approval Items

2. Minutes of the Meeting – February 5, 2026 PPG. 95
3. SCAG Participation in the 2026 CA Assembly Select Committee on Asia/California Trade and Investment Trade Delegation to Japan PPG. 112



4. Contracts \$500,000 or Greater: 26-043-C01, Go Human Safety Strategies PPG. 115
5. 2027 (Cycle 8) Active Transportation Program: Regional Guidelines PPG. 123
6. REAP 2.0 NOFA for Lasting Affordability Call 2 Funding Awards PPG. 146
7. Recommendation and Approval of Recommended Applicants for the Last Mile Freight Program (LMFP) Rebate Program PPG. 161
8. AB 2002 (Solache) – REAP 1.0 Codification Bill & Budget Request PPG. 170

### Receive and File

9. March 2026 State and Federal Legislative Update PPG. 180
10. REAP 2.0 Program Update PPG. 186
11. Purchase Orders, Contracts and Contract Amendments below Regional Council Approval Threshold PPG. 190
12. CFO Monthly Report PPG. 194

### **INFORMATION ITEM**

13. Resilience Resolution Update PPG. 196  
*(Elizabeth Carvajal, Deputy Director-Land Use, SCAG)*

### **BUSINESS REPORT**

- (Lucy Dunn, Ex-Officio Member, Business Representative)* PPG. 204

### **PRESIDENT'S REPORT**

*(The Honorable Cindy Allen, President)*

### **EXECUTIVE DIRECTOR'S REPORT**

*(Kome Ajise, Executive Director)*

### **FUTURE AGENDA ITEMS**

### **ANNOUNCEMENTS**

### **ADJOURNMENT**



# AGENDA ITEM 1

## REPORT

Southern California Association of Governments  
March 5, 2026

**To:** RC - Regional Council  
EAC - Executive Administration Committee  
**From:** Cindy Giraldo, Chief Financial Officer  
213-630-1413, giraldo@scag.ca.gov  
**Subject:** Approval of the Fiscal Year 2026-27 Draft Comprehensive Budget

EXECUTIVE DIRECTOR'S  
APPROVAL

### RECOMMENDED ACTION FOR EAC:

That the Executive/Administration Committee recommend that the Regional Council: 1) Approve the Fiscal Year 2026-27 Draft Comprehensive Budget in the amount of \$269,189,485; 2) Authorize the release of the FY 2026-27 Draft Overall Work Program (OWP) to initiate the 30-day public comment period; and 3) Approve the FY 2026-27 General Fund Budget and Membership Assessment and transmit to the General Assembly.

### RECOMMENDED ACTION FOR RC:

That the Regional Council: 1) Approve the Fiscal Year 2026-27 Draft Comprehensive Budget in the amount of \$269,189,485; 2) Authorize the release of the FY 2026-27 Draft Overall Work Program (OWP) to initiate the 30-day public comment period; and 3) Approve the FY 2026-27 General Fund Budget and Membership Assessment and transmit to the General Assembly.

### STRATEGIC PRIORITIES:

This item supports the following Strategic Priority 5: Secure and optimize diverse funding sources to support regional priorities.

### EXECUTIVE SUMMARY:

*SCAG's Bylaws require the adoption of an annual comprehensive budget. Additionally, SCAG is required by federal and state law to develop the Overall Work Program (OWP) and the Indirect Cost Budget each year. Staff has developed the FY 2026-27 Draft Comprehensive Budget, including the OWP, the General Fund Budget and Membership Assessment, the FTA Grant Budget, the TDA Budget, the Indirect Cost Budget, and the Fringe Benefits Budget. After the 30-day public comment period, the Final OWP will be submitted to the Regional Council for final approval on May 7, 2026. The General Fund Budget and the Membership Assessment will be forwarded to the General Assembly for approval on May 7, 2026. The proposed FY 2026-27 Draft Comprehensive Budget is \$269.19 million, which is \$200.44 million or 43% less than the FY 2025-26 Comprehensive Budget Amendment 2 of \$469.63 million.*

**BACKGROUND:**

Through SCAG, city and county governments throughout Southern California come together to develop solutions to common problems in transportation, housing, air quality, and other issues. To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

SCAG's primary responsibilities include the development of the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS); the Federal Transportation Improvement Program (FTIP); the annual OWP; and the transportation-related portions of local air quality management plans. Under the federal Clean Air Act, SCAG is responsible for determining if regional transportation plans and programs conform with applicable state air quality plans. SCAG's additional functions include the intergovernmental review of regionally significant development projects and the periodic preparation of a Regional Housing Needs Assessment (RHNA).

The proposed FY 2026-27 Draft Comprehensive Budget, including the OWP, meets SCAG's primary responsibility requirements and furthers the implementation of our long-range RTP/SCS, Connect SoCal. For the first time, as part of the most recently adopted Regional Transportation Plan/Sustainable Communities Strategy, Connect SoCal 2024, SCAG's leadership adopted a suite of Implementation Strategies to guide SCAG's efforts in supporting the plan's implementation. Many of these strategies also align and have been enhanced through work efforts in the OWP to address the transportation and planning priorities of the region leading up to the 2027 Super Bowl and 2028 Summer Olympics and Paralympic Games. In addition to pursuing these implementation strategies, the OWP includes data analysis and research to support development of Connect SoCal 2050 (2028 Regional Transportation Plan/Sustainable Communities Strategy).

The framework for developing the FY 2026-27 Draft Comprehensive Budget is SCAG's multi-year Strategic Plan that focuses on SCAG's vision and priorities and improves the organization and its operations. The FY 2026-27 Draft Comprehensive Budget supports Strategic Plan Priority #5 – Secure and optimize diverse funding sources to support regional priorities. All the work programs funded in the budget support at least one of the five Strategic Plan Priorities.

**DISCUSSION:**

The proposed FY 2026-27 Draft Comprehensive Budget is \$269.19 million. **Table 1** summarizes the funding sources included in the proposed FY 2026-27 Draft Comprehensive Budget in the amount of \$269.19 million. The proposed draft budget is 43% less than FY 2025-26 Comprehensive Budget Amendment 2.

This decrease is primarily due to lower carryover funding when compared to the FY 2025-26 budget. The reduction in carryover funding results from projects funded with various one-time grant funds

making progress toward completion, such as combined reductions of \$8.10 million in Carbon Reduction Program (CRP), Congestion Mitigation and Air Quality (CMAQ) Improvement Program, and Surface Transportation Block Grant (STBG) Program funds, reductions of \$40.33 million in Last Mile Freight Program (LMFP) suballocation and its in-kind match, \$139.38 million reduction in REAP 2021 funding, as well as combined reductions of \$6.33 million in various federal and state grants. Additional details are found in the **Funding Sources** section below.

The FY 2026-27 Funding Sources include \$2.04 million in over-recovered indirect costs and (\$0.55M) in under-recovered fringe benefits costs from FY 2024-25. Information on activities supported by the funding sources listed in **Table 1** is provided in the **Funding Sources** section of this staff report below.

<b>Table 1. FY 2026-27 Funding Sources</b>		
<b>FUNDING SOURCES</b>	<b>FY26 Amend A2</b>	<b>FY27 Draft</b>
<b>Recurring Funding Sources</b>		
FHWA PL - Metropolitan Planning	30,692,226	30,029,935
FTA 5303 - Metropolitan Planning	16,234,602	13,066,841
SB 1 - Sustainable Communities Formula Grants	9,669,199	7,094,960
TDA	8,338,036	12,145,763
General Fund	2,872,278	3,347,614
Congestion Mitigation and Air Quality (CMAQ) Improvement Program	7,319,831	6,282,232
Surface Transportation Block Grant (STBG) Program	8,692,792	7,610,225
<b>One-Time/Special Grants and Third-Party Contribution Funding Sources</b>		
FTA 5304 - Strategic Partnerships Transit	485,342	141,987
FHWA SPR - Strategic Partnerships	486,933	258,139
FHWA PL Olympics and Resilience Study	7,000,000	7,000,000
Safe Streets and Roads for All (FY23)	12,000,000	11,730,568
Safe Streets and Roads for All (FY24)	6,000,000	6,000,000
Carbon Reduction Program (CRP)	32,760,261	26,781,182
Last Mile Freight Program (LMFP) - Rebate Program (INVEST CLEAN)	51,500,000	51,155,903
Federal Other	4,881,306	1,716,290
State Other	4,539,841	1,375,000
SHA - Sustainable Communities Grants	284,918	200,000
Regional Early Action Planning (REAP) 2021 Grants	185,579,610	46,195,230
MSRC Last Mile Freight Program (LMFP) Grant	14,657,738	9,171,105
In-Kind Commitments	6,242,905	5,668,230
Cash/Local Other	55,977,518	20,728,419
<b>SUBTOTAL</b>	<b>466,215,336</b>	<b>267,699,623</b>
Fringe Benefits Carryforward	(654,923)	(551,244)
Indirect Cost Carryforward	3,249,895	2,041,106
<b>SUBTOTAL</b>	<b>2,594,972</b>	<b>1,489,862</b>
Indirect Cost Budget Change/Allocated Indirect Cost Change	823,628	-
<b>TOTAL FUNDING SOURCES</b>	<b>469,633,936</b>	<b>269,189,485</b>

## FUNDING SOURCES

The funding sources for all budget programs, including the OWP, FTA Grant, TDA, and General Fund, and the supported activities are highlighted as follows.

### A. Recurring Funding Sources:

Recurring funding sources include the federal and state transportation planning funding sources that are allocated by the California Department of Transportation (Caltrans) to SCAG annually on a formula basis. Also included in the recurring funding sources are Transportation Development Act (TDA) funding, which is allocated by the County Transportation Commissions (CTCs) in accordance with the State of California Public Utilities Code Section 99233.2, as well as the General Fund that is funded primarily by the membership dues collected from SCAG members agencies in accordance with the By-Laws. Detailed descriptions for each of the funding sources are as follows.

#### **FHWA PL and FTA 5303 Metropolitan Planning Formula Funds (\$43.10 million)**

The proposed FY 2026-27 OWP Budget includes \$43.10 million of FHWA PL and FTA 5303 metropolitan planning formula funds. Both funding sources are allocated to MPOs on an annual basis, and SCAG uses the funding to support the development of various transportation plans and transportation improvement programs.

#### **Sustainable Communities SB 1 Formula Grants (\$7.09 million)**

Sustainable Communities SB 1 Formula Grants are allocated via formula (consistent with the FHWA PL formula) to the MPOs. The SB 1 Grants support local and regional multimodal transportation and land use planning projects that further the region's RTP/SCS, contribute to the State's GHG reduction targets, and assist in achieving other State goals.

#### **TDA Funds (\$12.15 million)**

Approximately \$11.52 million of TDA funds is included in the FY 2026-27 OWP Budget and the funding supports consultant and staff-related costs for transportation planning activities. It is primarily used to fund staff and consultant activities for various projects. The remaining \$0.63 million is included outside of the FY 2026-27 OWP Budget and primarily supports SCAG's special events, such as the General Assembly.

#### **General Fund Budget and Membership Assessment Schedule (\$3.35 million)**

The proposed General Fund Budget is \$3.35 million. The General Fund Budget provides funding for the Regional Council and its Subcommittees for stipends and travel, General Assembly, and other expenditures that may not be eligible for grant reimbursement. The General Fund Budget and Membership Assessment will be submitted to the General Assembly for approval on May 7, 2026. The Membership Assessment is calculated in accordance with the SCAG bylaws, and the

membership dues have been adjusted by the recent year-over-year change in the Consumer Price Index, which is 3.0105%. The Membership Assessment also includes tribal governments; these dues were calculated following the process prescribed in the SCAG bylaws using population data from the U.S. Decennial Census and American Community Surveys when available. For the tribal governments of which population data was not readily available, staff recommend assessing a flat rate dues amount of \$150. Should the population data become available, the dues assessment may be recalculated. Additional details on the General Fund expenditures and the Membership Assessment Schedule can be found in the FY 2026-27 Draft Comprehensive Budget.

**Congestion Mitigation and Air Quality (CMAQ) Improvement Program (\$6.28 million), and Surface Transportation Block Grant (STBG) Program (\$7.61 million)**

The Surface Transportation Block Grant (STBG) program is a federal funding source that may be used for projects to preserve and improve the conditions and performance of highways, bridges, and public roads, pedestrian and bicycle infrastructure, and transit capital projects. The Congestion Mitigation and Air Quality (CMAQ) Improvement Program is a federal funding source for transportation projects and programs to reduce congestion and improve air quality for areas that do not meet the National Ambient Air Quality Standards for ozone, carbon monoxide, or particulate matter (nonattainment areas) and for former nonattainment areas that are now in compliance (maintenance areas). Roughly \$290 million in STBG and \$290 million in CMAQ funds for a combined amount of \$580 million annually is apportioned to the SCAG region. As of July 1, 2023, SCAG is responsible for the selection of STBG/CMAQ-funded projects in the SCAG region. SCAG reserves the right to set aside up to 2.5 percent of the annual obligational authority for CMAQ and STBG funds apportioned to the SCAG region to support regional planning priorities that are led by SCAG and/or in partnership with the County Transportation Commissions (CTCs). Use of the 2.5 percent funds is included in the annual SCAG Overall Work Program.

The FY 2026-27 budget includes an estimated funding carryover of \$12.4 million as well as new allocation of \$1.49 million for the existing 2028 Games TDM Initiation Plan and Implementation project. Some of these funds are still pending the grant agreement executions and/or the funding authorization by Caltrans.

**B. One-Time/Special Grants and Third-Party Contribution Funding Sources:**

One-Time/Special Grants include federal and state financial assistance awarded to SCAG through a formula or competitive grants process. These are one-time resources provided to SCAG for specific activities identified in the grant proposals and agreements. The One-Time/Special Grants funding sources support activities that augment existing projects or fund new innovative initiatives. Third-party contributions include in-kind commitments and cash received from SCAG's partner agencies as a match for recurring and grant fund sources for various transportation planning-related projects.

**FTA 5304 – Strategic Partnership Transit (\$0.14 million) and FHWA SPR – Strategic Partnerships (\$0.26 million)**

FTA 5304 and FHWA SPR funds local and regional multimodal transportation planning projects, in partnership with Caltrans of regional, interregional and statewide significance, that support achieving the Caltrans Mission and other State Goals. Caltrans awards these grants through an annual, competitive selection process. In FY 2025-26, Caltrans awarded \$1.0 million in total through its annual, competitive selection process to SCAG. The amounts included in FY 2026-27 budget represent the estimated carryover grant funding.

**FHWA PL Olympics Planning and Resiliency Study (\$7 million)**

On July 30, 2025, Caltrans awarded to SCAG \$7 million in FHWA PL funding to carry out Olympics Planning and Resiliency Study. This grant funding, totaling \$7 million, was programmed into the FY 2025-26 OWP Amendment 01. The funds will be used for two projects: 1) to conduct a Resiliency/Readiness Planning Study, a joint study with Caltrans, which would focus on military access routes for personnel and goods movement during emergencies; and 2) to carry out a scalable, regionally coordinated marketing and communications campaign to promote transportation demand management (TDM) strategies in support of the 2028 Olympic and Paralympic Games.

**FY23 and FY24 Safe Streets and Roads for All (\$17.73 million)**

The Bipartisan Infrastructure Law (BIL) established the Safe Streets and Roads for All (SS4A) discretionary program with \$5 billion in appropriated funds over 5 years, 2022-2026. The SS4A program funds regional, local, and Tribal initiatives through grants to prevent roadway deaths and serious injuries. SCAG was awarded \$12 million in federal funding in FY 2023-24 to fund three initiatives over five years: the Regional Safety Action Plan, the Go Human Safety Program, and Quick-Build demonstrations. In FY 2024-25, SCAG, in partnership with Los Angeles Department of Transportation (LADOT) was awarded \$6 million in federal funding for the Pedestrianizing Roadways for the 2028 Games project. The amounts included in the FY 2026-27 budget represent the estimated carryover grant funding. The grant agreement for the FY23 cycle is still pending execution.

**Carbon Reduction Program (CRP) (\$26.78 million)**

The Carbon Reduction Program (CRP) is a new program established by the Infrastructure Investment and Jobs Act (IIJA). It funds transportation projects that reduce carbon dioxide emissions from on-road transportation sources. For each fiscal year, 65 percent of the CRP funding to the State is apportioned annually by population to MPOs and RTPAs (Local CRP funds). SCAG, as the MPO, is responsible for the selection of Local CRP-funded projects in the SCAG region. Following discussion with key stakeholders and consistent with the Regional Council approval, 65 percent of the Local CRP funds is currently available through a Call-for-Projects

process and SCAG will retain 35 percent of the Local CRP funds to support various projects that achieve regional transportation goals and objectives. Use of the 35 percent of the Local CRP funds is included in the annual SCAG Overall Work Program. Out of the \$26.78 million, \$24.55 million is being carried over from the prior years and \$2.23 million represents a new allocation amount for the existing Regional Pilot Initiative (RPI) Mobility Hubs project. Some of these funds are still pending the grant agreement executions and/or the funding authorization by Caltrans.

**INVEST CLEAN Rebate Program (\$51.16 million)**

SCAG is partnering with the South Coast Air Quality Management District (SCAQMD) to carry out Measure 2.2 of the Infrastructure, Vehicles, and Equipment Strategy for Climate, Equity, Air Quality, and National Competitiveness (INVEST CLEAN) project. SCAG is a subrecipient of SCAQMD under their grant awarded by the Environmental Protection Agency (EPA) and will administer a \$50-million rebate program for fleets involved in last mile freight through the deployment of Class 4 and 5 vehicles. The rebate program supports purchase, conversion, and deployment of battery-electric Class 4 and Class 5 commercial vehicles operating within the Los Angeles – Long Beach – Anaheim and Riverside – San Bernardino – Ontario Metropolitan Statistical Areas (MSAs). The proposed budget includes the estimated carryover of the grant funds, including the staff administration budget, for \$51.16 million.

**Federal Other (\$1.72 Million) and State Other (\$1.38 million)**

The federal and state other sources include various federal and state funds that SCAG has secured through competitive or sub-allocation processes. For the Federal Other, the proposed budget includes \$1.72 million in the FY 2026-27 OWP Budget. This includes estimated grant carryover funding from the Office of Traffic Safety (OTS), and the Community Project Funding/Congressionally Directed Spending (CPFCDs), and the Strategic Innovation for Revenue Collection (SIRC) grants.

For the State Other, the proposed budget includes \$1.38 million in the FY 2026-27 OWP Budget. The State Other funding sources include the estimated grant carryover from the Active Transportation Program (ATP) and the Sustainable Agricultural Lands Conservation Program (SALC).

**State Highway Account (\$0.20 million)**

State Highway Account funds local and regional multimodal transportation and land use planning projects that further the region's RTP/SCS, contribute to the State's GHG reduction targets, and assist in achieving other State goals. It also funds local and regional identification of transportation-related climate vulnerability by developing climate adaptation plans. In FY 2023-24, Caltrans awarded \$0.30 million through its annual, competitive selection process to SCAG and the Soboba Band of Luiseño Indians for the Soboba Tribal Climate Change Adaptation Plan project, and the awarded funds are being carried over into FY 2026-27.

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**REAP 2.0 Grant Program (\$46.20 million)**

The Department of Housing and Community Development (HCD) administers the REAP 2.0 program and provides funding to support transformative and innovative projects that implement the region's Sustainable Communities Strategy and help accelerate infill housing and the reduction in per capita Vehicle Miles Traveled (VMT). In FY 2024-25, the State budget announced by Governor Gavin Newsom reduced the REAP 2.0 program allocation for SCAG from \$246.02 million to \$231.55 million. The proposed budget includes the estimated carryover of REAP 2.0 funds of \$46.20 million. All grant funds must be expended by December 31, 2026 per the current agreement term, except that HCD may allow advance payment or reimbursement for administrative costs for the final report preparation. The final report and funding requests for final report are due no later than June 30, 2027. Staff anticipates that all funds will be expended by June 30, 2027.

**Last Mile Freight Program Grant (\$9.17 million)**

State Health & Safety Code Section 44225 (AB2766) established the Mobile Source Air Pollution Reduction Review Committee (MSRC) to develop a work program to fund projects that help reduce air pollution from motor vehicles within the South Coast Air District. MSRC provides SCAG the financial assistance which supports the Last Mile Freight Program (LMFP). In FY 2020-21, SCAG was awarded \$10 million in grant funding for the LMFP, of which the award amount was subsequently increased to \$16.75 million in FY 2022-23. The proposed budget includes the estimated carryover of the LMFP Grant funds for \$9.17 million. Following execution of amendment six to the grant agreement, the revised grant end date is July 31, 2028.

**In-kind commitments (\$5.67 million) and Cash/Local Other (\$20.73 million)**

The proposed FY 2026-27 OWP budget includes \$5.67 million for third-party contributions for transportation planning projects, primarily to match the federal and state transportation planning funds. The Cash/Local Other of \$20.73 million is included in the FY 2026-27 OWP Budget and the FTA Grant Budget. These amounts represent local cash contributions from partner agencies on joint-effort projects, as well as third-party contributions from SCAG's sub-recipients as the match contributions for the sub-allocated grant opportunities. Of the \$20.73 million in cash/local other, the LMFP subrecipient match represents \$18.83 million and the LADOT match under the SS4A program represents \$1.43 million. The remaining portion, \$0.47 million, represents the cash and in-kind contributions from our partner agencies for the various state and federal grant projects.

**Draft Overall Work Program (OWP)**

As a Metropolitan Planning Organization (MPO), SCAG is required by the Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), and the California Department of Transportation (Caltrans) to develop an annual Overall Work Program (OWP). The OWP identifies the work that will be accomplished during the FY 2026-27. It discusses the planning priorities, the needs of the region, and the specific programs to meet those needs. Of the \$269.19 million of FY 2026-27 funding sources, \$263.52 million, or 98%, will fund the OWP programs detailed below.

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On January 15, 2026, SCAG held its annual OWP development and coordination meeting with Caltrans, FHWA, and FTA representatives. SCAG staff presented the proposed work program for FY 2026-27 and reported accomplishments and progress on major projects in the current fiscal year.

The proposed FY 2026-27 OWP Budget is \$263.52 million. The Draft OWP ([https://scag.ca.gov/sites/default/files/2026-02/Draft\\_Overall\\_Work\\_Program\\_Fiscal\\_Year\\_2026-27.pdf](https://scag.ca.gov/sites/default/files/2026-02/Draft_Overall_Work_Program_Fiscal_Year_2026-27.pdf)) will be released for a 30-day public comment period from March 5, following the RC meeting to April 6, 2026 via the link provided in this report (<https://scag.ca.gov/news/draft-fiscal-year-2026-27-overall-work-program>). Staff will receive and address comments in the Final OWP before it is submitted to the Regional Council for final approval on May 7, 2026, and to Caltrans by May 8, 2026. The proposed FY 2026-27 OWP Budget is \$263.52 million and includes various federal and state funding sources. The following table shows the FY 2026-27 OWP Budget by program area:

PROGRAM	Total
010 System Planning	1,198,149
015 Transportation Finance	1,056,463
020 Environmental Planning	2,032,600
025 Air Quality and Conformity	672,645
030 Federal Transportation Improvement Program (FTIP)	4,233,735
045 Geographic Information Systems (GIS)	6,233,601
050 Active Transportation Planning	776,439
055 Regional Forecasting, Socioeconomic Technical & Policy Analysis	1,816,781
060 Corridor Planning	38,782
065 Sustainability Program	2,514,018
070 Modeling	11,061,215
080 Performance Assessment, Monitoring & Strategy	1,169,581
090 Public Information and Communications	5,610,090
095 Regional Outreach and Public Participation	5,438,780
100 Intelligent Transportation Systems (ITS) and Smart Cities	11,322,491
120 OWP Development and Administration	1,485,483
130 Goods Movement	14,975,629
140 Transit and Rail Planning	1,492,178
145 Sustainable Communities and Strategic Partnership Planning Grant	483,060
156 Climate Adaptation Planning	200,000
225 Special Grant Projects	22,091,306
230 Regional Aviation and Airport Ground Access Planning	498,078
235 Local Information Services Program	840,215
275 Sustainable Communities Program	1,259,280
290 Research, Planning and Engagement for Sustainable Communities	8,987,235
303 Economic Empowerment	204,819
305 Regional Early Action Planning (REAP) Grants Program – REAP 2.0	46,373,246
310 Planning Strategy Development and Implementation	7,099,174
315 Last Mile Freight Program - MSRC	79,358,409
325 Regional Pilot Initiatives	2,947,523
400 Planning and Implementation for the 2028 Games	18,424,337
500 Federal Highway Funding Project Selection, Monitoring, and Delivery	1,621,701
<b>TOTAL</b>	<b>263,517,043</b>

\*Includes indirect costs, fringe benefits, non-labor costs and in-kind match.

**CEQA Compliance**

To the extent the OWP contains projects requiring a discretionary decision by SCAG, the projects are subject to the California Environmental Quality Act (CEQA). Where SCAG is undertaking these projects, it will comply with CEQA. Generally, based on experience, projects where SCAG is undertaking a project are anticipated to be exempt from CEQA based on statutory requirements (the CEQA definition of a project, planning and/or feasibility studies) and/or the project falling into one or more of the categories of projects that are considered exempt under CEQA Guidelines. Projects programmed in the RTP and FTIP and their amendments are required to undergo an environmental review by the lead agency at the project level. To the extent SCAG is providing funding to the projects via federal and state grants, such projects are subject to agreements with SCAG which require the grant recipient to undertake an environmental review at the project level.

**EXPENDITURE CATEGORIES**

**Table 2** summarizes the expenditure categories in the proposed FY 2026-27 Draft Comprehensive Budget, totaling \$269.19 million.

<b>Table 2. FY 2026-27 Expenditures</b>		
<b>EXPENDITURES</b>	<b>FY26 Amend 2</b>	<b>FY27 Draft</b>
Salaries & Benefits	49,777,421	50,271,297
Consultants	79,458,780	61,295,171
Consultants-Technical Assistance/Pass-Through Payments	235,436,770	103,905,710
Non-Profits/IHL	10,500	-
In-Kind Commitments	6,242,905	5,668,230
Cash/Local Other	55,271,123	20,344,433
Capital Outlay	160,000	-
Other Costs	43,276,437	27,704,644
<b>TOTAL EXPENDITURES</b>	<b>469,633,936</b>	<b>269,189,485</b>

Additional information on the expenditure categories detailed in **Table 2** is as follows:

- 1) The 1% increase in Salaries and Benefits is primarily attributed to an increase due to the projected performance-based merit increases after netting four position reductions, and increases associated with the required CalPERS payment, vacation cash-out, life insurance and other employee benefits. Additional information on salaries and fringe benefit costs is provided in the **Salaries, Fringe Benefits and Indirect Cost Budget** section below.
- 2) The combined reduction of 185.21 million in Consultants, Consultants-Technical Assistance/Pass-Through Payments, In-Kind Commitments, and Cash/Local Other results from various projects funded with one-time grants advancing towards completion, reducing remaining expenditures.

The \$61.30 million of the Consultants line includes:

- \$32.92 million in resources to support the programs funded with CMAQ, STBG, CRP and FHWA PL Olympics and Resiliency grants.
- \$8.35 million in resources to support various planning activities including Connect SoCal's development, outreach, and implementation;
- \$4.93 million in resources to support operational activities under the Indirect Cost, General Fund, TDA, and FTA Grant budget programs; and
- \$15.10 million to support studies, projects and initiatives funded with one-time grant funded activities such as ATP, MSRC LMFP, SS4A, REAP 2.0, OTS, SALC and Highways to Blvd Projects.

The \$103.91 million of the Consultant-Technical Assistance line, introduced in the FY 2023-24 Comprehensive Budget, includes the carryover budget of funding to be provided to partner agencies:

- \$50 million for the INVEST CLEAN Rebate Program;
- \$39.76 million for REAP Programs;
- \$11.29 million for 2024 Sustainable Communities Program (SCP) Active Transportation Safety Program and projects that are funded by the FY 23 and FY24 SS4A grants;
- \$2.13 million for the Regional Pilot Initiative Program;
- \$0.73 million for the pass-through project for the Soboba Band of Luiseño Indians and other partnership project funded with one-time grant.

The In-Kind Commitments and Cash/Local Other include the match contributions provided by our partner agencies for various planning activities as well as grant-funded initiatives.

- 3) The \$160K reduction in Capital Outlay is to reflect the microphones and audio systems upgrade project nearing completion in FY 2025-26. Should the project be carried over to the FY 2026-27, the carryover budget will be adjusted for any remaining unspent funds in the first amendment of FY 2026-27.
- 4) The 36% reduction in Other Costs is primarily due to the labor budget set aside under the Other Costs category in the FY 2025-26 budget being shifted to the Salaries & Benefits category in FY 2026-27. Most one-time grant awards provide funding for multiyear projects; to reserve funding needed to support SCAG grant-related labor costs in future years, funding is temporarily set aside under the Other Costs category. The set-aside labor budget is shifted from the Other Costs category to Salaries and Benefits as needed.

## **SALARIES, FRINGE BENEFITS AND INDIRECT COST**

### **Salaries Budget**

The proposed FY 2026–27 budget includes funding for 240 positions totaling \$50.27 million in salaries and benefits. This represents a net increase of \$0.50 million compared to the FY 2025–26 Budget Amendment 2, while also reflecting a net reduction of four positions, including three limited-term positions and one permanent position. The total authorized position count decreases from 244 to 240.

The increase in personnel costs is primarily driven by projected performance-based merit increases and required increases to CalPERS contributions, as well as higher costs associated with vacation cash-outs, life insurance, and other employee benefits. These cost pressures are partially offset by the elimination of four positions, resulting in a balanced approach that supports workforce stability while maintaining fiscal discipline.

In 2001, the Regional Council adopted a compensation philosophy to maintain salary competitiveness at the 75th percentile of the labor market relative to eleven peer agencies. This approach is intended to ensure SCAG attracts and retains highly qualified staff necessary to advance the agency's regional mission. In accordance with Regional Council direction provided in November 2013, staff conducts a comprehensive total rewards study every two years. The most recent salary range adjustments were adopted by the Regional Council in November 2022 and implemented in January 2023.

In the fourth quarter of FY 2024–25, staff completed an updated total rewards study. The findings indicate that SCAG's current salary ranges lag the 75th percentile benchmark by approximately 11 percent. Over the past three years, regional inflation has averaged between 3.0 and 3.5 percent annually, further contributing to this gap. According to the U.S. Bureau of Labor Statistics CPI-U for the Los Angeles–Long Beach–Anaheim region, inflation measured 3.47 percent in 2023, 3.42 percent in 2024, and 3.01 percent in 2025.

To realign compensation with SCAG's adopted philosophy and prevailing labor market conditions, staff are requesting approval to update the Salary Schedule. Based on the results of the salary survey, management salary ranges were adjusted an average of 6 percent and staff ranges were adjusted an average of 12%. This action adjusts the salary ranges themselves and does not create an immediate across-the-board salary increase. Employees whose current salaries fall below the new minimum range would be adjusted accordingly.

To maintain market competitiveness while supporting long-term fiscal stability, staff propose implementing an annual salary schedule adjustment equal to the lesser of four percent or the annual Consumer Price Index. This adjustment would be brought forward each year for Regional Council

approval as part of the annual budget process. Staff will also continue conducting a comprehensive total rewards study every two years to ensure ongoing alignment with SCAG's compensation philosophy and labor market benchmarks.

The total rewards study also included an evaluation of employee health benefits and found that SCAG's employer health contributions are approximately 22 percent below the benchmark average across all coverage tiers. While no changes to health benefits are proposed in the FY 2026–27 budget, staff recognize that employees are experiencing increasing premium and out-of-pocket costs. SCAG will continue to evaluate benefit competitiveness in light of fiscal capacity and workforce strategy and will return to the Regional Council with recommendations as appropriate.

### **Fringe Benefits Budget (\$21.14 million)**

The Fringe Benefits Budget covers employee-associated costs such as leave expenses (vacation, holidays, personal floating holidays, sick leave, etc.), health plan expenses, retirement plan expenses, workers' compensation insurance, unemployment insurance, bus/rail/carpool expenses, tuition reimbursement expenses, technology allowance, and deferred compensation expenses. These costs are expressed as a rate for full-time regular staff. The rate is the pooled costs of the fringe benefits divided by the total salaries for full-time regular staff. The proposed fringe benefits rate for FY 2026–27 is 75.0421%, compared to 73.3658% in FY 2025–26. The fringe benefits rate is applied to all salaries in the OWP, FTA Grant, TDA, General Fund, and Indirect Cost budgets. Additional details on employee-associated costs can be found in the FY 2026–27 Draft Comprehensive Budget. Part-time staff, interns and temporary employees may be eligible for SCAG's limited fringe benefits. The benefits for non-regular staff are calculated separately. The proposed fringe benefits rate for interns for FY 2026–27 is 19.4056%.

### **Indirect Cost Budget (\$40.30 million)**

The proposed FY 2026–27 Indirect Cost Budget totals \$40.30 million, representing an increase of \$1.53 million compared to the FY 2025–26 Budget Amendment 2. The Indirect Cost budget funds staff salaries, fringe benefits, and other non-labor expenses that are not directly attributable to a specific program.

The primary driver of the year-over-year increase is the funding required for the Enterprise Resource Planning (ERP) software procurement and implementation project. When the \$5.71 million allocated to the ERP project is excluded, the proposed Indirect Cost budget reflects a decrease compared to FY 2025–26 Budget Amendment 2. This reduction reflects deliberate cost containment efforts undertaken across the organization, including staffing reductions, operational efficiencies, and a comprehensive review of indirect expenditures by division directors.

- **Enterprise Resource Planning (ERP) Project**

The ERP project has completed its discovery phase and is actively advancing through procurement. With support from the Government Finance Officers Association (GFOA), staff

developed an implementation strategy and issued a Request for Proposals for a replacement ERP system and implementation services. Vendor responses are due in early March 2026. Organizational readiness efforts are also underway, including high-level Chart of Accounts design and preparation for in-depth vendor evaluation scheduled from March through July 2026.

The FY 2026–27 budget includes \$5.71 million to support the initial phase of ERP implementation, with work expected to begin in late 2026 following vendor selection and contract execution. Of this amount, approximately \$2.47 million is allocated for system licensing and implementation services, and \$3.24 million is budgeted for internal staff resources required to support project execution.

The ERP implementation is expected to span approximately 18 months. Accordingly, additional funding will be required in FY 2027–28 to complete implementation activities and maintain support resources through system go-live. Final system costs, staffing commitments, and implementation expenditures will be confirmed following vendor selection and contract execution, anticipated in October 2026.

#### Indirect Cost Rate Proposal (ICRP)

Staff developed the FY 2026–27 Indirect Cost Rate Proposal in accordance with Federal Transit Administration (FTA) guidelines. The proposed indirect cost rate is 155.2476 percent, compared to 137.5646 percent in FY 2025–26. The final ICRP will be submitted to the FTA for approval in May following Regional Council approval of the budget.

Indirect costs allocated to salaries within the OWP, FTA Grant, TDA, and General Fund budgets total \$38.26 million. The difference between the total Indirect Cost budget of \$40.30 million and the allocated indirect costs of \$38.26 million is \$2.04 million. This amount represents the over-recovery of indirect costs from FY 2024–25. In accordance with federal guidelines, the over-recovery must be carried forward as an adjustment in the FY 2026–27 ICRP to ensure that indirect costs are appropriately trued up and aligned with actual recoveries.

#### **FISCAL IMPACT:**

There is no immediate fiscal impact as a result of the recommended actions. Staff will return to the Regional Council on May 7, 2026, to recommend the adoption of the FY 2026-27 Final Comprehensive Budget.

#### **ATTACHMENT(S):**

1. FY27 Draft\_Comprehensive Budget\_March 5, 2026 RC Mtg
2. Draft FY 2026-27 Overall Work Program and Public Comment Form Link



**DRAFT**

**MARCH 2026**

# Comprehensive Budget

## Fiscal Year 2026–27



# **SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS**

## **COMPREHENSIVE BUDGET**

**Fiscal Year 2026-27**

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# Comprehensive Budget

Fiscal Year 2026-27

## Section I

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### Overview

# ORGANIZATION

## INTRODUCTION

This document contains the Southern California Association of Governments (SCAG) Comprehensive Budget for Fiscal Year (FY) 2026-27.

The annual budget consists of the following:

- Overall Work Program (OWP)  
A federal, state, and locally funded budget consisting of projects related to regional planning in the areas of transportation, housing, and the environment.
- Federal Transit Administration (FTA) Discretionary & Formula Grant Budget  
A budget for federal grant funds of which SCAG is the designated recipient and must pass through to eligible public agencies for specialized transportation programs and projects.
- TDA Budget  
A locally funded budget consisting of direct projects that are both inside and outside of the OWP and FTA Discretionary & Formula Grant budget programs.
- General Fund Budget (GF)  
A budget that utilizes SCAG members' dues for activities not eligible for federal and state funding.
- Indirect Cost Budget (IC)  
The budget for the administrative and operations support of SCAG.
- Fringe Benefits Budget (FB)  
The budget for the fringe benefits and leave time of SCAG employees.

# ORGANIZATION

## SCAG ORGANIZATION

SCAG, founded in 1965, is a Joint Powers Authority under California state law, established as an association of local governments and agencies that voluntarily convene as a forum to address regional issues. Under federal law, SCAG is designated as a Metropolitan Planning Organization (MPO) and under state law as the Multicounty Designated Transportation Planning Agency for the six (6) county Southern California region. Through SCAG, city and county governments throughout Southern California come together to develop solutions to common problems in transportation, housing, air quality, and other issues, and to foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

SCAG's primary responsibilities include the development of the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS); the Federal Transportation Improvement Program (FTIP); the annual OWP; and the transportation-related portions of local air quality management plans. Under the federal Clean Air Act, SCAG is responsible for determining if regional transportation plans and programs conform with applicable state air quality plans. SCAG's additional functions include the intergovernmental review of regionally significant development projects and the periodic preparation of a Regional Housing Needs Assessment (RHNA).

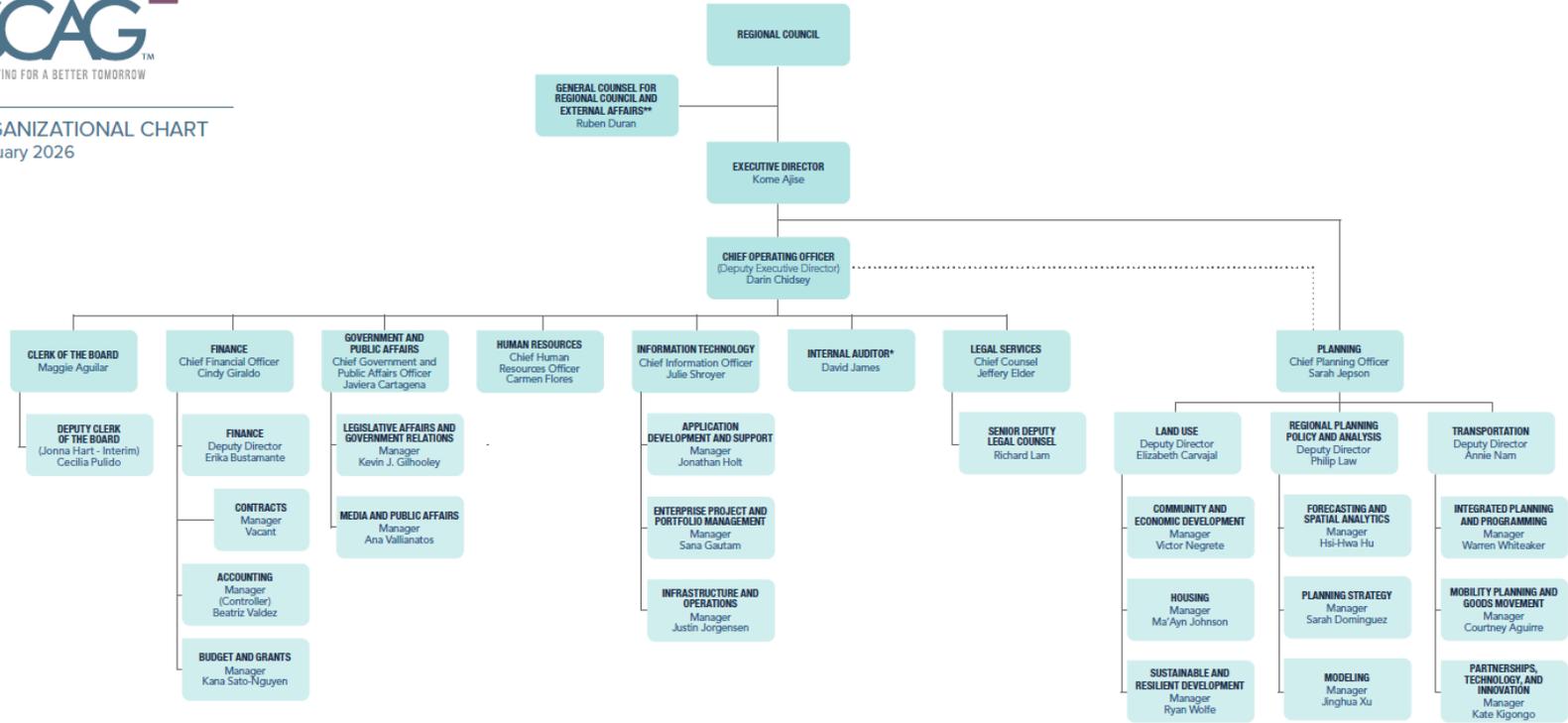
In addition to the six (6) counties and 191 cities that make up SCAG's region, there are six (6) County Transportation Commissions (CTCs) that hold the primary responsibility for programming and implementing transportation projects, programs, and services in their respective counties. The agency also operates via a number of critical partnerships at the local, state, and federal levels. In addition to its federal and state funding partners, including but not limited to, Federal Highway Administration (FHWA), Federal Transit Administration (FTA), Federal Aviation Administration, California Transportation Commission, California Department of Transportation (Caltrans), etc., SCAG's planning efforts are closely coordinated with regional transit operators, Tribal Governments and fifteen sub-regional Councils of Governments (COGs) or joint power agencies that represent SCAG's cities and counties.

The framework for developing the FY 2026-27 Comprehensive Budget is SCAG's multi-year Strategic Plan that focuses on SCAG's vision and priorities and improves the organization and its operations. The FY 2026-27 Comprehensive Budget supports Strategic Plan Priority #5 – Secure and optimize diverse funding sources to support regional priorities. All the work programs funded in the budget support at least one of the six Strategic Plan Priorities.

# ORGANIZATION



ORGANIZATIONAL CHART  
February 2026



\* Takes direction from the Audit Committee  
\*\* Takes direction from the Regional Council

# STRATEGIC PLAN

## STRATEGIC PLAN COMPONENTS

### **Vision Statement**

Southern California's Catalyst for a Brighter Future.

### **Mission Statement**

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

### **Core Values**

#### **Be Open**

Be accessible, respectful, collaborative and transparent in the work we do.

#### **Lead by Example**

Lead with integrity and fairness in working to meet the diverse needs of all people and communities in our region.

#### **Make an Impact**

In all endeavors, effect positive and sustained outcomes that make our region thrive.

#### **Be Courageous**

Have confidence that taking deliberate, bold, and purposeful risks can yield new and valuable benefits.

#### **Cultivate Belonging**

Embrace differences, foster equity, champion inclusion and empower all.

# STRATEGIC PLAN

## STRATEGIC PLAN PRIORITIES

### PRIORITY #1

Establish and implement a regional vision for a sustainable future

#### Objectives

- 1.1 Lead on regional performance-based planning and programming to target investments toward improving the safety, efficiency, affordability, equity, sustainability and maintenance of the transportation system.
- 1.2 Facilitate corridor and network planning to realize seamless mobility and support implementation of Complete Streets, transit and multimodal integration across the SCAG region.
- 1.3 Partner to implement Transportation Demand Management and Intelligent Transportation Systems solutions to optimize system performance while planning for a connected and automated vehicle future.
- 1.4 Lead the effort to establish stable and sustainable transportation funding.
- 1.5 Provide resources and research to develop, connect, and sustain livable and thriving communities.
- 1.6 Identify solutions through regional planning and local planning programs to address systemic barriers to housing production to meet the needs of the region.
- 1.7 Lead efforts and funding opportunities to foster sustainable land use development across the SCAG region to foster growth while conserving and restoring natural and agriculture lands.
- 1.8 Coordinate with partners to meet federal and state ambient air quality standards and support local and regional climate adaptation, mitigation and resilience activities.
- 1.9 Lead and partner on planning and implementation of clean fuel and clean vehicle infrastructure.
- 1.10 Support a sustainable, efficient and productive regional economic environment that provides opportunities for all people in the region.
- 1.11 Lead regional planning to foster a world-class, coordinated Southern California goods movement system that accommodates growth in the throughput of freight to the region and nation in ways that support the region's economic vitality, attainment of clean air standards and quality of life for our communities.

# STRATEGIC PLAN

## PRIORITY #2

Be a cohesive and influential voice for the region

### Objectives

- 2.1. Build a deep understanding of the needs of all our communities and stakeholders to inform our work.
- 2.2. Facilitate regional dialogue and collaboration on key issues for effective policy development.
- 2.3. Build the agency's credibility as a policy thought leader and strengthen relationships with partners across sectors and all levels of government.
- 2.4. Position SCAG as a leader in legislative advocacy and influence key policy areas.
- 2.5. Ensure members and stakeholders understand the impact of SCAG's work and are empowered to lead on regional issues (e.g., development of board policy issues).

## PRIORITY #3

Spur innovation and action through leadership in research, analysis and information sharing

### Objectives

- 3.1. Ensure SCAG is a trusted source for accurate data and intelligence dedicated to objective analysis of regional plans and assisting local jurisdictions with planning.
- 3.2. Lead in planning research and analysis leveraging cutting-edge tools (e.g. Big Data, AI, Activity Based Model, GIS, Scenario Planning Model, Regional Data Platform) to generate insights to inform regional and local decision-making.
- 3.3. Leverage local planning programs and pilots to reveal local solutions that can be scaled to achieve regional objectives.
- 3.4. Establish models for partnerships internally and with the private sector, universities and Community Based Organizations to leverage the diversity of skills, expertise and experience resident in the region.

## PRIORITY #4

Build a unified culture anchored in the pursuit of organizational excellence

### Objectives

- 4.1. Cultivate a positive employee experience where all feel valued and inspired to reach their fullest potential.
- 4.2. Utilize internal governance to define, prioritize, and resource operational improvements in support of business objectives, effectiveness and efficiency.
- 4.3. Enhance internal communication, information accessibility and knowledge management.
- 4.4. Leverage effective use of technology to improve efficiency, drive innovation, and optimize collaboration.
- 4.5. Optimize processes for efficient multi-disciplinary ideation and collaboration, from project

# STRATEGIC PLAN

initiation to implementation and ongoing maintenance.

## **PRIORITY #5**

Secure and optimize diverse funding sources to support regional priorities

### **Objectives**

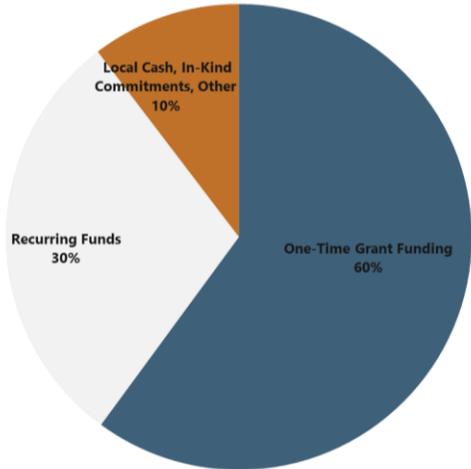
- 5.1. Maintain fair, equitable and compliant project selection and funding administration.
- 5.2. Establish recurring revenue to support essential regional needs, including community development and housing initiatives.
- 5.3. Pursue and advocate for new funding opportunities that support member agencies and SCAG.
- 5.4. Preserve and grow existing critical funding sources.
- 5.5. Explore opportunities to develop revenue-generating products and/or services.

# LINE ITEM BUDGET

## FY 2026-27 COMPREHENSIVE BUDGET

### Budget Funding Sources

SCAG receives most of its recurring funding from the Federal Consolidated Planning Grant (CPG), which consists of Metropolitan Planning Funds from FHWA (FHWA PL) and FTA (FTA Section 5303) as well as Sustainable Communities Formula funds. In recent years, SCAG received the INVEST CLEAN grant funds from the South Coast Air Quality Management District (SCAQMD) and the Regional Early Action Planning Grants of 2021 (REAP 2.0) from the Department of Housing and Community Development (HCD), and many more one-time grant funds. Combined, one-time grant sources represent 60% of the total funding sources for the FY 2026-27 Comprehensive Budget. More information on funding sources is detailed on pages 20-24. The following chart illustrates the source and relative value of SCAG’s funding sources.



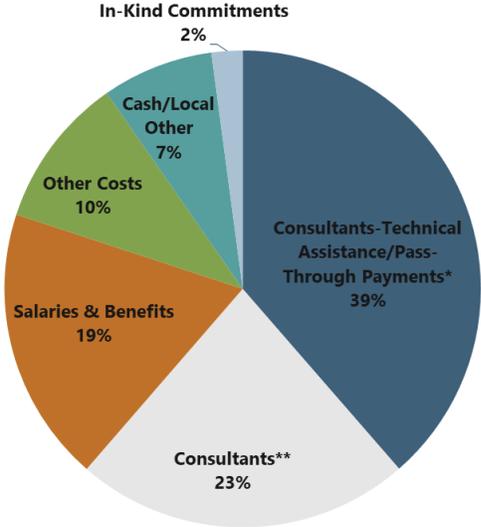
\*May not total 100.00% due to rounding

GROUP	GROUP TOTAL	FUNDING SOURCES	AMOUNT
One-Time Grant Funding	161,725,404	Last Mile Freight Program (LMFP) - Rebate Program (INVEST CLEAN)	51,155,903
		Regional Early Action Planning (REAP) 2021 Grants (REAP 2.0)	46,195,230
		Carbon Reduction Program (CRP)	26,781,182
		Federal Other	19,446,858
		MSRC Last Mile Freight Program (LMFP) Grant	9,171,105
		FHWA PL Olympics and Resilience Study	7,000,000
		State Other	1,375,000
		FHWA SPR - Strategic Partnerships	258,139
		SHA - Climate Adaptation Grant	200,000
		FTA 5304 - Strategic Partnerships Transit	141,987
Recurring Funds	79,577,570	FHWA PL - Metropolitan Planning	30,029,935
		FTA 5303 - Metropolitan Planning	13,066,841
		SB 1 - Sustainable Communities Formula Grants	7,094,960
		Surface Transportation Block Grant (STBG) Program	7,610,225
		Congestion Mitigation and Air Quality (CMAQ) Improvement Program	6,282,232
		TDA	12,145,763
		General Fund	3,347,614
Local Cash, In-Kind Commitments, Other	27,886,511	Cash/Local Other	20,728,419
		In-Kind Commitments	5,668,230
		Fringe Benefits Carryforward	(551,244)
		Indirect Cost Carryforward	2,041,106
<b>TOTAL FUNDING SOURCES</b>	<b>269,189,485</b>		<b>269,189,485</b>

# LINE ITEM BUDGET

## Budget Expenditures

SCAG allocates its budget into seven major expenditure categories. The following chart illustrates the relative values of each category. Consultants-Technical Assistance/Pass-Through Payments include the resources being allocated to the regional partners through the Call-for-Projects such as Sustainable Communities Programs, REAP 2.0 programs as well as the INVEST CLEAN rebate program. The Consultants category in the chart and table below consists of the following cost categories: Consultant, Consultant Other, and Consultant Toll Credit (see page 12). Lastly, Other includes direct and indirect non-labor costs (see pages 12-13).



\*May not total 100.00% due to rounding

EXPENDITURES	AMOUNT
Consultants-Technical Assistance/Pass-Through Payments*	103,905,710
Consultants**	61,295,171
Salaries & Benefits	50,271,297
Other Costs	27,704,644
Cash/Local Other	20,344,433
In-Kind Commitments	5,668,230
<b>TOTAL EXPENDITURES</b>	<b>269,189,485</b>

\*Technical Assistance includes: Safe Streets for All (SS4A), 2024 Sustainable Communities Program (SCP) Active Transportation & Safety (ATS), INVEST CLEAN, REAP 2.0, and Regional Pilot Initiatives (RPI) Programs, as well as Soboba Climate Adaptation and Strategic Innovation for Revenue Collection (SIRC) projects.

\*\* Consultants includes: Consultant, Consultant Other and Consultant Toll Credit (TC)

# LINE ITEM BUDGET

## COMPREHENSIVE LINE ITEM BUDGET: FY24 THROUGH FY27

GL Account	Line Item	FY24 Actuals	FY25 Actuals	FY26 Budget Amendment 2	FY27 Proposed	% Incr. (Decr)
500XX	Staff	28,056,962	29,141,992	\$ 33,974,826	\$ 34,229,740	1%
543XX	Consultant	19,077,031	10,739,674	40,660,919	28,782,042	-29%
54302	Non-Profits/IHL	-	4,000	10,500	-	-100%
54303	Consultant Toll Credit	3,845,734	1,018,527	38,797,861	32,513,129	-16%
5430X	Consultant - Technical Assistance/Pass-Through Payments, Consultant TA Toll Credit	1,337,596	23,563,752	235,436,770	103,905,710	-56%
54340	Legal	491,788	273,859	736,640	655,000	-11%
55201	Network and Communications	173,089	171,302	213,950	213,950	0%
55210	Software Support	653,997	550,458	621,852	473,714	-24%
55220	Hardware Support	39,109	14,302	203,826	38,826	-81%
55225	Hardware Purchase < \$5,000	63,156	62,700	140,000	85,000	-39%
55240	Repair-Maintenance	43,630	36,926	35,000	35,500	1%
55250	Cloud Services	704,958	1,370,143	1,661,498	1,586,250	-5%
55251	Cloud Support	997,536	7,576	103,508	103,508	0%
55271	Owned Software	34,984	27,247	313,064	54,000	-83%
55275	Co-location Services	173,809	189,699	178,017	208,017	17%
5528X	3rd Party Contributions	5,688,619	6,314,576	61,514,028	26,012,663	-58%
55400	Office Rent / Operating Expense	2,618,668	2,722,064	2,693,252	2,885,387	7%
55410	Office Rent Satellite	137,389	141,969	164,800	164,800	0%
55415	Off-Site Storage	24,289	20,029	134,775	8,750	-94%
55420	Equipment Leases	56,220	71,238	60,000	76,000	27%
55430	Equipment Repair-Maintenance	-	-	1,000	-	-100%
55435	Security Services	88,337	91,556	100,000	100,000	0%
55440	Insurance	338,872	408,211	481,743	481,743	0%
55441	Payroll / Bank Fees	49,732	91,033	111,000	111,000	0%
55445	Taxes	948	944	1,000	1,000	0%
55460	AV, IT or Facilities Materials & Equipment < \$5,000	10,215	30,259	54,000	19,000	-65%
55510	Office Supplies	30,763	28,582	51,000	50,000	-2%
55520	Graphic Supplies	5,500	5,762	3,000	3,000	0%
55530	Telephone	629	531	-	531	
55540	Postage	24	-	5,000	5,000	0%
55550	Delivery Services	11,614	9,423	10,000	10,000	0%
55580	Outreach/Advertisement	47,503	74,486	104,500	102,000	-2%
55600	SCAG Memberships	207,484	245,078	263,800	263,600	0%
55610	Professional Memberships	13,432	9,867	18,100	21,850	21%
55611	Professional Dues	3,235	3,346	3,720	3,639	-2%
5562X	Resource and Materials, GASB96 & non-GASB96 Subscriptions	1,516,996	1,930,913	3,326,367	2,554,409	-23%
55630	COVID Facility Expense	4,207	-	-	-	
55631	ADA & Safety Compliance	-	-	5,000	5,000	0%
55710	Depreciation - Computer	384,515	398,464	450,000	400,000	-11%
557XX	Amortization - Software & Lease	161,713	136,470	185,000	180,000	-3%
55730	Capital Outlay	-	-	160,000	-	-100%
55740	Loss on Disposal - IC	-	32,671	-	-	
55800	Recruitment - Advertising	24,675	36,024	65,000	65,000	0%
55801	Recruitment - Other	23,418	17,782	45,000	45,000	0%
55810	Public Notices	37,646	338	-	1,000	
55820	In-House Training	13,145	3,095	40,000	40,000	0%
55830	Networking Meetings/Special Events	12,700	13,790	19,200	15,700	-18%
55840	Training Registration	97,436	108,058	117,000	117,000	0%

# LINE ITEM BUDGET

## COMPREHENSIVE LINE ITEM BUDGET: FY24 THRU FY27 (CONTINUED)

GL Account	Line Item	FY24 Actuals	FY25 Actuals	FY26 Budget Amendment 2	FY27 Proposed	% Incr. (Decr)
55860	Scholarships	40,000	40,000	44,000	44,000	0%
55910	RC/Committee Meetings	31,113	4,975	5,000	5,000	0%
55912	EAC Retreat	27,950	35,235	30,000	40,000	33%
55914	RC General Assembly	715,370	843,364	843,225	727,570	-14%
55915	Demographic Workshop	20,713	12,725	28,000	13,000	-54%
55916	Economic Summit	178,306	7,160	187,000	20,000	-89%
55920	Other Meeting Expense	89,354	149,744	269,800	332,300	23%
55930	Miscellaneous Other	9,722	9,998	150,241	29,700	-80%
55931	Miscellaneous Labor	-	-	6,557,556	1,585,232	-76%
55932	Miscellaneous Labor Future	-	-	21,064,293	12,403,157	-41%
55936	Engagement Committee	16,921	15,401	20,000	20,000	0%
55937	Employee Recognition	6,476	9,349	15,000	15,000	0%
55938	Department Allowances	9,768	11,041	15,000	15,000	0%
55940	Stipend-RC Meetings	249,570	176,550	301,683	301,683	0%
55950	Temporary Help	17,797	-	160,000	160,000	0%
56100	Printing	13,531	12,398	10,000	10,000	0%
5810X	Travel & International Travel	207,258	278,025	619,277	578,928	-7%
58110	Mileage - Local	37,199	40,849	55,750	52,900	-5%
581XX	Staff Lodging Expense & Fees	19,954	12,383	15,000	2,000	-87%
58800	RC Sponsorships	110,850	90,150	165,000	165,000	0%
60041	Vacation Cash Out	84,943	104,457	88,000	120,000	36%
6011X	PERS	7,837,862	8,147,079	9,082,379	9,176,403	1%
60120	Retirement-PARS	83,186	84,849	84,568	86,259	2%
60200	Health Insurance - Active Employees	2,685,835	2,723,794	3,354,400	3,305,800	-1%
60201	Health Insurance - Retirees PAYGO	570,475	590,834	741,736	788,313	6%
60202	Health Insurance - Retirees GASB 45	97,900	94,595	-	-	
60210	Dental Insurance	255,747	260,417	319,562	317,706	-1%
60220	Vision Insurance	72,801	73,456	87,751	88,061	0%
60225	Life Insurance	145,258	151,419	178,545	211,509	18%
60240	Medicare Tax Employers Share	418,513	427,222	485,141	491,686	1%
60250	Medicare Tax ER - Interns	3,994	4,232	4,495	4,495	0%
60255	Social Security ER - Interns	16,951	18,097	19,220	19,220	0%
60300	Tuition Reimbursement	12,729	10,839	43,776	43,776	0%
60310	Transit Passes	26,649	34,700	82,500	82,500	0%
60315	Bus Passes NT - Interns	155	769	1,000	1,000	0%
60360	De Minimis Employee Exp	-	-	15,000	15,000	0%
60365	De Minimis Employee Exp Interns	-	-	4,232	3,879	-8%
60366	Technology Allowance	364,592	359,598	398,160	403,200	1%
60367	Technology Allowance Intern	25,912	29,516	23,696	33,943	43%
60400	Workers Compensation Insurance	172,798	194,513	173,500	224,000	29%
60405	Unemployment Compensation Insurance	6,406	18,450	35,000	35,000	0%
60410	Miscellaneous Employee Benefits	11,702	9,621	12,636	12,636	0%
60415	SCAG 457 Match	485,721	342,974	446,750	453,250	1%
60450	Benefits Administrative Fees	77,435	89,763	99,848	103,221	3%
60500	Automobile Allowance	20,700	20,700	20,700	20,700	0%
	<b>Total</b>	<b>82,583,416</b>	<b>95,659,958</b>	<b>469,633,936</b>	<b>269,189,485</b>	<b>-43%</b>

\*Totals may not add due to rounding

# LINE ITEM BUDGET

## DESCRIPTION OF BUDGET LINE ITEM

The following chart provides a description of each budget account/line item.

Account/Line Item	Description
500XX Staff	Staff wages including non-worktime.
54300 Consultant	Outside experts retained to provide special expertise.
54308 Consultant CON NI	54308 is to track Consultant Non-Infrastructure (NI) expenditures that are funded with Caltrans Local Assistance funds. Consultant NI is for outside experts retained to provide special expertise for transportation-related projects that will not involve A&E, Right of Way, and construction activities.
54309 Consultant CE	54309 is to track Consultant Construction Engineering (CE) expenditures that are funded with Caltrans Local Assistance funds. Consultant CE includes outside experts retained to provide supervision and inspection of construction activities.
54303 Consultant Toll Credit (TC)	Same as 54300 above. GL 54303 is for Consultant expenditures matched with Toll credits (TC). Toll credits are used in lieu of local matching funds, which allows for work to be 100% funded with federal funds.
54313 Consultant TC CON NI	Same as 54308 above but matched with Toll credits.
54314 Consultant TC CE	Same as 54309 above but matched with Toll credits.
54304 Consultant – Technical Assistance/Pass-Through Payments (TA)	Outside experts retained to provide special expertise for partner agencies’ projects and/or sub-allocation/pass-through funding to partner agencies.
54305 Consultant - TA CON NI	54305 is to track Consultant TA CON NI expenditures that are funded with Local Assistance funds.
54306 Consultant - TA CE	54306 is to track Consultant TA CE expenditures that are funded with Local Assistance funds.
54310 Consultant - TA TC CON NI	Same as 54305 above but matched with Toll credits.
54311 Consultant - TA TC CE	Same as 54306 above but matched with Toll credits.
54307 Consultant – TA CON	54307 is to track Consultant TA Construction (CON) expenditures that are funded with Caltrans Local Assistance funds. CON includes construction costs but excludes costs of Preliminary Engineering, Right of Way and CE.
54312 Consultant – TA TC CON	Same as 54307 above but matched with Toll credits.

# LINE ITEM BUDGET

Account/Line Item	Description
54315 Consultant IC – REAP Admin	Same as 54304 above. 5% administration costs that are incurred by our partner agencies.
54340 Legal	Outside legal experts retained to provide special expertise.
54360 FTA Pass-Through Payments	FTA Payments received by SCAG but passed through to other agencies.
55201 Network and Communications	Fees paid for any network infrastructure including network circuits, internet, and VoIP systems and calling plans.
55210 Software Support	Fees paid for telephone support and updates of SCAG’s high-end desktop and network software.
5522X Hardware Support	Fees paid for maintenance and repair contracts on SCAG’s computer servers and hardware purchases that are less than \$5,000.
55240 Repair – Maintenance	Processes that do not enhance function or extend the useful life of an asset are expensed as repairs.
55250 Cloud Services	Monthly recurring costs for cloud compute and storage capacity.
55251 Cloud Support	Fees paid for any software, licenses, or software support that is managed in the cloud by a 3rd party provider or is related to cloud provided software or services.
55270 Software Purchases	Fees paid for initial software purchase.
55271 Owned Software	Fee paid for any software, licenses, or software support that is installed to or used for SCAG owned servers in our datacenters or private cloud infrastructure.
55275 Co-location Services	Fee paid for any services, products, features, or support that are provided by an IT co-location or data center provider.
5528X 3rd Party Contribution	Like-kind contributions from other agencies that are match for SCAG’s grants.
55310 Furniture & Fixtures Principal	Principal portion of furniture and fixtures debt service payments.
55315 Furniture & Fixtures Interest	Interest portion of furniture and fixtures debt service payments.
55320 Audio-visual Equipment Principal	Principal portion of audio-visual equipment debt service payments.
55325 Audio-visual Equipment Interest	Interest portion of audio-visual equipment debt service payments.
55400 Office Rent / Operating Expense	Rent and operating expenses paid for SCAG’s main office.
55410 Office Rent Satellite	Rent paid for SCAG’s satellite offices.
55415 Off-site Storage	Fees paid for off-site storage.
55420 Equipment Leases	Fees paid for copier, telephone, postage, equipment, etc.

# LINE ITEM BUDGET

Account/Line Item	Description
55430 Equipment Repairs – Maintenance	Fees paid to outside vendors to repair SCAG owned equipment.
55435 Security Services	The cost of physical security services at SCAG’s locations.
55440 Insurance	SCAG’s liability insurance premiums.
55441 Payroll / Bank Fees	Fees paid for payroll processing & bank services.
55445 Taxes	Personal property taxes levied on SCAG’s assets.
55460 AV, IT or Facilities materials & equipment <\$5,000	Used to buy capital equipment with unit costs under \$5,000 (it’s not necessary to capitalize and depreciate).
55510 Office Supplies	Routine office supplies and paper for copy machines.
55520 Graphic Supplies	Materials used in the production of documents for agency communications, presentations, etc.
55530 Telephone	SCAG’s monthly telephone fees paid for both voice and data lines.
55540 Postage	Postage and delivery fees.
55550 Delivery Services	Cost of outside courier delivery and other non-USPS services.
55580 Outreach / Advertisement	Cost of advertising and public outreach for SCAG programs and services.
55600 SCAG Memberships	Pays for SCAG to belong to various organizations.
55610 Professional Memberships	Fees paid on behalf of SCAG employees to belong to certain professional organizations.
55611 Professional Dues	Dues paid on behalf of SCAG employees for professional licenses (Certified Public Accountant, Certified Internal Auditor or State Bar).
5562X Resources and Materials, Non-GASB96 & GASB96 Subscriptions	Fees for book purchases, subscriptions and data acquisition.
55630 COVID Facility Expense	Pays for facility expenses related to COVID 19.
55631 ADA & Safety Compliance	Pays for ADA and safety compliance expenses.
55700 Depreciation – Furniture & Fixtures	The general and TDA funds buy assets that have a cost greater than \$5,000 using account 55730, Capital Outlay. The cost is recovered when depreciation is charged to indirect cost.
55710 Depreciation – Computer	The general and TDA funds buy assets that have a cost greater than capital acquisition threshold using account 55730, Capital Outlay. The cost is recovered when depreciation is charged to indirect cost.

# LINE ITEM BUDGET

Account/Line Item	Description
55720 Amortization – Lease	To account for amortization of leasehold improvements.
55730 Capital Outlay	Fixed asset purchases greater than agency’s capital acquisition threshold. The cost is recovered when depreciation is charged to indirect cost.
55800 Recruitment – Advertising	Advertising in certain journals and publications regarding job opportunities at SCAG.
55801 Recruitment – Other	Moving expenses and cost of sponsoring foreign employees (visas).
55810 Public Notices	Legal advertising that SCAG must undertake to support certain programs or grants.
55820 In House Training	Used to provide access to outside training opportunities or to bring experts for in-house training.
55830 Networking Meetings / Special Events	Cost of informational events attended by SCAG staff and elected officials.
55840 Training Registration	Training registration cost for staff.
55860 Scholarships	Contributions by SCAG to offset the educational expense of selected students.
55910 RC / Committee Meetings	Pays for the food and other expenses associated with hosting RC and committee meetings.
55912 EAC Retreat	The EAC holds an annual off-site retreat. This budget pays for the actual meeting expenses such as meals and conference facilities.
55914 RC General Assembly	Pays for General Assembly expenses such as meals and conference facilities, as required the by the SCAG Bylaws.
55915 Demographic Workshop	Pays for the meeting expenses of the annual workshop that addresses demographic issues.
55916 Economic Summit	Pays for the meeting expenses of the annual summit that addresses economic issues.
55920 Other Meeting Expense	Pays for other expenses related to meeting support.
55930 Miscellaneous Other	Pays for other minor expenses not categorized elsewhere.
55931 Miscellaneous Labor	Pays for other labor expenses not categorized elsewhere.
55932 Miscellaneous Labor, Future	Pays for other labor expenses not categorized elsewhere for the future budget.
55936 Engagement Committee	Pays for employee engagement committee activities and projects.
55937 Employee Recognition	Pays for employee recognition activities.

# LINE ITEM BUDGET

Account/Line Item	Description
55938 Department Allowances	Pays for employee recognition activities by department managers.
55940 Stipend-RC Meeting	Stipends paid to RC Members for attending meetings.
55950 Temporary Help	SCAG occasionally uses employment agencies to provide short term staffing.
56100 Printing	Pays for outside printing costs of SCAG publications and brochures.
58101 Travel	Travel costs for staff and RC travel on behalf of SCAG projects.
58102 Travel – International	Travel outside of the United States.
58110 Mileage	Cost of automobile travel at the IRS rate per mile.
58120 Travel Agent Fees	Travel agent fees billed by Concur for online or phone reservation.
58150 Staff Lodging Expense	General funds used to pay for staff lodging expenses, under certain conditions, greater than state or federal guidelines.
58800 RC Sponsorships	General funds allocated to events supported by RC actions.
59090 Expense-Local Other	Cash contributions from local agencies for projects funded with federal pass-through funds from SCAG.
60041 Vacation Cash Out	Vacation cash-out program for staff and management.
6011X Retirement-PERS	Pays for employee share of contributions to PERS.
60120 Retirement-PARS	SCAG contribution to the supplemental defined benefit retirement plan.
60200 Health Insurance – Active Employees	SCAG contribution for employee health insurance.
60201 Health Insurance – Retirees PAYGO	Retiree health insurance premiums paid to CalPERS.
60202 Health Insurance – Retirees GASB 45	Retiree health insurance premiums paid to the California Employers’ Retiree Benefit Trust, as computed by an actuary.
60210 Dental Insurance	SCAG contribution for employee dental insurance.
60220 Vision Insurance	SCAG contribution for employee vision insurance.

# LINE ITEM BUDGET

Account/Line Item	Description
60225 Life Insurance	SCAG cost of life insurance for each benefit-eligible employee.
60240 Medicare Tax Employer Share	SCAG pays a percentage of 1.45% (of payroll) contribution to Medicare for all employees hired after 1986.
60250 Medicare Tax ER – Interns	SCAG pays a percentage of 1.45% (of payroll) contribution to Medicare for all employees hired after 1986.
60255 Social Security ER – Interns	Employer’s share of social security on wages paid.
60300 Tuition Reimbursement	All employees can participate in a tuition reimbursement program for work related classes.
60310 Transit Passes	All employees who utilize public transportation to commute are eligible to be reimbursed up to a specified maximum.
60315 Bus Passes NT – Interns	Interns who utilize public transportation to commute are eligible to be reimbursed up to a specified maximum.
60360 De Minimis Employee Exp	Stipends paid to employees related to COVID-19.
60365 De Minimis Employee Exp Interns	Stipends paid to interns related to COVID-19.
60366 Technology Allowance	The allowance covers phone usage, offset employees’ cost of burden utilizing internet and electricity/water while working remotely.
60367 Technology Allowance Intern	Same as 60366 above but for intern staff.
60400 Workers Compensation Insurance	This is mandated insurance for employees that provides a benefit for work-related injuries.
60405 Unemployment Comp Insurance	Payments for unemployment insurance claims filed by former employees.
60410 Miscellaneous Employee Benefits	Pays for SCAG’s Employee Assistance Program, cell phone and parking allowances to executives in accordance with employment contracts.
60415 SCAG 457 Match	SCAG staff, managers and directors receive matching funds for 457 Plan deferred compensation contributions.
60450 Benefits Administrative Fees	Pays for third parties who administer SCAG’s cafeteria plan.
60500 Automobile Allowance	Allowances payable to executives in accordance with employment contracts.

# Comprehensive Budget

Fiscal Year 2026-27

## Section II

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### Budget Components

# OVERALL WORK PROGRAM

## Overall Work Program (OWP)

### The Flow of Funds

Traditionally, the majority of OWP recurring funding has come to SCAG via the Federal appropriations process. Some funding has been directly allocated to SCAG, and some has “passed through” via Caltrans. In recent years, SCAG’s non-recurring funding flow has expanded due to the direct allocation from the California Department of Housing & Community Development (HCD) for the Regional Early Action Planning Grants of 2021 and the INVEST CLEAN grant funds from the South Coast Air Quality Management District (SCAQMD). In addition, SCAG has secured various discretionary competitive grants to support its work plan and activities.

### Summary of FUNDING Sources

#### Consolidated Planning Grant (CPG)

In 1997, FHWA/FTA instituted a transportation planning funds process called CPG. In California, the four CPG fund sources are described below.

##### 1. FHWA Metropolitan Planning (FHWA PL)

Metropolitan Planning funds, otherwise known as PL funds, are available for MPOs to carry out the metropolitan transportation planning process required by 23 U.S.C. 134, including the development of metropolitan area transportation plans and transportation improvement programs.

The state must make all federally authorized PL funds available to the MPOs in accordance with a formula developed by the state, in consultation with the MPOs and approved by the FHWA.

##### 2. FTA Metropolitan Planning, Section 5303 (FTA §5303)

All MPOs with an urbanized area receive FTA §5303 funds each year to develop transportation plans and programs. The percentage of the California apportionment of FTA §5303 each MPO receives is determined by a formula agreed to by the MPOs, Caltrans and FTA.

The FTA §5303 formula has two components, a base allocation and a population component, which distributes funds according to the MPO’s percentage of statewide urbanized area population as of the most recent decennial census.

##### 3. FHWA State Planning and Research Part I – Strategic Partnership Grants (SP&R)

Funds transportation planning studies in partnership with Caltrans that address the regional, interregional and statewide need of the State highway system, and assist in achieving other State goals. Caltrans awards these grants through an annual, competitive selection process.

##### 4. FTA State Planning and Research, Section 5304 Strategic Partnerships – Transit (FTA §5304)

Funds local and regional multimodal transportation planning projects, with a focus on transit, in partnership with Caltrans of regional, interregional and statewide significance, that support achieving the Caltrans Mission and other State Goals. Caltrans awards these grants through an annual, competitive selection process.

# OVERALL WORK PROGRAM

## Sustainable Transportation Planning Grants

The Sustainable Transportation Planning Grants include the State Highway Account (SHA) funds as well as Senate Bill (SB) 1 funds that are deposited into the Road Maintenance and Rehabilitation Account (RMRA). Caltrans awards these grants through an annual, competitive selection as well as a formula-allocation process.

### 1. State Highway Account

Funds local and regional multimodal transportation and land use planning projects that further the region's RTP/SCS, contribute to the State's greenhouse gas (GHG) reduction targets, and assist in achieving other State goals; funds local and regional identification of transportation-related climate vulnerability through the development of climate adaptation plans. Caltrans awards these grants through an annual, competitive selection process.

### 2. Sustainable Communities SB 1 Formula Grants

Senate Bill (SB) 1, the Road Repair and Accountability Act of 2017, is a transportation funding bill that will provide a reliable source of funds to maintain and integrate the State's multi-modal transportation system. Beginning in FY 2017-18, approximately \$12.5 million in Sustainable Communities Formula Grants from SB 1 reside under the Sustainable Transportation Planning Grant Program and are allocated via formula (consistent with the FHWA PL formula) to the 18 MPOs. These funds are for local and regional multimodal transportation and land use planning projects that further the region's RTP/SCS, contribute to the State's GHG reduction targets, and assist in achieving other State goals.

## Local Funds

Each funding source described above requires that local cash or in-kind services be provided as a match. SCAG uses a combination of the following sources to meet the match requirements:

### 1. Transportation Development Act (TDA)

State of California Public Utilities Code Section 99233.2 authorizes the Transportation Commissions in Los Angeles, Orange, Riverside, and San Bernardino counties to allocate up to  $\frac{3}{4}$  of 1 percent of their local transportation funds to SCAG as the multi-county planning agency for the region. As the largest source of recurring non-federal funding received by SCAG, TDA is used to fund local initiatives and to provide cash match as needed for projects funded with state or federal funds.

### 2. Cash Match/Local Funds

Funding from local agencies is provided to SCAG to serve as matching funds to the CPG and other grants that require local match for consultant expenditures as a condition of receiving grant funds. For example, the CPG requires a match of 11.47%. Cash/local contributions are also used to augment various projects.

### 3. In-Kind Match

The CPG and other grants accept in-kind match, as well as cash match, to fulfill the local match requirement for staff costs that is a condition of receiving grant funds. In-kind match includes services, such as staff time, provided by a local agency to support the work funded by a grant.

# OVERALL WORK PROGRAM

## Special Grant Funds

SCAG receives various discretionary grant funds to carry out a wide array of planning programs.

### 1. AB2766/Mobile Source Air Pollution Reduction Review Committee (MSRC) Funds

State Health & Safety Code Section 44225 (AB2766) established MSRC to develop a work program to fund projects that help reduce air pollution from motor vehicles within the South Coast Air District. MSRC provides to SCAG the financial assistance which supports Last Mile Freight Program.

### 2. Office of Traffic Safety (OTS) Pedestrian and Bicycle Safety Funds

California OTS competitively awards to various agencies for projects that increase awareness of traffic rules, rights, and responsibilities among different age groups.

### 3. Active Transportation Program (ATP) Funds

ATP was created by Senate Bill 99 (Chapter 359, Statutes of 2013) and Assembly Bill 101 (Chapter 354, Statutes of 2013) to encourage increased use of active modes of transportation, such as biking and walking. The ATP program is funded from various federal and state funds appropriated in the annual Budget Act. Caltrans provides administrative oversight for the Programs and ensures that the terms and conditions of the California Transportation Commission's guidelines.

### 4. Congressionally Directed Project

The Consolidated Appropriations Act, 2022 (Public Law 117-103) appropriated funding for Highway Infrastructure Programs (HIP), which included a set-aside for Community Project Funding/Congressionally Directed Spending. Caltrans provides administrative oversight for this program. In FY 2023-24, SCAG received an award in the amount of \$480,000 under this program to support Highways to Boulevards Regional Study.

### 5. Regional Early Action Planning (REAP) Grants Program

As part of the 2021 California Comeback Plan under AB 140, the Regional Early Action Planning Grant of 2021 (REAP 2.0) was established to build on the success of the REAP 2019, but to expand the program focus by integrating housing and climate goals and allowing for broader planning and implementation investments. Up to approximately \$231.5 million is available for SCAG under the REAP 2.0 for eligible activities.

### 6. Carbon Reduction Program Funds

The Carbon Reduction Program (CRP) is a program established by the Infrastructure Investment and Jobs Act (IIJA). It funds transportation projects that reduce carbon dioxide emissions from on-road transportation sources. For each fiscal year, 65 percent of CRP funding to the State is apportioned annually by population to MPOs and RTPAs (Local CRP funds). SCAG, as the MPO, is responsible for the selection of Local CRP-funded projects in the SCAG region. Following discussion with key stakeholders and consistent with the Regional Council approval, 65 percent of the Local CRP funds was made available through a Call-for-Projects process and SCAG retained 35 percent of the Local CRP funds to support various projects that achieve regional transportation goals and objectives. Use of the 35 percent of the Local CRP funds is included in the annual SCAG Overall Work Program.

# OVERALL WORK PROGRAM

## 7. Sustainable Agricultural Lands Conservation Program (SALC)

The Sustainable Agricultural Lands Conservation Program (SALC) is a component of the Strategic Growth Council's Affordable Housing and Sustainability Program. It supports the State's GHG emission reduction goals by making strategic investments to protect agricultural lands from conversion to more GHG intensive uses. The funding will be used to develop a Natural & Agricultural Lands Economic and Resilience Benefits Study and Landscape Analysis White Paper for SCAG's six county region.

## 8. Safe Streets and Roads for All

The Bipartisan Infrastructure Law (BIL) established the Safe Streets and Roads for All (SS4A) discretionary program with \$5 billion in appropriated funds over 5 years, 2022-2026. The SS4A program funds regional, local, and Tribal initiatives through grants to prevent roadway deaths and serious injuries. The award funding from the FY 2023 cycle will be used to fund three initiatives over five years: the Regional Safety Action Plan, the Go Human Safety Program, and Quick-Build demonstrations. The award funding from the FY 2024 cycle will be used to create semi-permanent open streets events in partnership with LADOT.

## 9. Surface Transportation Block Grant Program (STBG)/Congestion Mitigation and Air Quality Improvement Program (CMAQ)

The Surface Transportation Block Grant (STBG) program is a federal funding source that may be used for projects to preserve and improve the conditions and performance of highways, bridges, and public roads, pedestrian and bicycle infrastructure, and transit capital projects. The Congestion Mitigation and Air Quality (CMAQ) Improvement Program is a federal funding source for transportation projects and programs to reduce congestion and improve air quality for areas that do not meet the National Ambient Air Quality Standards for ozone, carbon monoxide, or particulate matter (nonattainment areas) and for former nonattainment areas that are now in compliance (maintenance areas). Roughly \$290 million in STBG and \$290 million in CMAQ funds for a combined amount of \$580 million annually is apportioned to the SCAG region. As of July 1, 2023, the Southern California Association of Governments (SCAG) is responsible for the selection of STBG/CMAQ-funded projects in the SCAG region. SCAG reserves the right to set aside up to 2.5 percent of the annual obligational authority for STBG and CMAQ funds apportioned to the SCAG region to support regional planning priorities that are led by SCAG and/or in partnership with the County Transportation Commissions (CTCs). Use of the 2.5 percent funds is included in the annual SCAG Overall Work Program.

## 10. Strategic Innovation for Revenue Collection (SIRC)

The Bipartisan Infrastructure Law (BIL) established the SIRC program to provide discretionary grants to test the feasibility of a road usage fee and other user-based alternative revenue mechanisms to help maintain the long-term solvency of the Highway Trust Fund through pilot projects at the State, local, and regional level. In FY 2024-25, SCAG was awarded \$1.35 million in federal funds to demonstrate the viability and interoperability of a per-mile user-based alternative revenue mechanism with existing toll-based revenue collection mechanisms, in partnership with NextMove by Cintra.

# OVERALL WORK PROGRAM

## 11. Climate Pollution Reduction Grant (CPRG) – INVEST CLEAN Program

SCAG is partnering with the South Coast Air Quality Management District (SCAQMD) to carry out Measure 2.2 of the Infrastructure, Vehicles, and Equipment Strategy for Climate, Equity, Air Quality, and National Competitiveness (INVEST CLEAN) project. SCAG is a subrecipient of SCAQMD under their grant awarded by the Environmental Protection Agency (EPA) and will administer a \$50-million rebate program for fleets involved in last mile freight through the deployment of Class 4 and 5 vehicles. The rebate program supports purchase, conversion, and deployment of battery-electric Class 4 and Class 5 commercial vehicles operating within the Los Angeles – Long Beach – Anaheim and Riverside – San Bernardino – Ontario Metropolitan Statistical Areas (MSAs).

# OVERALL WORK PROGRAM

## OWP Budget Document

The core regional transportation planning document is the OWP, and its core product is the completion of the Regional Transportation Plan (RTP). The OWP is developed by SCAG on an annual basis and serves as the planning structure that SCAG must adhere to for the state fiscal year, which is July 1 through June 30 of the following calendar year. The OWP includes three component pieces:

- 1. Regional Prospectus**

The prospectus section provides the context for understanding the work activities proposed and gives information about the region. It includes, but is not limited to:

- The region's regional planning approach
- The agency's organizational structure and interagency arrangements
- An overview of governmental and public involvement
- The progress made towards implementing the RTP/SCS (Connect SoCal)

- 2. Program/Work Elements**

The Program/Work Element identifies specific planning work to be completed during the term of the OWP, as well as a narrative of previous, ongoing, and future year's work to be completed. It also includes the sources and uses of funds.

- 3. Budget Revenue & Expenditure Reports**

These summary reports list all the work elements in the OWP by funding sources and expenditure category.

The OWP, in conjunction with the Overall Work Program Agreement (OWPA) and the regional planning Master Fund Transfer Agreement (MFTA), constitutes the annual funding agreement between the State and SCAG. Although the OWP includes all planning projects to be undertaken by SCAG during the fiscal year, the OWPA and MFTA only include the CPG and Sustainable Transportation Planning Grants, including SB1 grants, described above.

# OVERALL WORK PROGRAM

## OWP Line Item Budget

The OWP Budget can be viewed in two ways: The first table is a line item budget displaying how the OWP budget is allocated. The second table shows the same budget by project and major budget category.

Cost Category	FY26 Budget Amendment 2	FY27 Proposed	Incr (Decr)
500XX Staff	\$ 14,417,751	\$ 13,836,228	\$ (581,523)
543XX Consultant	37,867,035	23,849,414	(14,017,621)
54302 Non-Profits/IHL	10,500	-	(10,500)
543xx Consultant TC	38,797,861	32,513,129	(6,284,732)
543xx Consultant Technical Assistance /Pass-Through Payments	235,436,770	103,905,710	(131,531,060)
54340 Legal	85,000	200,000	115,000
5528X Third party contribution	61,514,028	26,012,663	(35,501,365)
55415 Off-site storage	129,775	3,750	(126,025)
55580 Outreach/advertisement	104,500	102,000	(2,500)
5562X Resource materials, GASB 96 & Non-GASB 96 Subscriptions	1,203,409	1,072,000	(131,409)
55810 Public notices		1,000	1,000
55830 Networking meetings/special events	4,000	4,000	-
55920 Other meeting expense	81,500	120,000	38,500
55930 Miscellaneous other	120,541	120	(120,421)
55931 Miscellaneous labor	6,475,010	1,502,686	(4,972,324)
55932 Miscellaneous labor, future	21,004,434	12,389,299	(8,615,135)
58101 Travel	326,149	296,400	(29,749)
58110 Mileage	12,000	10,000	(2,000)
<b>Sub-total</b>	<b>\$ 417,590,263</b>	<b>\$ 215,818,399</b>	<b>\$ (201,771,864)</b>
51000 Fringe benefits	10,457,930	10,271,733	\$ (186,197)
51001 Indirect costs	34,220,037	37,426,911	\$ 3,206,874
<b>Total</b>	<b>\$ 462,268,230</b>	<b>\$ 263,517,043</b>	<b>\$ (198,751,187)</b>

\*Totals may not add due to rounding

# OVERALL WORK PROGRAM

This table shows the same budget by program and major budget category.

Program	FY27 Proposed Budget				
	Total *	Other Costs	Consultant	Consultant TC	Consultant TA & TA TC
010 System Planning	1,198,149	1,098,149	-	100,000	-
015 Transportation Finance	1,056,463	831,463	-	225,000	-
020 Environmental Planning	2,032,600	1,372,600	-	660,000	-
025 Air Quality and Conformity	672,645	672,645	-	-	-
030 Federal Transportation Improvement Program (FTIP)	4,233,735	3,808,735	-	425,000	-
045 Geographic Information Systems (GIS)	6,233,601	6,158,601	-	75,000	-
050 Active Transportation Planning	776,439	776,439	-	-	-
055 Regional Forecasting, Socioeconomic Technical & Policy Analysis	1,816,781	1,420,781	-	396,000	-
060 Corridor Planning	38,782	38,782	-	-	-
065 Sustainability Program	2,514,018	1,911,667	602,351	-	-
070 Modeling	11,061,215	10,496,215	390,000	175,000	-
080 Performance Assessment, Monitoring & Strategy	1,169,581	1,169,581	-	-	-
090 Public Information and Communications	5,610,090	5,095,090	-	515,000	-
095 Regional Outreach and Public Participation	5,438,780	5,178,780	-	260,000	-
100 Intelligent Transportation Systems (ITS) and Smart Cities	11,322,491	2,841,209	452,142	8,029,140	-
120 OWP Development and Administration	1,485,483	1,485,483	-	-	-
130 Goods Movement	14,975,629	4,224,519	3,153,121	7,597,989	-
140 Transit and Rail Planning	1,492,178	1,192,178	300,000	-	-
145 Sustainable Communities and Strategic Partnership Planning Grant	483,060	55,380	427,680	-	-
156 Climate Adaptation Planning	200,000	-	-	-	200,000
225 Special Grant Projects	22,091,306	4,886,898	5,566,714	-	11,637,694
230 Regional Aviation and Airport Ground Access Planning	498,078	148,078	350,000	-	-
235 Local Information Services Program	840,215	715,215	-	125,000	-
275 Sustainable Communities Program	1,259,280	380,280	702,000	-	177,000
290 Research, Planning and Engagement for Sustainable Communities	8,987,235	3,987,894	2,499,341	2,500,000	-
303 Economic Empowerment	204,819	144,819	60,000	-	-
305 Regional Early Action Planning (REAP) Grants Program – REAP 2.0	46,373,246	6,491,730	123,500	-	39,758,016
310 Planning Strategy Development and Implementation	7,099,174	7,047,714	51,460	-	-
315 Last Mile Freight Program - MSRC	79,358,409	20,187,304	9,171,105	-	50,000,000
325 Regional Pilot Initiatives	2,947,523	714,523	-	100,000	2,133,000
400 Planning and Implementation for the 2028 Games	18,424,337	7,424,337	-	11,000,000	-
500 Federal Highway Funding Project Selection, Monitoring, and Delivery	1,621,701	1,291,701	-	330,000	-
<b>Total</b>	<b>263,517,043</b>	<b>103,248,790</b>	<b>23,849,414</b>	<b>32,513,129</b>	<b>103,905,710</b>

\*Includes indirect costs, fringe benefits, non-labor, and in-kind match; Totals may not add due to rounding.

# OVERALL WORK PROGRAM

## Program/work elements

The following section provides a summary of the OWP Programs and the Strategic Plan goal(s) each program supports.

### **010 System Planning**

**Manager: Warren Whiteaker**

#### Program Objective:

Transportation System Planning involves long-term planning for system preservation/maintenance, system operation/performance, optimization of system utilization, system safety, and strategic system expansion of all modes of transportation for people and goods in the six-county region, including Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura. Connect SoCal (RTP/SCS) is the primary vehicle SCAG uses to achieve our transportation system planning goals and objectives. As the MPO for this region, one of SCAG's major responsibilities is to develop, administer, and update the RTP/SCS. The primary objective of this work element is to ensure SCAG is fulfilling its roles and responsibilities in this area as the designated MPO and RTPA for this region. SCAG will ensure that Connect SoCal updates are consistent with state and federal requirements while addressing the region's transportation needs. Indirect costs include SCAG's facility expenditures, operational activities for IT, Finance, Human Resources departments, etc. The details on what is included in 'indirect cost' can be found in the SCAG's FY27 Comprehensive Budget Document and/or the FY27 Indirect Cost Rate Proposal.

#### Strategic Plan:

Supports Goal #1 – Establish and implement a regional vision for a sustainable future.

Supports Goal #2 – Be a cohesive and influential voice for the region.

Supports Goal #3 – Spur innovation and action through leadership in research, analysis, and information sharing.

### **015 Transportation Finance**

**Manager: Warren Whiteaker**

#### Program Objective:

This work program is critical to addressing some of SCAG's core activities—specifically, satisfying federal planning requirements on financial constraint; ensuring a reasonably available revenue forecast through the Connect SoCal (RTP/SCS) planning horizon, and addressing system level operation and maintenance cost analyses along with capital cost evaluation of transportation investments. This work program includes the Connect SoCal financial plan and provides support for key financial strategies throughout the region.

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## **Strategic Plan:**

Supports Goal #1 – Establish and implement a regional vision for a sustainable future.

Supports Goal #2 – Be a cohesive and influential voice for the region.

Supports Goal #5 – Secure and optimize diverse funding sources to support regional priorities.

## **020 Environmental Planning**

**Manager: Sarah Dominguez**

### **Program Objective:**

In accordance with the California Environmental Quality Act (CEQA), SCAG prepares environmental documentation to ensure regulatory compliance with applicable state environmental laws, monitors changes in environmental compliance requirements, and provides tools and services related to CEQA and CEQA streamlining efforts to support local jurisdictions. SCAG serves as the lead agency responsible for preparing the RTP/SCS Program Environmental Impact Report (PEIR) and addendums, and ensures completion of appropriate environmental documentation, such as Categorical Exemptions, for SCAG's programs and projects, as needed. Staff works closely with local and regional agencies and stakeholders and conducts consultation and public outreach during the preparation of environmental documentation.

The Intergovernmental Review (IGR) program provides informational resources to regionally significant projects, plans, and programs as defined by CEQA to facilitate the consistency of these projects with SCAG's adopted regional plans, to be determined by the lead agencies; functions as a clearinghouse for applications for federal grants and financial assistance programs, federally required state plans, federal development activities, and environmental documents; serves as an internal resource for submitted project information to support the Connect SoCal update and regional performance monitoring and assessment, where appropriate; and coordinates internal input to integrate performance monitoring in the review of environmental documents for regionally significant projects.

## **Strategic Plan:**

Supports Goal #1 – Establish and implement a regional vision for a sustainable future

Supports Goal #3 – Spur innovation and action through leadership  
in research, analysis and information sharing

## **025 Air Quality and Conformity**

**Manager: Sarah Dominguez**

# OVERALL WORK PROGRAM

## Program Objective:

The Air Quality Planning and Conformity program oversees and performs regional transportation conformity determinations and related air quality planning, analysis, documentation, and policy implementation in SCAG region. This includes preparing transportation conformity analyses for RTP/SCS, FTIP, and their amendments; fulfilling federally required interagency consultation, processing and acting as clearinghouse for particulate matter (PM) hot spot analyses for transportation projects through the Transportation Conformity Working Group (TCWG); monitoring, participating in, and reporting on relevant federal, California, and regional air quality rulemaking; collaborating with the California Air Resources Board (ARB) and local air districts on development of air quality management plans/state implementation plans (AQMPs/SIPs); identifying and proactively addressing potential conformity failures and potential highway sanctions; developing SCAG's portion of South Coast Air Quality Management Plan (commonly known as Appendix IV-C); ensuring the timely implementation of transportation control measures (TCMs); and participating in the development and implementation of the Mobile Source Air Pollution Reduction Review Committee (MSRC) work programs.

## Strategic Plan:

Supports Goal #2 – Be a cohesive and influential voice for the region

Supports Goal #3 – Spur innovation and action through leadership

in research, analysis and information sharing

## 030 Federal Transportation Improvement Program (FTIP)

**Manager: Warren Whiteaker**

## Program Objective:

The Federal Transportation Improvement Program (FTIP) is a federally mandated four-year program of all surface transportation projects and programs that will receive federal funding or are subject to a federally required action. The FTIP is a key programmatic tool that helps to implement Connect SoCal (RTP/SCS) and is developed to incrementally implement the programs and projects in Connect SoCal in accordance with federal and state requirements. The FTIP is amended on an on-going basis, as necessary, thereby allowing projects consistent with the RTP/SCS to move forward toward implementation.

Consistent with the findings of the region's 2022 Federal Certification Review, SCAG also selects, monitors, and manages Congestion Mitigation and Air Quality Improvement (CMAQ), Surface Transportation Block Grant (STBG), and Carbon Reduction Program (CRP) federally funded projects. Selected projects advance Connect SoCal and associated performance targets.

# OVERALL WORK PROGRAM

## **Strategic Plan:**

Supports Goal #1 – Establish and implement a regional vision for a sustainable future.

Supports Goal #2 – Be a cohesive and influential voice for the region.

Supports Goal #5 – Secure and optimize diverse funding sources to support regional planning.

## **045 Geographic Information Systems (GIS)**

**Managers: Hsi-Hwa Hu & Jonathan Holt**

### **Program Objective:**

Analyzing and visualizing regional geographic data, often on a map, is where many Planning efforts begin. This program provides agency-wide GIS operations and support. It fosters widespread use of geographic data in data-driven planning, geospatial analysis, data visualization, GIS mapping, as well as GIS application development by leveraging location intelligence. To enhance GIS workflows, staff applies GIS modeling and analytics techniques to streamline regional geospatial database development and maintenance processes. GIS staff establishes innovative analytical and visualization methodologies to facilitate and support policy and planning analysis. In addition, GIS staff provides professional GIS technical support and training to SCAG staff. To support SCAG's ongoing role as a Regional Information Center, the program manages and maintains regional geospatial data and information for policy and planning analysis for Southern California and provides data and visualization services and support to better serve the needs of the agency and stakeholders.

Additional goals include developing cutting-edge web-GIS applications and tools for information sharing and innovative planning; developing and managing SCAG's Enterprise GIS and RDP systems (including GIS hardware/software, GIS database, GIS analysis, and GIS applications); developing and implementing GIS governance and GIS data management standards and providing value-added GIS technical services and products to our local jurisdictions.

## **Strategic Plan:**

Supports Goal #3 - Spur innovation and action through leadership in research, analysis and information sharing

Supports Goal #4 - Build a unified culture anchored in the pursuit of organizational excellence.

## **050 Active Transportation Planning**

**Manager: Courtney Aguirre**

### **Program Objective:**

SCAG will continue to pursue new opportunities and partnerships to advance the region's core active

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transportation strategies. This includes developing coordinated approaches with shared mobility providers to support complete streets goals and reduce single-occupancy vehicle use for short trips. SCAG will also collaborate with Caltrans, counties, and individual cities to fund local active transportation plans and multi-jurisdictional active transportation projects that are part of Connect SoCal, the 2024 RTP/SCS.

SCAG will maintain management of the Regional Active Transportation Program, including providing technical assistance to project sponsors, managing planning and program grants, tracking project delivery, and preparing program amendments, as necessary. SCAG will also continue to provide leadership and input at the state and regional levels to ensure future funding cycles align with regional planning priorities. Through ongoing collaboration with the California Transportation Commission, Caltrans and the Southern California county transportation commissions, SCAG will work to improve application and allocation procedures.

SCAG will also expand its capacity to measure the impacts of active transportation investments by strengthening data collection, modeling, and co-benefit analysis—particularly related to greenhouse gas reductions, public health, and economic outcomes.

**Strategic Plan:**

Supports Goal #1 – Establish and implement a regional vision for a sustainable future.

Supports Goal #2 – Be a cohesive and influential voice for the region.

Supports Goal #3 – Spur innovation and action through leadership in research, analysis, and information sharing.

**055 Regional Forecasting, Socioeconomic Technical & Policy Analysis**  
**Managers: Hsi-Hwa Hu & Jinghua Xu**

**Program Objective:**

The key focus of this work element is to collect, compile, assess, analyze, and research socioeconomic, technology advancement, and demographic data and their trends, develop value-added information products, including but not limited to regional and county-level population, household and employment estimates and projections to inform regional planning and policy development.

This program also addresses the following: promote and advance in-house research and capacity with trainings and teaching research methodology, data, analytical tools - GIS, statistics, programming across the agency. Collaboration with universities, research institutes and planning partners and peer agencies jointly conduct research and data sharing on important and emerging regional challenges and issues. Serve as the regional data and information hub, promote data and information driven decision-making process and outcome. Additional program objectives include actively promoting and advocating for SCAG’s innovative planning practices and experiences across the nation and

# OVERALL WORK PROGRAM

internationally by organizing and conducting summits, workshops, symposiums, participation, presentation at key conferences, and publications in the peer-reviewed journals.

**Strategic Plan:**

Supports Goal #1 - Establish and implement a regional vision for a sustainable future

Supports Goal #2 - Be a cohesive and influential voice for the region

Supports Goal #3 - Spur innovation and action through leadership in research, analysis and information sharing.

**060 Corridor Planning**

**Manager: Courtney Aguirre**

**Program Objective:**

SCAG will shape regional planning documents, including Connect SoCal, based on the emerging design concepts and scopes of major transportation corridor investments, drawing on corridor planning studies completed under this work element and in partnership with other agencies. SCAG will also initiate and support the development of comprehensive, multimodal, and sustainable corridor plans that expand mobility choices and contribute to a well maintained, sustainable, and safer regional transportation system. In addition, SCAG will ensure that corridor planning studies comply with federal transportation planning requirements under 23 CFR 450. SCAG will further collaborate with state and local partners, including Caltrans and local jurisdictions, on efforts to plan for “Main Streets” and reconnect communities by preparing for the removal, retrofit, or mitigation of existing transportation facilities such as highways or rail lines.

**Strategic Plan:**

Supports Goal #1 – Establish and implement a regional vision for a sustainable future.

Supports Goal #2 – Be a cohesive and influential voice for the region.

Supports Goal #3 – Spur innovation and action through leadership in research, analysis, and information sharing.

**065 Sustainability Program**

**Manager: Ryan Wolfe & Victor Negrete**

**Program Objective:**

SCAG’s Sustainability Program is a core effort for implementing the Connect SoCal, the 2024 RTP/SCS. The program demonstrates that the region can achieve mobility, air quality, and public health goals

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through local land use and policy changes along with targeted transportation investments. The program also focuses on developing regional resiliency strategies; explores pressing issues and possible challenges Southern California’s residents may face in the coming decades, including climate change impacts to public health; furthers the region’s ability to model the impacts of transportation and land use changes on public health; and considers ways to address potential disruptions to anticipated regional development patterns and transportation investments.

**Strategic Plan:**

Supports Goal #1 - Establish and implement a regional vision for a sustainable future.

**070 Modeling**

**Manager: Jinghua Xu & Hsi-Hwa Hu**

Program Objective:

Provide data and modeling services for the development and implementation of the RTP/SCS, FTIP, and other major land use and transportation planning initiatives. Analyze socioeconomic data and build analytical foundations for planning activities. Develop small area demographic and employment growth forecast through collaborating with local jurisdictions and peer planning agencies and building consensus. Continue to provide small area socioeconomic data for scenario planning and transportation modeling. Provide member agencies tools and data to analyze the impacts of their land use and planning decisions. Develop, maintain, and improve SCAG’s forecasting and modeling tools to more effectively forecast small area growth, impacts of alternative scenarios, regional travel demand and estimate resulting air quality. Maintain a leadership role in the Southern California modeling community by coordinating the Region’s modeling activities. Provide technical assistance and data services to support planning analysis of member agencies and other public institutions. Promote model consistency through an active subregional modeling program. Continue ongoing modeling collaboration with SCAG’s partners to advance the region’s modeling practices.

**Strategic Plan:**

Supports Goal #1 - Establish and implement a regional vision for a sustainable future

Supports Goal #2 - Be a cohesive and influential voice for the region

Supports Goal #3 - Spur innovation and action through leadership in research, analysis and information sharing

**080 Performance Assessment, Monitoring, & Strategy**

**Manager: Sarah Dominguez**

# OVERALL WORK PROGRAM

**Program Objective:**

Provide performance assessment and monitoring of the SCAG region that is consistent with federal performance-based planning, monitoring, and reporting guidance. Ensure the region is on track toward achieving the goals of the RTP/SCS (Connect SoCal) and in the implementation of Connect SoCal. Performance Assessment, Monitoring, and Strategy tasks including the collection and analysis of data needed to identify and evaluate regional development trends, transportation system performance, environmental quality, regional sustainability and climate resilience, public health, housing affordability, and the socioeconomic well-being of people in the region.

The results of the regional performance monitoring and assessment program provide the basis for informed policy making, investment planning, and the effective implementation of Connect SoCal. This program also coordinates with the California Department of Transportation (Caltrans) in the management of the annual local data collection process in support of the Highway Performance Monitoring System (HPMS).

**Strategic Plan:**

Supports Goal #1 – Establish and implement a regional vision for a sustainable future

Supports Goal #2 – Be a cohesive and influential voice for the region

Supports Goal #3 – Spur innovation and action through leadership in research, analysis and information sharing

**090 Public Information & Communications**

**Manager: Ana Vallianatos**

**Program Objective:**

Develop and execute a comprehensive external communications program that informs the region’s diverse audiences about SCAG programs, plans, initiatives, and services. SCAG's communications strategies facilitate the agency's transportation planning activities by helping to inform the general public, media, agency stakeholders and partners about the existence, purpose and potential impact of these activities, and to convey this information in ways that are engaging and easy to understand for general audiences. SCAG communicates through various email and social media channels, engagement with local media, video production, websites, print collateral and workshops/events.

**Strategic Plan:**

Supports Goal #1 – Establish and implement a regional vision for a sustainable future.

Supports Goal #2 – Be a cohesive and influential voice for the region.

# OVERALL WORK PROGRAM

## 095 Regional Outreach & Public Participation

Manager: Kevin Gilhooley, Ana Vallianatos & Carmen Flores

Program Objective:

Provide support for federal and state mandated public outreach for SCAG’s planning activities. Engage and collaborate with regional stakeholders in the SCAG planning and programming process through the support, assessment, and enhancement of outreach efforts to local governments, tribal governments, and members of the various stakeholder entities, including academia, business, community, and environmental groups, as well as other interested parties. The SCAG Regional Offices are critical components in these efforts, with SCAG staff assigned to an office in each county in the SCAG region.

Strategic Plan:

- Supports Goal #2 – Be a cohesive and influential voice for the region.
- Supports Goal #4 – Build a unified culture anchored in the pursuit of organizational excellence.

## 100 Intelligent Transportation Systems (ITS) and Smart Cities

Manager: Kate Kigongo & Warren Whiteaker

Program Objective:

Under this program, staff will identify and create plans, policies, and tools to support deployment and integration of technologies and Smart Cities strategies, to achieve regional goals including mobility, equity, and sustainability. SCAG will plan for and support ubiquitous regional broadband deployment, access and adoption to provide the necessary infrastructure and supporting policies for Smart Cities Strategies and other transportation planning initiatives and will work towards documenting and disseminating the benefits of these strategies equitably throughout the region. SCAG will continue engaging with regional stakeholders on ITS and ITS related matters, including use and maintenance of the regularly updated Regional ITS Architecture. Additionally, SCAG will maintain the web-accessible Architecture and provide documentation to maximize its usability and ensure on-going maintenance. SCAG will seek to provide training and educational opportunities to stakeholders on ITS related topics in partnership with FHWA/Caltrans as opportunities become available.

Strategic Plan:

- Supports Goal #1 - Establish and implement a regional vision for a sustainable future.
- Supports Goal #2 - Be a cohesive and influential voice for the region.
- Supports Goal #3 - Spur innovation and action through leadership in research, analysis and

# OVERALL WORK PROGRAM

information sharing.

Supports Goal #5 - Secure and optimize diverse funding sources to support regional priorities.

## **120 OWP Development & Administration**

**Manager: Kana Sato-Nguyen**

Program Objective:

Develop, administer, and monitor the Overall Work Program (OWP). The OWP is a required function of SCAG as the Metropolitan Planning Organization (MPO) for this region and provides a detailed description of the planning activities that will be completed by the MPO and its partners in the fiscal year.

### **Strategic Plan:**

Supports Goal #5 – Secure and optimize diverse funding sources to support regional priorities

## **130 Goods Movement**

**Manager: Courtney Aguirre**

Program Objective:

This work program focuses on integrating freight-related transportation initiatives into the regional transportation planning process, including development of the Comprehensive Sustainable Freight Plan and Implementation Strategy. This effort includes but is not limited to a systems level plan for inland port strategies, along with strategic operational approaches to address increasing supply chain volatility and to prepare for major events. Under this program, SCAG will plan and advocate for funding, policies, and programs to optimize the intermodal goods movement network through increases in economic efficiency, resiliency, congestion mitigation, safety and air quality improvements, mitigation of community impacts, and enhancements to system security.

### **Strategic Plan:**

Supports Goal #1 – Establish and implement a regional vision for a sustainable future.

Supports Goal #2 – Be a cohesive and influential voice for the region.

Supports Goal #3 – Spur innovation and action through leadership in research, analysis, and information sharing.

Supports Goal #5 – Secure and optimize diverse funding sources to support regional priorities.

## **140 Transit and Rail Planning**

**Manager: Courtney Aguirre**

# OVERALL WORK PROGRAM

## Program Objective:

SCAG supports and engages transit and rail operators in corridor and regional planning efforts and in refining transit and rail strategies for future updates to Connect SoCal. SCAG will continue to implement FTA requirements for performance-based planning and coordinate with transit operators on transit safety and transit asset management (TAM). SCAG will also assess and monitor regional transit system performance and work with operators through the Regional Transit Technical Advisory Committee to ensure meaningful stakeholder input and participation in the metropolitan transportation planning process, consistent with SCAG's MOUs with the region's transit agencies.

## Strategic Plan:

Supports Goal #1 – Establish and implement a regional vision for a sustainable future.

Supports Goal #2 – Be a cohesive and influential voice for the region.

Supports Goal #3 – Spur innovation and action through leadership in research, analysis, and information sharing.

## **145 Sustainable Communities and Strategic Partnerships Planning Grant Program**

**Manager: Courtney Aguirre**

## Program Objective:

To encourage local and regional planning that furthers state goals; to identify and address statewide, interregional, or regional transportation deficiencies on the State highway system; and to support planning actions at the local and regional levels that advance climate change efforts on the transportation system.

## Strategic Plan:

Supports Goal #1 – Establish and implement a regional vision for a sustainable future.

Supports Goal #2 – Be a cohesive and influential voice for the region.

Supports Goal #3 – Spur innovation and action through leadership in research, analysis, and information sharing.

## **156 Climate Adaptation Planning**

**Manager: Ryan Wolfe**

# OVERALL WORK PROGRAM

## Program Objective:

To encourage local and regional identification of transportation system vulnerabilities and climate-related risks to existing transportation infrastructure, identification of adaptation planning projects that address climate risk impacts to existing transportation infrastructure, and planning for specific climate projects that can be programmed in existing local or regional transportation plans.

## Strategic Plan:

Supports Goal #5 - Secure and optimize diverse funding sources to support regional priorities.

## 225 Special Grant Projects

Manager: Victor Negrete, Kate Kigongo, Warren Whiteaker

## Program Objective:

To fund and participate in specialized environmental and transportation projects with funding from discretionary grants and/or local funds contributed by local jurisdictions. Grants assist the region and local agencies to better integrate land use, technology, and transportation planning to develop alternatives for addressing growth, sustainability, and to assess efficient infrastructure investments that meet community needs.

## Strategic Plan:

Supports Goal #1 – Establish and implement a regional vision for a sustainable future.

Supports Goal #2 – Be a cohesive and influential voice for the region.

Supports Goal #3 – Spur innovation and action through leadership in research, analysis, and information sharing.

Supports Goal #5 – Secure and optimize diverse funding sources to support regional priorities.

## 230 Regional Aviation & Airport Ground Access Planning

Manager: Courtney Aguirre

## Program Objective:

The Regional Aviation and Airport Ground Access Planning (Aviation) program focuses on the region's airports and aviation system primarily from the perspective of airport ground access and the surface transportation system. Although SCAG does not have regulatory or developmental authority over the airports, it does plan for and identify airport ground access strategies in the regional transportation

# OVERALL WORK PROGRAM

plan. SCAG also plays a critical consultative and collaborative role with the airports, federal agencies, Caltrans, the transportation agencies and commissions, academic institutions, industry associations, and other transportation stakeholders. SCAG will continue ongoing work on regional airport and airport ground access planning, and explore new areas of research on aviation systems planning. There will be considerable collaboration with regional partners through ongoing communication and participation on working groups and committees, including the Aviation Technical Advisory Committee (ATAC), which SCAG manages and convenes.

## **Strategic Plan:**

Supports Goal #1 – Establish and implement a regional vision for a sustainable future.

Supports Goal #2 – Be a cohesive and influential voice for the region.

Supports Goal #3 – Spur innovation and action through leadership in research, analysis, and information sharing.

## **235 Local Information Services Program**

**Manager: Hsi-Hwa Hu**

### **Program Objective:**

The Local Information Services Program mainly focuses on the Local Information Services Team (LIST) and the Toolbox Tuesday Training Series to build local capacity in innovative and integrated transportation and planning tools and resources. LIST aims to (1) link SCAG’s available information products (e.g., data, applications, model policies and best practices, topical white papers, etc.) to help address local needs, (2) provide local jurisdiction staff an opportunity to offer feedback on how SCAG can improve its products to facilitate better collaboration, and (3) coordinate and conduct one-on-one technical assistance meetings with local jurisdictions. Internally, LIST also work closely with subject matter experts at SCAG to provide technical, outreach, education, and engagement guidance on a number of proposed applications for local jurisdictions while aligning the objectives between local and regional planning. The Toolbox Tuesdays serve as important opportunities for inter-governmental communication. By bringing together planners from diverse areas of the region, the sessions provide opportunities for local jurisdictions to learn from each other about the successes and failures in new approaches to transportation and land use planning. In a region as vast as SCAG, forums, where staff from dense urban communities can share their concerns and successes with planners from less populated areas, are highly valued. Toolbox Training sessions equip local government planners to think beyond their traditional roles and respond to new mandates that require collaboration and public participation.

## **Strategic Plan:**

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# OVERALL WORK PROGRAM

Supports Goal #2 - Be a cohesive and influential voice for the region

Supports Goal #3 - Spur innovation and action through leadership in research, analysis and information sharing

Supports Goal #4 - Build a unified culture anchored in the pursuit of organizational excellence.

## **275 Sustainable Communities Program**

**Manager: Victor Negrete, Courtney Aguirre, Kate Kigongo**

### **Program Objective:**

The Sustainable Communities Program (SCP) is a proven, recognized and effective framework for deploying essential planning resources throughout the SCAG region. This collaborative initiative provides assistance to local jurisdictions to coordinate sustainable transportation, land use and regional policies and issues in local planning. The SCP seeks to provide needed planning resources to local jurisdictions for active transportation and multimodal planning efforts, sustainability, land use and planning for affordable housing; develop local plans that support the implementation of key strategies and goals outlined in Connect SoCal, the 2024 RTP/SCS; and increase the region's competitiveness for federal and state funds. The SCP aims to address and ensure health and equity in regional land use and transportation planning and to close the gap of racial injustice and better serve our communities of color. The program seeks planning solutions to local growth challenges and results in strategies that promote local and regional sustainability through the integration of transportation and land use, with particular focus on developing and practical strategies to reduce greenhouse gases. It will continue to be a critical tool in achieving SB 375 targets and other State goals aimed at reducing GHG emissions.

### **Strategic Plan:**

Supports Goal #1 – Establish and implement a regional vision for a sustainable future.

Supports Goal #2 – Be a cohesive and influential voice for the region.

Supports Goal #3 – Spur innovation and action through leadership in research, analysis, and information sharing.

## **290 Research, Planning and Engagement for Sustainable Communities**

**Managers: Ryan Wolfe, Ma'Ayn Johnson, Sarah Dominguez, Jinghua Xu, Warren Whiteaker, Courtney Aguirre, Victor Negrete, Kate Kigongo**

# OVERALL WORK PROGRAM

## Program Objective:

SCAG staff initiate implementation of Connect SoCal immediately after its adoption, and has since launched research, planning and studies in preparation for the next plan update. Much of SCAG's research and planning is focused on reducing single occupancy vehicle trips and transportation related GHG through advancing mode shift, transportation demand management, operational efficiency, system accessibility, and integration of future transportation, employment and land use. Research is also focused on aligning land use and encouraging cities and counties to adopt land uses that promote growth in Connect SoCal identified Priority Growth Areas.

## Strategic Plan:

Supports Goal #1 – Establish and implement a regional vision for a sustainable future.

Supports Goal #2 – Be a cohesive and influential voice for the region.

Supports Goal #3 – Spur innovation and action through leadership in research, analysis, and information sharing.

Supports Goal #5 – Secure and optimize diverse funding sources to support regional priorities.

## 303 Economic Empowerment

**Manager: Victor Negrete**

## Program Objective:

The Economic Empowerment Program is focused on the implementation of targeted, place-based programs aimed at achieving intersectional policy goals identified in the RTP/SCS and the Regional Housing Needs Allocation (RHNA) process. The staff in this program are charged with identifying new partnerships, projects and funding sources to develop new programs for implementation of Connect SoCal 2024.

## Strategic Plan:

Supports Goal #1 - Establish and implement a regional vision for a sustainable future.

Supports Goal #3 – Spur innovation and action through leadership in research, analysis and information sharing.

Supports Goal #5 – Secure and optimize diverse funding sources to support regional priorities.

## 305 Regional Early Action Planning (REAP) Grants Program – REAP 2.0

**Managers: Ma'Ayn Johnson, Kate Kigongo, Hsi-Hwa Hu, Victor Negrete, Ryan Wolfe**

## Program Objective:

The REAP 2.0 program seeks to accelerate progress towards state housing goals and climate

# OVERALL WORK PROGRAM

commitments through a strengthened partnership between the state, its regions, and local entities. REAP 2.0 seeks to accelerate infill housing development, reduce Vehicle Miles Traveled (VMT), increase housing supply at all affordability levels, affirmatively further fair housing, and facilitate the implementation of adopted regional and local plans to achieve these goals. SCAG's REAP 2.0 Program was developed through an inclusive and equitable outreach process with a variety of strategies to reach a wide range of regional stakeholders. SCAG's REAP 2.0 Program combines coordinated and transformative housing development, finance, land use, and transportation strategies to help achieve California's housing and greenhouse gas emission reduction goals. This program includes several projects across three major Program Areas, including Early Program Initiatives, Programs to Accelerate Transformative Housing (PATH) Program, and the Transportation Partnership Programs (TPP).

## **Strategic Plan:**

Supports Goal #1 – Establish and implement a regional vision for a sustainable future

Supports Goal #3 – Spur innovation and action through leadership in research, analysis and information sharing

Supports Goal #5 – Secure and optimize diverse funding sources to support regional priorities.

## **310 Planning Strategy Development and Implementation**

**Manager: Sarah Dominguez & Courtney Aguirre**

### **Program Objective:**

This program will develop a strategic framework for coordinating the development of the next Connect SoCal (Regional Transportation Plan/Sustainable Communities Strategy) by integrating the existing strategies, emerging trends and technologies across all SCAG departments. This project will advance planning division priorities and major work programs, and coordinate projects that fall in different departments in development of a comprehensive RTP/SCS. Additionally, this program will foster partnerships with federal, state, regional, and local agencies to fulfill the requirements of plan development.

## **Strategic Plan:**

Supports Goal #1 – Establish and implement a regional vision for a sustainable future

Supports Goal #2 – Be a cohesive and influential voice for the region

Supports Goal #3 – Spur innovation and action through leadership in research, analysis and information sharing

Supports Goal #5 – Secure and optimize diverse funding sources to support regional priorities

# OVERALL WORK PROGRAM

## 315 Last Mile Freight Program – MSRC

Manager: Courtney Aguirre

Program Objective:

SCAG has partnered with the Mobile Source Air Pollution Reduction Review Committee (MSRC) to establish the Last Mile Freight Program (LMFP). The LMFP is intended to achieve immediate reductions in criteria pollutants and greenhouse gas emissions from commercially deployed vehicles/equipment serving the last mile delivery market. The LMFP will inform both industry and the public regarding zero-emissions/near-zero emissions vehicle/equipment and supporting infrastructure performance and how this information can be used to scale emissions reductions to contribute to regional air quality goals.

Strategic Plan:

Supports Goal #1 – Establish and implement a regional vision for a sustainable future.

Supports Goal #2 – Be a cohesive and influential voice for the region.

Supports Goal #3 – Spur innovation and action through leadership in research, analysis, and information sharing.

## 325 Regional Pilot Initiative

Manager: Kate Kigongo

Program Objective:

To demonstrate innovative, next generation technologies and models of regional significance, specifically those with the potential to change transportation and housing paradigms towards building more sustainable communities. RPI relies on partnerships with the public sector (local jurisdictions, transit agencies, County Transportation Commissions, etc.) to permit, construct and operate these pilots, and with private sector vendors to implement the pilots. This multi-pronged program explores concepts such as using big data to solve transportation challenges, the adoption of e-bike lending libraries, adoption of open-loop fare payment systems, and the improvement and expansion of mobility hubs across the region, among other priorities.

Strategic Plan:

Supports Goal #3 - Spur innovation and action through leadership in research, analysis and information sharing.

Supports Goal #5 - Secure and optimize diverse funding sources to support regional priorities.

## 400 Planning and Implementation for the 2028 Games

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# OVERALL WORK PROGRAM

**Manager: Courtney Aguirre, Victor Negrete, Kate Kigongo**

## Program Objective:

SCAG is developing and will implement a coordinated regional approach to managing transportation demand during the 2028 Olympics and Paralympics (Games), with a focus on regional transportation demand management (TDM), outreach and education to the public, employers, and businesses, freight delivery strategies, and active transportation related activities, including quick builds and community hubs. Additionally, SCAG will review and evaluate effectiveness to highlight policies and strategies that provide enduring benefits for regional mobility, communities, environment, and economy.

## Strategic Plan:

Supports Goal #1 – Establish and implement a regional vision for a sustainable future.

Supports Goal #2 – Be a cohesive and influential voice for the region.

Supports Goal #3 – Spur innovation and action through leadership in research, analysis, and information sharing.

## **500 Federal Highway Funding Project Selection, Monitoring, and Delivery**

**Manager: Warren Whiteaker**

## Program Objective:

To select, monitor, and deliver Congestion Mitigation and Air Quality Improvement (CMAQ), Surface Transportation Block Grant (STBG), and Carbon Reduction Program (CRP) federally funded projects that advance Connect SoCal and associated federal performance targets.

## Strategic Plan:

Supports Goal #1 – Establish and implement a regional vision for a sustainable future.

Supports Goal #2 – Be a cohesive and influential voice for the region.

Supports Goal #5 – Secure and optimize diverse funding sources to support regional priorities.

# FTA GRANT BUDGET

## FTA DISCRETIONARY AND FORMULA GRANT BUDGET

### Program Overview

SCAG is the Designated Recipient of FTA Urbanized Area Formula Grants under 49 U.S.C. Section 5307 for the large urbanized areas (UZAs) with populations of 200,000 or more (according to the latest U.S. Census) in the SCAG region. Under the reauthorization bill that was signed into Law on November 15, 2021, the Infrastructure Investment and Jobs Act (referred to as the Bipartisan Infrastructure Bill), funding is authorized for 49 U.S.C. Section 5339 Bus and Bus Facilities Formula Grants Program and U.S.C. Section 5312 National Research & Technology Program to SCAG due to being the Section 5307 Designated Recipient.

As the Designated Recipient, SCAG is responsible to apply for and pass through Section 5339 and Section 5312 grant funds for specialized transportation programs and projects, which provide capital funding to replace, rehabilitate and purchase buses, vans, fixed guide-way, as well as to construct related facilities and purchase related equipment. All the pass-through projects were completed over the last several Fiscal Years. In FY 2026-27, the FTA Discretionary and Formula Grant Budget includes only cash contributions (no federal funding) to support compliance monitoring for the post-implementation project.

### Line Item Budget

The following table shows the FTA Discretionary and Formula Grant line item budget.

Cost Category	FY26 Budget Amendment 2	FY27 Proposed	Incr (Decr)
500XX Staff	\$ 3,519	\$ 4,949	\$ 1,430
54300 SCAG Consultant	\$ 216,922	\$ 170,000	\$ (46,922)
55932 Miscellaneous Labor Future	\$ 59,859	\$ 13,858	\$ (46,001)
<b>Sub-total</b>	<b>\$ 280,300</b>	<b>\$ 188,807</b>	<b>\$ (91,493)</b>
51000 Fringe Benefits	\$ 2,582	\$ 3,714	\$ 1,132
51001 Indirect Costs	\$ 8,393	\$ 13,449	\$ 5,056
<b>Total</b>	<b>\$ 291,275</b>	<b>\$ 205,970</b>	<b>\$ (85,305)</b>

\*Totals may not add due to rounding

# TDA PROGRAM BUDGET

## TDA BUDGET

### Program Overview

State of California Public Utilities Code Section 99233.2 authorizes the Transportation Commissions in Los Angeles, Orange, Riverside and San Bernardino counties to allocate up to  $\frac{3}{4}$  of 1 percent of their local transportation funds to SCAG as the multi-county planning agency for the region.

SCAG uses TDA to fund various activities in the Overall Work Program, as shown beginning on page 20, as well as other direct activities. SCAG uses TDA to fund local initiatives and to provide cash match as needed for projects funded with state or federal funds. For Other Work Program Budget, TDA funds SCAG signature events such as General Assembly and Demographic Workshop.

### Line Item Budget

In FY 2026-27, the TDA budget includes \$12,145,763 for consultants and staff-related costs to support local transportation planning projects as well as SCAG signature events.

# TDA PROGRAM BUDGET

The following table shows the TDA Budget line item budget for OWP and Other Work Program.

	FY26 Budget Amendment 2	FY27 Proposed	Incr (Decr)
<b>REVENUES:</b>			
TDA Revenue	8,781,377	7,555,529	(1,225,848)
Estimated Carryover from FY26*		1,360,493	1,360,493
Transfer from/(to) Fund Balance	(443,341)	3,229,741	3,673,082
<b>Total Revenues</b>	<b>8,338,036</b>	<b>12,145,763</b>	<b>3,807,727</b>
<b>Overall Work Program (OWP)</b>			
<b>EXPENDITURES:</b>			
500XX Staff	1,020,116	1,849,099	828,983
5430X SCAG consultant	2,268,566	2,277,670	9,104
54302 Non-Profits/IHL	10,500	-	(10,500)
54304 Consultants-Technical Assistance/Pass-Through Payments	175,306	-	(175,306)
54340 Legal	85,000	200,000	115,000
55620 Res Mats/Non GASB 96 subscriptions	376,509	220,000	(156,509)
55580 Outreach/Advertisement	2,000	102,000	100,000
55830 Networking Meetings/Special Events	-	4,000	4,000
55810 Public Notices	-	1,000	1,000
55920 Other Mtg Expense	55,000	95,000	40,000
5593X Miscellaneous other/Miscellaneous Labor	307,353	274,889	(32,464)
5810X Travel	72,850	70,618	(2,232)
58110 Mileage	-	10,000	10,000
<b>Sub-total</b>	<b>4,373,200</b>	<b>5,104,276</b>	<b>731,076</b>
51000 Fringe benefits - Reg Staff	748,426	1,387,606	639,180
51001 Indirect Cost	2,432,857	5,024,885	2,592,028
<b>Total for OWP</b>	<b>7,554,483</b>	<b>11,516,767</b>	<b>3,962,284</b>
<b>Other Work Program</b>			
<b>EXPENDITURES:</b>			
500XX Staff	53,687	55,159	1,472
54300 SCAG consultant	22,000	24,000	2,000
55621 Subscriptions (GASB 96)	36,275	36,300	25
55914 RC General Assembly	338,715	309,500	(29,215)
55915 Demographic Workshop	18,200	5,000	(13,200)
55916 Economic Summit	128,250	-	(128,250)
58110 Mileage	6,000	7,750	1,750
58150 Travel lodge>Per Diem	13,000	-	(13,000)
<b>Sub-total</b>	<b>616,127</b>	<b>437,709</b>	<b>(178,418)</b>
51000 Fringe benefits - Reg Staff	39,388	41,393	2,005
51001 Indirect Cost	128,038	149,894	21,856
<b>Total for Other Work Program</b>	<b>783,553</b>	<b>628,996</b>	<b>(154,557)</b>
<b>Total Expenditures</b>	<b>8,338,036</b>	<b>12,145,763</b>	<b>3,807,727</b>

\* In FY 2026-27, the estimated carryover was added to track the carryover amount; Totals may not add due to rounding.

# GENERAL FUND BUDGET

## GENERAL FUND BUDGET (GF)

### Program Overview

The General Fund (GF) has been established to: provide support to the Regional Council (RC) and its Subcommittees for the costs of stipends and travel; fund costs not eligible for grant reimbursement; provide a source of working capital; finance program expenditures, which must be paid prior to sending requisitions to certain federal and state grantors; and authorize establishment of, and borrowing from, a line of credit. The General Fund is not an available resource to fund project costs otherwise chargeable to grants.

The RC is responsible for conducting the affairs of SCAG pursuant to Article V (A) 4 of the By-Laws. Among other duties, the RC reviews and may revise, amend, increase, or decrease the proposed annual GF budget as prepared by the Chief Financial Officer. The RC submits the approved GF budget to members of the General Assembly (GA) at least thirty (30) days before the annual meeting for review. After the adoption of the budget and the annual assessment schedule by the GA, the RC controls all GF expenditures in accordance with the budget.

### Membership Dues Assessments

The By-Laws require the Executive Director to annually submit the GF budget to the RC. Upon its adoption, the GA fixes membership assessment for all members of SCAG in amounts sufficient to provide the funds required by the GF budget. The membership dues are calculated in accordance with the guidelines of the By-Laws.

# GENERAL FUND BUDGET

## General Fund Line Item Budget

The following table shows General Fund revenues and expenditures by task.

		FY25 Actual	FY26 Budget Amendment 02	FY27 Proposed Budget	Incr (Decr)
<b>REVENUE:</b>	Membership Dues:				
	Counties	380,014	388,228	398,264	10,036
	Cities, Tribal Governments	2,253,581	2,353,361	2,415,154	61,793
	Commissions	88,500	88,500	88,500	-
	Transportation Corridor Agency	10,000	10,000	10,000	-
	Air Districts	10,000	10,000	10,000	-
	<b>Sub-total</b>	<b>\$ 2,742,095</b>	<b>\$ 2,850,089</b>	<b>\$ 2,921,918</b>	<b>\$ 71,829</b>
	Interest	3,124,571	497,774	500,000	2,226
	Other	149,821	58,366	113,630	55,264
	General Assembly Sponsorships & Registrations	538,910	409,986	481,225	71,239
Transfer From/(To) Fund Balance	31,049	(998,358)	(669,159)	329,199	
<b>Sub-total</b>	<b>\$ 3,844,351</b>	<b>\$ (32,232)</b>	<b>\$ 425,696</b>	<b>\$ 457,928</b>	
<b>Total Revenues</b>		<b>\$ 6,586,446</b>	<b>\$ 2,817,857</b>	<b>\$ 3,347,614</b>	<b>\$ 529,757</b>
<b>EXPENDITURES:</b>					
<b>Regional Council</b>	<b>Regional Council:</b>				
	EAC Retreat	35,235	30,000	40,000	10,000
	Legal Services	112,200	116,640	125,000	8,360
	Other Meeting Expense	35,108	35,000	35,000	-
	RC/Committee Meeting	4,975	5,000	5,000	-
	Stipends	176,550	301,683	301,683	-
	Travel - International	14,481	-	-	-
	Travel	42,773	86,000	86,000	-
	Mileage	20,306	25,000	25,000	-
<b>Task sub-total</b>	<b>\$ 441,628</b>	<b>\$ 599,323</b>	<b>\$ 617,683</b>	<b>\$ 18,360</b>	
<b>Task .02 Legislative</b>	<b>Legislative:</b>				
	Staff Time	23,028	51,089	49,310	(1,779)
	Federal/State Lobbyist	208,000	228,000	264,000	36,000
	Resource Materials/Subscriptions	74	500	-	(500)
	Networking Meeting/Special Events	715	-	-	-
	Other Meeting Expense	63,364	51,000	75,000	24,000
	Travel	11,717	10,200	12,200	2,000
Mileage	4	200	100	(100)	
<b>Task sub-total</b>	<b>\$ 306,902</b>	<b>\$ 340,989</b>	<b>\$ 400,610</b>	<b>\$ 59,621</b>	
<b>Task .03 RHNA</b>	<b>RHNA:</b>				
	Staff Time	-	-	168,303	168,303
	Legal Services	-	20,000	60,000	40,000
Travel	-	-	1,500	1,500	
<b>Task sub-total</b>	<b>\$ -</b>	<b>\$ 20,000</b>	<b>\$ 229,803</b>	<b>\$ 209,803</b>	
<b>Task .04 Other Non-Labor</b>	<b>Other Non-Labor:</b>				
	SCAG Consultant	10,000	-	25,000	25,000
	Legal Services	86,086	290,000	150,000	(140,000)
	Subscriptions GASB 96	(7,049)	-	-	-
	Bank Fees	76,806	75,000	75,000	-
	Office Supplies	2,995	-	-	-
	Professional Memberships	1,450	900	900	-
	Other Meeting Expense	28,067	50,000	50,000	-
	Miscellaneous Other	120	20,000	20,000	-
	Travel	678	4,000	2,500	(1,500)
	Mileage	-	500	500	-
Employee Recognition	581	-	-	-	
<b>Task sub-total</b>	<b>\$ 199,733</b>	<b>\$ 440,400</b>	<b>\$ 323,900</b>	<b>\$ (116,500)</b>	

# GENERAL FUND BUDGET

## General Fund Line Item Budget (continued)

		FY25 Actual	FY26 Budget Amendment 02	FY27 Proposed Budget	Incr (Decr)
<b>Task .06 General Assembly</b>	<b>General Assembly:</b>				-
	Staff Time	9,876	13,718	14,087	369
	SCAG Consultant	42,991	44,596	43,200	(1,396)
	General Assembly	522,688	504,510	418,070	(86,440)
	Miscellaneous Other	9,580	4,700	4,700	-
	Travel	73	-	-	-
	Mileage	262	1,000	-	(1,000)
	Task sub-total	\$ 585,470	\$ 568,524	\$ 480,057	\$ (88,467)
<b>Task .10 Capital Outlay &gt;\$5K</b>	<b>Capital Outlay &gt;\$5K</b>				-
	Capital Outlay	2,023	160,000	-	(160,000)
	Task sub-total	\$ 2,023	\$ 160,000	\$ -	\$ (160,000)
<b>Task .11 Public Records Administration</b>	<b>Public Records Administration:</b>				-
	Staff Time		7,659	7,903	244
	Task sub-total	\$ -	\$ 7,659	\$ 7,903	\$ 244
<b>Task .14 International Collaboration</b>	<b>International Collaboration:</b>				-
	Staff Time	1,178	8,873	5,156	(3,717)
	Travel - International	38,746	-	-	-
	Travel	283	-	-	-
	Mileage	18	-	-	-
	Task sub-total	\$ 40,224	\$ 8,873	\$ 5,156	\$ (3,717)
<b>Task .23 Other Labor</b>	<b>Other Labor:</b>				-
	Staff Time	1,084	-	-	-
	Travel	343	-	-	-
	Task sub-total	\$ 1,426	\$ -	\$ -	\$ -
<b>Task .26 Employee Engagement Program</b>	<b>Employee Engagement Program</b>				-
	Resource Materials/Subscriptions	480	-	-	-
	Engagement Committee	15,401	20,000	20,000	-
	Employee Recognition	8,767	15,000	15,000	-
	Other Meeting Expense		50,000	50,000	-
	Department Allowance	11,041	15,000	15,000	-
	Task sub-total	\$ 35,690	\$ 100,000	\$ 100,000	\$ -
<b>Task .28 REAP 2.0 Grant Program</b>	<b>REAP 2.0 Grant Program</b>				-
	SCAG Consultant	1,407	-	-	-
	Task sub-total	1,407	-	-	-
<b>Task .29 Special Events</b>	<b>Special Events</b>				-
	SCAG Consultant		18,604	20,000	1,396
	Office Supplies	1,863	-	-	-
	Scholarships	40,000	44,000	44,000	-
	Demographic Workshop	8,975	9,800	8,000	(1,800)
	Economic Summit	7,160	58,750	20,000	(38,750)
	SCAG Memberships	74,254	76,700	76,700	-
	RC Sponsorships	90,150	165,000	165,000	-
		Task sub-total	\$ 222,401	\$ 372,854	\$ 333,700
					-
	<b>Total for all tasks</b>	<b>\$ 1,836,904</b>	<b>\$ 2,618,622</b>	<b>\$ 2,498,812</b>	<b>\$ (119,810)</b>
	Allocated Fringe Benefits	22,872	59,675	183,675	124,000
	Allocated Indirect Costs	86,226	193,981	665,127	471,146
	<b>Total</b>	<b>\$ 1,946,002</b>	<b>\$ 2,872,278</b>	<b>\$ 3,347,614</b>	<b>\$ 475,336</b>

\*Totals may not add due to rounding

# FRINGE BENEFITS BUDGET

## FRINGE BENEFITS BUDGET (FB)

### Program Overview

Fringe benefits (FB) are employee-associated costs such as leave expenses (vacation, holidays, personal floating holidays, sick leave, etc.), health plan expenses, retirement plan expenses, workers' compensation insurance, unemployment insurance, bus/rail/carpool expenses, tuition reimbursement expenses, technology allowance, and deferred compensation expenses. These costs are expressed as a rate for full-time regular staff. The rate is the pooled costs of the fringe benefits divided by the total salaries for full-time regular staff.

To participate in SCAG's fringe benefits program, staff must hold benefits-eligible positions as regular, at-will or limited-term positions. Some of these programs provide staff and their families with financial protection if they become ill or disabled. These programs also allow staff and their family to recreate and spend time together. Others are designed to aid them in preparing for retirement or in meeting educational costs they incur for themselves.

The employee-associated costs are related to SCAG's full-time staff to generate a fringe benefits burden rate. The fringe benefits burden is applied to all staff charges in OWP, FTA Grant Budget, TDA Budget, General Fund, and Indirect projects.

A rate is applied to all OWP, FTA Grant Budget, TDA Budget, General Fund and Indirect cost salaries, e.g., for every \$1,000 of salaries, the FB budget is \$750.421 (75.0421%).

Part-time staff, interns, and temporary employees may be eligible for SCAG's limited fringe benefits. Part-time staff, interns, and temporary employee benefits are calculated separately. The proposed fringe benefits rate for interns for FY 2026-27 is 19.4056%.

# FRINGE BENEFITS BUDGET

## Line Item Budget

The following table shows the Fringe Benefits line item budget.

GL Account	Line Item	FY26 Budget Amendment 2	FY27 Proposed	Incr (Decr)
60002	Sick leave	688,891	859,643	170,752
60004	PFH	750,010	744,164	(5,846)
60003	Holiday	1,347,806	1,497,517	149,711
60001	Vacation	1,897,417	1,985,087	87,670
60032	Sick - Interns	10,333	10,333	-
600XX	Other Leave (Jury Duty, Funeral, Family, etc.)	-	-	-
60041	Vacation Cash Out	88,000	120,000	32,000
6011X	PERS	9,082,379	9,176,403	94,024
60120	PARS	84,568	86,259	1,691
60200	Health insurance - actives	3,354,400	3,305,800	(48,600)
60201	Health insurance - retirees PAYGO	741,736	788,313	46,577
60202	Health insurance - retirees GASB 45	-	-	-
60210	Dental insurance	319,562	317,706	(1,856)
60220	Vision insurance	87,751	88,061	310
60225	Life insurance	178,545	211,509	32,964
60240	Medicare tax employers - regular staff	485,141	491,686	6,545
60230	Medical/Dental Rebate	-	-	-
60250	Medicare tax employers - interns	4,495	4,495	-
60255	Social security tax employers - interns	19,220	19,220	-
60300	Tuition reimbursement	43,776	43,776	-
60310	Bus passes - regular staff	82,500	82,500	-
60315	Bus passes - interns	1,000	1,000	-
60360	De Minimis Employee Exp	15,000	15,000	-
60365	De Minimis Employee Exp Interns	4,232	3,879	(353)
60366	Technology Allowance	398,160	403,200	5,040
60367	Technology Allowance Intern	23,696	33,943	10,247
60400	Workers compensation	173,500	224,000	50,500
60405	Unemployment compensation Insurance	35,000	35,000	-
60410	Miscellaneous employee benefits	12,636	12,636	-
60415	SCAG 457 match	446,750	453,250	6,500
60450	Benefits administrative fees	99,848	103,221	3,373
60500	Automobile allowance	20,700	20,700	-
		<b>20,497,052</b>	<b>21,138,301</b>	<b>641,249</b>

\*Totals may not add due to rounding

# INDIRECT COST BUDGET

## INDIRECT COST BUDGET (IC)

### Program Overview

The Indirect Cost Budget is established to provide funding for staff salaries, fringe benefits and other non-labor costs that are not attributable to an individual direct program project, except on a pro-rata basis. The Indirect Cost Rate Proposal (ICRP) is prepared in accordance with the guidelines of SCAG’s federal cognizant agency, FTA, and requires their approval as well as Caltrans approval.

An IC rate, approved by FTA and Caltrans, is applied to all productive direct staff salaries and fringe costs. For example, for every \$1,000 of direct salaries and fringe, the IC budget is \$1,552.476 (155.2476%). A review of the comprehensive line item budget chart beginning on page 12 shows the impact of this concept. Notice that the budgets for the OWP, FTA Grant Budget, TDA Budget and General Fund include allocated funds for the indirect costs which represent each budget component’s share of funding the Indirect Cost program.

# INDIRECT COST BUDGET

## Line Item Budget

The following table shows the Indirect Cost line item budget.

GL Account	Cost Category	FY26 Budget Amendment 2	FY27 Proposed	Incr (Decr)
500XX	Staff	14,724,073	14,991,901	267,828
54XXX	SCAG consultant	2,263,762	4,386,428	2,122,666
54340	Legal	225,000	120,000	(105,000)
55201	Network and Communications	213,950	213,950	-
55210	Software support	621,852	473,714	(148,138)
55220	Hardware support	203,826	38,826	(165,000)
55225	Hardware	140,000	85,000	(55,000)
55240	Repair- maintenance	35,000	35,500	500
55250	Cloud Services	1,661,498	1,586,250	(75,248)
55251	Cloud Support	103,508	103,508	-
55271	Owned Software	313,064	54,000	(259,064)
55275	Co-location Services	178,017	208,017	30,000
55400	Office rent / Operating expense	2,693,252	2,885,387	192,135
55410	Office rent satellite	164,800	164,800	-
55415	Off-site Storage	5,000	5,000	-
55420	Equipment leases	60,000	76,000	16,000
55430	Equip repairs and maintenance	1,000	-	(1,000)
55435	Security Services	100,000	100,000	-
55440	Insurance	481,743	481,743	-
55441	Payroll / bank fees	36,000	36,000	-
55445	Taxes	1,000	1,000	-
55460	AV, IT or Facilities Materials & equipment <\$5K	54,000	19,000	(35,000)
55510	Office supplies	51,000	50,000	(1,000)
55520	Graphic Supplies	3,000	3,000	-
55530	Telephone	-	531	531
55540	Postage	5,000	5,000	-
55550	Delivery services	10,000	10,000	-
55600	SCAG memberships	187,100	186,900	(200)
55610	Professional memberships	17,200	20,950	3,750
55611	Professional dues	3,720	3,639	(81)
5562X	Resource materials, GASB 96 & Non-GASB 96 Subscriptions	2,086,183	1,446,109	(640,074)
55631	ADA & Safety Compliance	5,000	5,000	-
557XX	Depreciation - furniture & fixture & comp	450,000	400,000	(50,000)
55710	Amortization - software	50,000	50,000	-
55720	Amortization - lease	135,000	130,000	(5,000)
55800	Recruitment adverting	65,000	65,000	-
55801	Recruitment - other	45,000	45,000	-
55820	In House Training	40,000	40,000	-
55830	Networking Meetings/Special Events	15,200	11,700	(3,500)
55840	Training Registration	117,000	117,000	-
55920	Other meeting expense	2,300	2,300	-
5593X	Miscellaneous	89,546	89,546	-
55950	Temporary help	160,000	160,000	-
56100	Printing	10,000	10,000	-
58101	Travel - local	182,928	180,328	(2,600)
58110	Mileage	21,050	9,550	(11,500)
<b>Sub-total</b>		<b>28,031,572</b>	<b>29,107,577</b>	<b>1,076,005</b>
51000	Fringe benefits - regular staff	10,721,736	11,167,695	445,959
51003	Fringe benefits - interns	14,824	21,346	6,522
<b>Total</b>		<b>\$ 38,768,132</b>	<b>\$ 40,296,618</b>	<b>\$ 1,528,486</b>

\*Totals may not add due to rounding; 5XXXX line includes Consultant and Other Consultant

# INDIRECT COST BUDGET

## Indirect Cost Work Areas

The Indirect Cost budget is spread across several functional work areas within the agency. The following chart describes each work area.

Work Area/Division	Activities
Finance	Finance is responsible for all financial activities of the agency, including accounting, budget & grants, investment policy, contracts, procurement, internal audits, and directing outside audits.
Human Resources	Human Resources (HR) is responsible for staff recruitment, employee relations, training, employee benefits, maintaining personnel records, and administration of personnel rules and systems.
Information Technology	Information Technology (IT) supports IT operations, computers for office staff, modeling and GIS capabilities, phone systems, video conferencing, and networks, as well as Facilities/property management for all of SCAG offices.
Planning	Planning Administration supports activities that are not directly related to specific projects, such as the overall administration of the Planning Division, and efforts involved in the Policy Committee meetings.
Executive office	The Agency-wide Management section is responsible for the management of staff, the budget, and the day-to-day operations of the departments. The Executive Director is the official representative of the agency and its policies.
Legal Services	Legal Services is responsible for all internal and external legal affairs of SCAG.
Legislation (Government and Public Affairs)	This unit is responsible for interfacing legislative processes at the federal and state levels.
Regional Services & Media and Public Affairs (Government and Public Affairs)	The primary responsibility of this unit is to maintain and expand governmental, community and private sector participation in the regional planning work of SCAG. This is done by working with cities and counties, local government officials, community, and business interest groups.

# Comprehensive Budget

Fiscal Year 2026-27

## Section III

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### Appendices

# MEMBERSHIP ASSESSMENT SCHEDULE

## SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS Proposed Membership Assessment Schedule Fiscal Year 2026-27 As of February 1, 2026

	UNINC POP COUNTIES/TOTAL POP CITIES	ASSESSMENTS 2026-27
<u>COUNTIES (6)</u>		
IMPERIAL	34,771	8,323
LOS ANGELES	1,004,490	174,327
ORANGE	133,033	43,452
RIVERSIDE	417,901	82,965
SAN BERNARDINO	297,505	66,265
VENTURA	93,233	22,932
SUB-TOTAL	1,980,933	398,264

### CITIES (191)

ADELANTO	37,150	5,653
AGOURA HILLS	19,904	3,011
ALHAMBRA	82,374	11,926
ALISO VIEJO	50,213	7,465
ANAHEIM	341,773	48,155
APPLE VALLEY	75,262	10,939
ARCADIA	56,116	8,284
ARTESIA	16,359	2,519
AVALON	3,383	569
AZUSA	48,988	7,295
BALDWIN PARK	70,848	10,327
BANNING	31,949	4,931
BARSTOW	24,811	3,691
BEAUMONT	59,708	8,782
BELL	33,315	5,121
BELLFLOWER	76,656	11,133
BELL GARDENS	38,471	5,836
BEVERLY HILLS	31,945	4,931
BIG BEAR LAKE	4,953	787
BLYTHE	15,400	2,386
BRADBURY	902	225
BRAWLEY	28,952	4,516
BREA	47,900	7,144
BUENA PARK	82,667	11,966
BURBANK	106,146	15,473
CALABASAS	22,797	3,412

# MEMBERSHIP ASSESSMENT SCHEDULE

## SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS Proposed Membership Assessment Schedule Fiscal Year 2026-27 As of February 1, 2026

	UNINC POP	ASSESSMENTS
	COUNTIES/TOTAL	2026-27
	POP CITIES	
CALEXICO	40,073	6,058
CALIMESA	10,994	1,775
CALIPATRIA	6,061	941
CAMARILLO	68,927	10,060
CANYON LAKE	11,004	1,776
CARSON	91,812	13,235
CATHEDRAL CITY	51,651	7,664
CERRITOS	47,871	7,140
CHINO	95,206	13,706
CHINO HILLS	77,314	11,224
CLAREMONT	37,299	5,674
COACHELLA	44,384	6,656
COLTON	53,278	7,890
COMMERCE	12,146	1,935
COMPTON	93,692	13,496
CORONA	159,157	22,826
COSTA MESA	110,321	16,052
COVINA	51,090	7,586
CUDAHY	22,132	3,320
CULVER CITY	40,403	6,104
CYPRESS	49,499	7,366
DANA POINT	32,730	5,040
DESERT HOT SPRINGS	33,262	5,114
DIAMOND BAR	53,539	7,926
DOWNEY	111,871	16,267
DUARTE	23,746	3,544
EASTVALE	69,799	10,181
EL CENTRO	46,007	6,881
EL MONTE	107,986	15,728
EL SEGUNDO	16,983	2,606
FILLMORE	17,035	2,613
FONTANA	219,172	31,150
FOUNTAIN VALLEY	56,560	8,345
FULLERTON	141,469	20,372
GARDEN GROVE	171,492	24,537
GARDENA	60,263	8,859
GLENDALE	192,212	27,411
GLENDORA	51,254	7,609
GRAND TERRACE	12,803	2,026
HAWAIIAN GARDENS	13,561	2,131

# MEMBERSHIP ASSESSMENT SCHEDULE

## SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS Proposed Membership Assessment Schedule Fiscal Year 2026-27 As of February 1, 2026

	UNINC POP	
	COUNTIES/TOTAL	ASSESSMENTS
	POP CITIES	2026-27
HAWTHORNE	85,653	12,380
HEMET	91,934	13,252
HERMOSA BEACH	19,014	2,887
HESPERIA	101,792	14,869
HIDDEN HILLS	1,746	342
HIGHLAND	57,088	8,418
HOLTVILLE	5,685	889
HUNTINGTON BEACH	193,134	27,539
HUNTINGTON PARK	53,051	7,858
IMPERIAL	22,866	3,422
INDIAN WELLS	4,862	774
INDIO	92,539	13,336
INDUSTRY	431	160
INGLEWOOD	106,305	15,495
IRVINE	318,629	44,945
IRWINDALE	1,509	309
JURUPA VALLEY	105,928	15,443
LA CANADA FLINTRIDGE	20,160	3,046
LA HABRA	61,202	8,989
LA HABRA HEIGHTS	5,503	863
LA MIRADA	48,233	7,190
LA PALMA	15,110	2,346
LA PUENTE	37,546	5,708
LA QUINTA	38,796	5,881
LA VERNE	32,300	4,980
LAGUNA BEACH	22,763	3,407
LAGUNA HILLS	30,309	4,704
LAGUNA NIGUEL	65,257	9,551
LAGUNA WOODS	17,183	2,633
LAKE ELSINORE	73,783	10,734
LAKE FOREST	87,639	12,656
LAKESWOOD	80,596	11,679
LANCASTER	177,768	25,407
LAWNSDALE	30,860	4,780
LOMA LINDA	25,322	4,012
LOMITA	20,407	3,081
LONG BEACH	462,561	64,909
LOS ALAMITOS	12,006	1,915
LOS ANGELES	3,835,263	533,219
LYNWOOD	66,660	9,746
MALIBU	10,604	1,721

# MEMBERSHIP ASSESSMENT SCHEDULE

## SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS Proposed Membership Assessment Schedule Fiscal Year 2026-27 As of February 1, 2026

	UNINC POP COUNTIES/TOTAL	ASSESSMENTS
	POP CITIES	2026-27
MANHATTAN BEACH	34,051	5,223
MAYWOOD	24,496	3,648
MENIFEE	115,316	16,745
MISSION VIEJO	91,740	13,225
MONROVIA	38,920	5,898
MONTCLAIR	37,526	5,705
MONTEBELLO	62,732	9,201
MONTEREY PARK	59,269	8,721
MOORPARK	34,754	5,321
MORENO VALLEY	210,823	29,992
MURRIETA	111,789	16,256
NEEDLES	4,791	765
NEWPORT BEACH	82,654	11,965
NORCO	25,221	3,998
NORWALK	101,075	14,770
OJAI	7,559	1,148
ONTARIO	184,404	26,328
ORANGE	139,724	20,130
OXNARD	198,733	28,315
PALM DESERT	51,980	7,710
PALM SPRINGS	44,476	6,669
PALMDALE	167,097	23,927
PALOS VERDES ESTATES	12,999	2,053
PARAMOUNT	52,371	7,764
PASADENA	140,631	20,256
PERRIS	81,240	11,768
PICO RIVERA	60,858	8,941
PLACENTIA	53,982	7,988
POMONA	153,042	21,978
PORT HUENEME	20,838	3,140
RANCHO CUCAMONGA	175,992	25,161
RANCHO MIRAGE	17,120	2,625
RANCHO PALOS VERDES	40,727	6,149
RANCHO SANTA MARGARITA	46,341	6,928
REDLANDS	73,488	10,693
REDONDO BEACH	68,091	9,945
RIALTO	105,565	15,392
RIVERSIDE	320,337	45,182
ROLLING HILLS	1,677	333
ROLLING HILLS ESTATES	8,545	1,285

# MEMBERSHIP ASSESSMENT SCHEDULE

## SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS Proposed Membership Assessment Schedule Fiscal Year 2026-27 As of February 1, 2026

	UNINC POP	ASSESSMENTS
	COUNTIES/TOTAL	2026-27
	POP CITIES	
ROSEMEAD	50,501	7,505
SAN BERNARDINO	222,727	31,643
SAN BUENAVENTURA	108,985	15,867
SAN CLEMENTE	62,865	9,220
SAN DIMAS	34,209	5,245
SAN FERNANDO	23,692	3,536
SAN GABRIEL	38,953	5,903
SAN JACINTO	54,990	8,127
SAN JUAN CAPISTRANO	35,329	5,400
SAN MARINO	12,330	1,960
SANTA ANA	315,325	44,487
SANTA CLARITA	232,377	32,982
SANTA FE SPRINGS	18,680	2,841
SANTA MONICA	93,212	13,429
SANTA PAULA	31,658	4,891
SEAL BEACH	24,400	3,634
SIERRA MADRE	10,870	1,758
SIGNAL HILL	11,421	1,834
SIMI VALLEY	124,815	18,062
SOUTH EL MONTE	19,535	2,960
SOUTH GATE	92,955	13,393
SOUTH PASADENA	26,287	4,146
STANTON	40,552	6,125
TEMECULA	112,220	16,315
TEMPLE CITY	36,322	5,538
THOUSAND OAKS	122,468	17,737
TORRANCE	143,261	20,621
TUSTIN	79,326	11,503
TWENTYNINE PALMS	24,257	3,615
UPLAND	79,140	11,477
VERNON	207	129
VICTORVILLE	141,013	20,309
VILLA PARK	5,738	896
WALNUT	28,214	4,413
WEST COVINA	109,428	15,928
WEST HOLLYWOOD	35,284	5,394
WESTLAKE VILLAGE	7,918	1,198
WESTMINSTER	90,295	13,024
WESTMORLAND	2,084	389
WILDOMAR	37,077	5,643
WHITTIER	87,850	12,685

# MEMBERSHIP ASSESSMENT SCHEDULE

## SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS Proposed Membership Assessment Schedule Fiscal Year 2026-27 As of February 1, 2026

	UNINC POP COUNTIES/TOTAL	ASSESSMENTS
	POP CITIES	2026-27
YORBA LINDA	66,267	9,692
YUCCA VALLEY	22,027	3,305
YUCAIPA	54,838	8,106
SUB-TOTAL	16,789,873	2,418,882

### TRIBAL GOVERNMENTS (16)

AGUA CALIENTE BAND OF CAHUILLA INDIANS	27,090	4,258
AUGUSTINE BAND OF CAHUILLA INDIANS	0	150
CABAZON BAND OF MISSION INDIANS	192	127
CAHUILLA BAND OF MISSION INDIANS	229	132
CHEMEHUEVI INDIAN TRIBE	464	164
COLORADO RIVER RESERVATION	1,213	268
FORT MOJAVE INDIAN TRIBE	253	135
FORT YUMA (QUECHAN TRIBE) RESERVATION	1,876	360
MORONGO-MISSION INDIANS	1,243	272
PECHANGA BAND OF LUISENO INDIANS	582	181
RAMONA BAND OF MISSION INDIANS	0	150
SAN MANUEL BAND OF MISSION INDIANS	137	119
SANTA ROSA BAND OF CAHUILLA INDIANS	131	118
SOBOBA BAND OF LUISENO INDIANS	567	179
TORRES MARTINEZ BAND OF CAHUILLA INDIANS	119	117
TWENTY-NINE PALMS BAND OF MISSION INDIANS	0	150
SUB-TOTAL	34,096	6,880

# MEMBERSHIP ASSESSMENT SCHEDULE

## SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS Proposed Membership Assessment Schedule Fiscal Year 2026-27 As of February 1, 2026

	UNINC POP COUNTIES/TOTAL POP CITIES	ASSESSMENTS 2026-27
<u>COMMISSIONS (7)</u>		
SBCTA	2,207,424	25,000
RCTC	2,495,640	25,000
VCTC	829,005	10,000
ICTC	186,499	3,500
Transportation Corridor Agency		10,000
OCTA	3,175,427	25,000
Air Districts		10,000
SUB-TOTAL	<u>8,893,995</u>	<u>108,500</u>
TOTAL MEMBERSHIP AND ASSESSMENTS		<u><u>2,932,526</u></u>

# SCAG SALARY SCHEDULE

	Classification	Ranges					
		Minimum	Minimum	Midpoint	Midpoint	Maximum	Maximum
			Hourly		Hourly		Hourly
1	Accountant	\$94,681.60	\$45.52	\$111,259.20	\$53.49	\$127,836.80	\$61.46
2	Administrative Assistant	\$66,580.80	\$32.01	\$78,228.80	\$37.61	\$89,876.80	\$43.21
3	Application Developer	\$112,902.40	\$54.28	\$132,662.40	\$63.78	\$152,422.40	\$73.28
4	Applications Administration Supervisor	\$147,035.20	\$70.69	\$172,764.80	\$83.06	\$198,494.40	\$95.43
5	Applications Administrator	\$103,396.80	\$49.71	\$121,492.80	\$58.41	\$139,588.80	\$67.11
6	Applications Analyst Supervisor	\$147,035.20	\$70.69	\$172,764.80	\$83.06	\$198,494.40	\$95.43
7	Assistant Modeler	\$79,393.60	\$38.17	\$93,288.00	\$44.85	\$107,182.40	\$51.53
8	Assistant Regional Planner	\$79,393.60	\$38.17	\$93,288.00	\$44.85	\$107,182.40	\$51.53
9	Associate Modeler	\$94,681.60	\$45.52	\$111,259.20	\$53.49	\$127,836.80	\$61.46
10	Associate Regional Planner	\$94,681.60	\$45.52	\$111,259.20	\$53.49	\$127,836.80	\$61.46
11	Audio/Video Supervisor	\$123,302.40	\$59.28	\$144,872.00	\$69.65	\$166,441.60	\$80.02
12	Audio/Video Technician	\$55,827.20	\$26.84	\$65,603.20	\$31.54	\$75,379.20	\$36.24
13	Benefits Administrator	\$112,902.40	\$54.28	\$132,662.40	\$63.78	\$152,422.40	\$73.28
14	Budget and Grants Analyst	\$94,681.60	\$45.52	\$111,259.20	\$53.49	\$127,836.80	\$61.46
15	Chief Counsel	\$244,129.60	\$117.37	\$297,835.20	\$143.19	\$351,540.80	\$169.01
16	Chief Financial Officer	\$244,129.60	\$117.37	\$297,835.20	\$143.19	\$351,540.80	\$169.01
17	Chief Government and Public Affairs Officer	\$212,284.80	\$102.06	\$258,980.80	\$124.51	\$305,676.80	\$146.96
18	Chief Human Resources Officer	\$212,284.80	\$102.06	\$258,980.80	\$124.51	\$305,676.80	\$146.96
19	Chief Information Officer	\$244,129.60	\$117.37	\$297,835.20	\$143.19	\$351,540.80	\$169.01
20	Chief Operating Officer	\$280,758.40	\$134.98	\$342,513.60	\$164.67	\$404,268.80	\$194.36
21	Chief Planning Officer	\$280,758.40	\$134.98	\$342,513.60	\$164.67	\$404,268.80	\$194.36
22	Chief Strategy Officer	\$244,129.60	\$117.37	\$297,835.20	\$143.19	\$351,540.80	\$169.01
23	Clerk of the Board	\$160,513.60	\$77.17	\$195,832.00	\$94.15	\$231,150.40	\$111.13
24	Communications Supervisor	\$123,302.40	\$59.28	\$144,872.00	\$69.65	\$166,441.60	\$80.02
25	Community Engagement Specialist	\$79,393.60	\$38.17	\$93,288.00	\$44.85	\$107,182.40	\$51.53
26	Contracts Administrator	\$94,681.60	\$45.52	\$111,259.20	\$53.49	\$127,836.80	\$61.46
27	Creative Designer	\$79,393.60	\$38.17	\$93,288.00	\$44.85	\$107,182.40	\$51.53
28	Database Administrator	\$112,902.40	\$54.28	\$132,662.40	\$63.78	\$152,422.40	\$73.28
29	Department Manager	\$160,513.60	\$77.17	\$195,832.00	\$94.15	\$231,150.40	\$111.13
30	Deputy Clerk of the Board	\$112,902.40	\$54.28	\$132,662.40	\$63.78	\$152,422.40	\$73.28
31	Deputy Director (Division)	\$184,600.00	\$88.75	\$225,201.60	\$108.27	\$265,803.20	\$127.79
32	Deputy Legal Counsel	\$134,638.40	\$64.73	\$158,204.80	\$76.06	\$181,771.20	\$87.39
33	Executive Assistant	\$94,681.60	\$45.52	\$111,259.20	\$53.49	\$127,836.80	\$61.46
34	Executive Director	flat	---	flat	---	\$413,133.00	---
35	Facilities Supervisor	\$123,302.40	\$59.28	\$144,872.00	\$69.65	\$166,441.60	\$80.02
36	Finance Associate	\$66,580.80	\$32.01	\$78,228.80	\$37.61	\$89,876.80	\$43.21
37	GIS Application Developer	\$112,902.40	\$54.28	\$132,662.40	\$63.78	\$152,422.40	\$73.28
38	GIS Applications Supervisor	\$147,035.20	\$70.69	\$172,764.80	\$83.06	\$198,494.40	\$95.43
39	GIS Database Administrator	\$112,902.40	\$54.28	\$132,662.40	\$63.78	\$152,422.40	\$73.28
40	Government Affairs Officer	\$86,715.20	\$41.69	\$101,878.40	\$48.98	\$117,041.60	\$56.27
41	Human Resources Analyst I	\$79,393.60	\$38.17	\$93,288.00	\$44.85	\$107,182.40	\$51.53
42	Human Resources Analyst II	\$94,681.60	\$45.52	\$111,259.20	\$53.49	\$127,836.80	\$61.46
43	Internal Auditor	\$160,513.60	\$77.17	\$195,832.00	\$94.15	\$231,150.40	\$111.13
44	IT PMO Supervisor	\$147,035.20	\$70.69	\$172,764.80	\$83.06	\$198,494.40	\$95.43
45	IT Project Manager	\$103,396.80	\$49.71	\$121,492.80	\$58.41	\$139,588.80	\$67.11
46	IT Projects Assistant	\$79,393.60	\$38.17	\$93,288.00	\$44.85	\$107,182.40	\$51.53
47	Junior Planner	\$66,580.80	\$32.01	\$78,228.80	\$37.61	\$89,876.80	\$43.21
48	Lead IT Help Desk	\$103,396.80	\$49.71	\$121,492.80	\$58.41	\$139,588.80	\$67.11
49	Lead Projects Manager	\$123,302.40	\$59.28	\$144,872.00	\$69.65	\$166,441.60	\$80.02
50	Lead Systems Analyst	\$123,302.40	\$59.28	\$144,872.00	\$69.65	\$166,441.60	\$80.02
51	Legislative Affairs Analyst	\$86,715.20	\$41.69	\$101,878.40	\$48.98	\$117,041.60	\$56.27
52	Legislative Affairs Supervisor	\$123,302.40	\$59.28	\$144,872.00	\$69.65	\$166,441.60	\$80.02

# SCAG SALARY SCHEDULE

Classification	Ranges					
	Minimum	Minimum	Midpoint	Midpoint	Maximum	Maximum
		Hourly		Hourly		Hourly
53 Management Analyst	\$103,396.80	\$49.71	\$121,492.80	\$58.41	\$139,588.80	\$67.11
54 Modeling Supervisor	\$147,035.20	\$70.69	\$172,764.80	\$83.06	\$198,494.40	\$95.43
55 Office Assistant	\$55,827.20	\$26.84	\$65,603.20	\$31.54	\$75,379.20	\$36.24
56 Office Services Specialist	\$55,827.20	\$26.84	\$65,603.20	\$31.54	\$75,379.20	\$36.24
57 Payroll Administrator	\$112,902.40	\$54.28	\$132,662.40	\$63.78	\$152,422.40	\$73.28
58 Planning Administration Officer	\$160,513.60	\$77.17	\$195,832.00	\$94.15	\$231,150.40	\$111.13
59 Planning Supervisor	\$134,638.40	\$64.73	\$158,204.80	\$76.06	\$181,771.20	\$87.39
60 Principal Accountant	\$123,302.40	\$59.28	\$144,872.00	\$69.65	\$166,441.60	\$80.02
61 Principal Budget and Grants Analyst	\$123,302.40	\$59.28	\$144,872.00	\$69.65	\$166,441.60	\$80.02
62 Principal Contracts Administrator	\$123,302.40	\$59.28	\$144,872.00	\$69.65	\$166,441.60	\$80.02
63 Principal Human Resources Analyst	\$123,302.40	\$59.28	\$144,872.00	\$69.65	\$166,441.60	\$80.02
64 Principal Management Analyst	\$123,302.40	\$59.28	\$144,872.00	\$69.65	\$166,441.60	\$80.02
65 Principal Modeler	\$134,638.40	\$64.73	\$158,204.80	\$76.06	\$181,771.20	\$87.39
66 Principal Planner	\$123,302.40	\$59.28	\$144,872.00	\$69.65	\$166,441.60	\$80.02
67 Public Affairs Specialist	\$79,393.60	\$38.17	\$93,288.00	\$44.85	\$107,182.40	\$51.53
68 Senior Accountant	\$112,902.40	\$54.28	\$132,662.40	\$63.78	\$152,422.40	\$73.28
69 Senior Administrative Assistant	\$72,696.00	\$34.95	\$85,425.60	\$41.07	\$98,155.20	\$47.19
70 Senior Application Developer	\$123,302.40	\$59.28	\$144,872.00	\$69.65	\$166,441.60	\$80.02
71 Senior Applications Administrator	\$112,902.40	\$54.28	\$132,662.40	\$63.78	\$152,422.40	\$73.28
72 Senior Audio/Visual Technician	\$66,580.80	\$32.01	\$78,228.80	\$37.61	\$89,876.80	\$43.21
73 Senior Budget & Grants Analyst	\$112,902.40	\$54.28	\$132,662.40	\$63.78	\$152,422.40	\$73.28
74 Senior Contracts Administrator	\$112,902.40	\$54.28	\$132,662.40	\$63.78	\$152,422.40	\$73.28
75 Senior Creative Designer	\$112,902.40	\$54.28	\$132,662.40	\$63.78	\$152,422.40	\$73.28
76 Senior Database Administrator	\$123,302.40	\$59.28	\$144,872.00	\$69.65	\$166,441.60	\$80.02
77 Senior Deputy Legal Counsel	\$184,600.00	\$88.75	\$225,201.60	\$108.27	\$265,803.20	\$127.79
78 Senior Economist	\$123,302.40	\$59.28	\$144,872.00	\$69.65	\$166,441.60	\$80.02
79 Senior GIS Application Developer	\$123,302.40	\$59.28	\$144,872.00	\$69.65	\$166,441.60	\$80.02
80 Senior GIS Database Administrator	\$123,302.40	\$59.28	\$144,872.00	\$69.65	\$166,441.60	\$80.02
81 Senior Government Affairs Officer	\$123,302.40	\$59.28	\$144,872.00	\$69.65	\$166,441.60	\$80.02
82 Senior Human Resources Analyst	\$112,902.40	\$54.28	\$132,662.40	\$63.78	\$152,422.40	\$73.28
83 Senior IT Quality Assurance Analyst	\$112,902.40	\$54.28	\$132,662.40	\$63.78	\$152,422.40	\$73.28
84 Senior Legislative Affairs Analyst	\$112,902.40	\$54.28	\$132,662.40	\$63.78	\$152,422.40	\$73.28
85 Senior Management Analyst	\$112,902.40	\$54.28	\$132,662.40	\$63.78	\$152,422.40	\$73.28
86 Senior Modeler	\$123,302.40	\$59.28	\$144,872.00	\$69.65	\$166,441.60	\$80.02
87 Senior Network Engineer	\$123,302.40	\$59.28	\$144,872.00	\$69.65	\$166,441.60	\$80.02
88 Senior Office Services Specialist	\$66,580.80	\$32.01	\$78,228.80	\$37.61	\$89,876.80	\$43.21
89 Senior Public Affairs Specialist	\$112,902.40	\$54.28	\$132,662.40	\$63.78	\$152,422.40	\$73.28
90 Senior Regional Planner	\$112,902.40	\$54.28	\$132,662.40	\$63.78	\$152,422.40	\$73.28
91 Senior Systems Engineer	\$123,302.40	\$59.28	\$144,872.00	\$69.65	\$166,441.60	\$80.02
92 Solutions Architect	\$147,035.20	\$70.69	\$172,764.80	\$83.06	\$198,494.40	\$95.43
93 Special Events Producer	\$112,902.40	\$54.28	\$132,662.40	\$63.78	\$152,422.40	\$73.28
94 Web/Content Administrator	\$112,902.40	\$54.28	\$132,662.40	\$63.78	\$152,422.40	\$73.28



## MAIN OFFICE

### LOS ANGELES COUNTY

900 Wilshire Blvd., Ste. 1700  
Los Angeles, CA 90017  
Tel: (213) 236-1800  
[www.scag.ca.gov](http://www.scag.ca.gov)

## REGIONAL OFFICES

### IMPERIAL COUNTY

1503 N. Imperial Ave., Ste. 104  
El Centro, CA 92243  
Tel: (213) 236-1967

### INLAND EMPIRE

3403 10th St., Ste. 805  
Riverside, CA 92501  
Tel: (951) 784-1513

### ORANGE COUNTY

OCTA Building  
600 S. Main St., Ste. 1108  
Orange, CA 92868  
Tel: (213) 630-1599

### VENTURA COUNTY

4001 Mission Oaks Blvd., Ste. L  
Camarillo, CA 93012  
Tel: (213) 236-1960

DRAFT FY 2026-27 OVERALL WORK PROGRAM AND PUBLIC COMMENT FORM

Link: <https://scag.ca.gov/news/draft-fiscal-year-2026-27-overall-work-program>

Please note, the above link will be active after the Regional Council meeting on March 5, 2026.



**NO. 678  
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS  
REGIONAL COUNCIL  
MINUTES OF THE REGULAR MEETING  
THURSDAY, FEBRUARY 5, 2026**

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE REGIONAL COUNCIL. A VIDEO RECORDING OF THE ACTUAL MEETING IS AVAILABLE ON THE SCAG WEBSITE AT: <http://scag.iqm2.com/Citizens/>

The Regional Council (RC) of the Southern California Association of Governments (SCAG) held a regular meeting both in person and virtually (telephonically and electronically). A quorum was present.

**Members Present**

<b>Hon. Cindy Allen, President</b>	<b><i>Long Beach</i></b>	<b>District 30</b>
<b>Hon. Ray Marquez, 1st Vice President</b>	<b><i>Chino Hills</i></b>	<b>District 10</b>
<b>Hon. Jenny Crosswhite, 2<sup>nd</sup> Vice President</b>	<b><i>Santa Paula</i></b>	<b>District 47</b>
Sup. Vianey Lopez		Ventura County
Hon. Michael Goodsell		ICTC
Hon. Jan Harnik		RCTC
Hon. Trish Kelley		TCA
Hon. Mike T. Judge		VCTC
Hon. Gil Rebolgar	<b><i>Brawley</i></b>	District 1
Hon. Gary Gardner	<b><i>Desert Hot Springs</i></b>	District 2
Hon. Linda Krupa	<b><i>Hemet</i></b>	District 3
Hon. Clint Lorimore	<b><i>Eastvale</i></b>	District 4
Hon. Frank Navarro	<b><i>Colton</i></b>	District 6
Hon. Helen Tran	<b><i>San Bernardino</i></b>	District 7
Hon. Acquanetta Warren	<b><i>Fontana</i></b>	District 8
Hon. John Dutrey	<b><i>Montclair</i></b>	District 9
Hon. Rick Denison	<b><i>Yucca Valley</i></b>	District 11
Hon. John Gabbard	<b><i>Dana Point</i></b>	District 12
Hon. Wendy Bucknum	<b><i>Mission Viejo</i></b>	District 13
Hon. William Go	<b><i>Irvine</i></b>	District 14
Hon. Debbie Baker	<b><i>La Palma</i></b>	District 18
Hon. Ryan Balius	<b><i>Anaheim</i></b>	District 19
Hon. Joe Kalmick	<b><i>Seal Beach</i></b>	District 20



Hon. Marty Simonoff	<i>Brea</i>	District 22
Hon. Frank Yokoyama	<i>Cerritos</i>	District 23
Hon. Jeff Wood	<i>Lakewood</i>	District 24
Hon. Emma Sharif	<i>Compton</i>	District 26
Hon. Ali Saleh	<i>Bell</i>	District 27
Hon. Mark E. Henderson	<i>Gardena</i>	District 28
Hon. Suely Saro	<i>Long Beach</i>	District 29
Hon. Andrew Lara	<i>Pico Rivera</i>	District 31
Hon. Margaret Clark	<i>Rosemead</i>	District 32
Hon. Shaunna Elias	<i>Glendora</i>	District 33
Hon. Thomas Wong	<i>Monterey Park</i>	District 34
Hon. Steve Tye	<i>Diamond Bar</i>	District 37
Hon. Tim Sandoval	<i>Pomona</i>	District 38
Hon. Nikki Perez	<i>Burbank</i>	District 42
Hon. David J. Shapiro	<i>Calabasas</i>	District 44
Hon. Laura Hernandez	<i>Port Hueneme</i>	District 45
Hon. Rocky Rhodes	<i>Simi Valley</i>	District 46
Hon. Steve Manos	<i>Lake Elsinore</i>	District 63
Hon. Daniel Ramos	<i>Adelanto</i>	District 65
Hon. Steve Sanchez	<i>La Quinta</i>	District 66
Hon. Marsha McLean	<i>Santa Clarita</i>	District 67
Hon. Patricia Lock Dawson	<i>Riverside</i>	District 68
Hon. Larry McCallon		Air District Representative
Hon. Andrew Masiel, Sr.	<i>Pechanga Dev. Corp.</i>	Tribal Gov't Reg'l Planning Brd.
Ms. Lucy Dunn		Business Representative

**Members Not Present**

**Sup. Curt Hagman, Imm. Past President**

- Sup. Martha Cardenas-Singh
- Sup. Kathryn Barger
- Sup. Hilda Solis
- Sup. Don Wagner
- Sup. Karen Spiegel
- Hon. Carlos Leon
- Hon. Alan Wapner
- Hon. Zak Schwank
- Hon. Lauren Kleiman
- Hon. Valerie Amezcua
- Hon. Jon Dumitru
- Hon. Fred Jung
- Hon. Claudia Frometa

**Members Not Present**

- Temecula*
- Newport Beach*
- Santa Ana*
- Orange*
- Fullerton*
- Downey*

**Members Not Present**

**San Bernardino County**

- Imperial County
- Los Angeles County
- Los Angeles County
- Orange County
- Riverside County
- OCTA
- SBCTA
- District 5
- District 15
- District 16
- District 17
- District 21
- District 25



Hon. Margaret E. Finlay	<i>Duarte</i>	District 35
Hon. Keith Eich	<i>La Cañada Flintridge</i>	District 36
Hon. Mark Waronek	<i>Lomita</i>	District 39
Hon. Drew Boyles	<i>El Segundo</i>	District 40
Hon. Austin Bishop	<i>Palmdale</i>	District 43
Hon. Eunisses Hernandez	<i>Los Angeles</i>	District 48
Hon. Adrin Nazarian	<i>Los Angeles</i>	District 49
Hon. Bob Blumenfield	<i>Los Angeles</i>	District 50
Hon. Nithya Raman	<i>Los Angeles</i>	District 51
Hon. Katy Young Yaroslavsky	<i>Los Angeles</i>	District 52
Hon. Imelda Padilla	<i>Los Angeles</i>	District 53
Hon. Monica Rodriguez	<i>Los Angeles</i>	District 54
Hon. Marqueece Harris-Dawson	<i>Los Angeles</i>	District 55
Hon. Curren D. Price, Jr.	<i>Los Angeles</i>	District 56
Hon. Heather Hutt	<i>Los Angeles</i>	District 57
Hon. Traci Park	<i>Los Angeles</i>	District 58
Hon. John Lee	<i>Los Angeles</i>	District 59
Hon. Hugo Soto-Martinez	<i>Los Angeles</i>	District 60
Hon. Ysabel Jurado	<i>Los Angeles</i>	District 61
Hon. Tim McOsker	<i>Los Angeles</i>	District 62
Hon. Butch Twining	<i>Huntington Beach</i>	District 64
Hon. Ulises Cabrera	<i>Moreno Valley</i>	District 69
Hon. Karen Bass	<i>Los Angeles</i>	Member-at-Large

**Staff Present**

- Kome Ajise, Executive Director
- Darin Chidsey, Chief Operating Officer
- Cindy Giraldo, Chief Financial Officer
- Sarah Jepson, Chief Planning Officer
- Javiera Cartagena, Chief Government and Public Affairs Officer
- Carmen Flores, Chief Human Resources Officer
- Julie Shroyer, Chief Information Officer
- Jeffery Elder, Chief Counsel
- Ruben Duran, Board Counsel
- Maggie Aguilar, Clerk of the Board
- Jonna Hart, Acting Deputy Clerk of the Board

**CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

President Allen called the meeting to order at 11:47 a.m. and asked Regional Council Debbie Baker, La Palma, RC District 18, to lead the pledge of allegiance.

Ruben Duran, Board Counsel, noted that Mayor Frank Navarro, RC District 6, would be participating through an accommodation under the Americans with Disabilities Act.

### **PUBLIC COMMENT PERIOD**

President Allen opened the Public Comment Period for persons to comment on any matter pertinent to SCAG's jurisdiction that were not listed on the agenda.

Board Counsel Duran acknowledged there were no written public comments received.

Seeing no public comment speakers for items not listed on the agenda, President Allen closed the Public Comment Period.

### **REVIEW AND PRIORITIZE AGENDA ITEMS**

There was no prioritization of agenda items.

### **CHAIR'S REPORT**

David J. Shapiro, Community, Economic, and Human Development Committee (CEHD) Chair, reported that the CEHD Policy Committee heard two information items. He shared the first item had three presentations on community development funding programs and how these programs can be strategically leveraged to address local needs and align with long-term planning goals. He indicated that SCAG Senior Regional Planner Anikka Van Eyl provided an overview of the importance of these programs and afterwards, Diana Sasser, Managing Director at Grow America, discussed brownfield redevelopment and the role of financing tools in advancing community and economic development projects, and Jeannette Ortega, Deputy Director of Administrative Services at the City of Placentia, presented on their work to develop an enhanced infrastructure financing district in the City of Placentia. He reported that the second information item, was a presentation from Camille Guiriba, Senior Regional Planner at SCAG, who outlined the process and timeline for development of Connect SoCal 2050. Lastly, he noted that they welcomed two new members: John Gabbard (Dana Point) and Cynthia Moran (Chino Hills).

There were no comments on the CEHD Chair report.

Rick Denison, Energy and Environment Committee (EEC) Chair, reported that they received presentations on three information items. The first one was an overview of the Connect SoCal 2050 process, the next item was an update on the Innovative Clean Transit Regional Assessment Study Update, which will support regional efforts to transition to Zero Emissions Buses by 2040 in accordance with CARB's Innovative Clean Transit regulation, and a presentation from LADWP on

their Stormwater Master Plan and the role of distributed stormwater infrastructure to address localized flooding and increase groundwater recharge

There were no comments on the EEC Chair report.

Mike T. Judge, Transportation Committee (TC) Chair, indicated they were scheduled to have three presentations but only had two due to lively discussion. He reported that the Transportation Committee took action to approve and forward the FHWA Programming Procedures for FHWA-Administered Federal Funding. He noted that this item was critical to the administration of the recently approved CMAQ/STBG Program which awarded over \$1.25 Billion across 132 projects throughout the SCAG region. He indicated that they were looking forward to working on subsequent calls for projects with their members to further the goals of Connect SoCal. He also reported that they received a presentation from Metrolink Chief Executive Officer Darren Kettle who provided an overview of Metrolink's ongoing services and programs. He explained that Metrolink works closely with member agencies, regional partners, and state and federal stakeholders to ensure the passenger rail system in the region supports the ongoing rider needs and demands. He stated that they appreciated hearing about the critical role Metrolink plays in connecting the region. Lastly, he shared that they also received a presentation on SCAG's ongoing work to support the 2028 Los Angeles Summer Olympics. He reported that SCAG staff presented on the "Road to LA 28: A Regional Transportation Demand Strategy" in collaboration with the Greater Ontario Convention and Visitors Bureau (GOCAL). He indicated that they looked forward to continuing this work in support of the region to ensure the LA28 games meet the future demands to move the visitors and enthusiasts throughout the region in 2028.

There were no comments on the TC Chair report.

## **CONSENT CALENDAR**

### Approval Items

1. Minutes of the Meeting – December 4, 2025
2. Revision to SCAG's Standard Contract Provisions: Removal of Required Penalty Clauses
3. Contracts \$500,000 or Greater: 24-012-MRFP 17, City of Los Angeles, Scaling Housing Development on City-Owned Land Strategy
4. Contracts \$500,000 or Greater: 26-018-C01, 2028 Olympic and Paralympic Games Community Hubs Toolkit
5. Contracts \$500,000 or Greater: 26-029-C01, Federal Advocacy Services

6. Contracts \$500,000 or Greater: 26-041-C01, SCAG Transportation Safety Predictive Modeling & Analysis Platform
7. Approval of Federal Highway Administration (FHWA) Programming Procedures
8. Approve SCAG Participation in the 2026 Milano-Cortina Olympic and Paralympic Games Observation Program and Study Tour
9. Contracting to Implement the Quick-Build Transportation Safety Demonstration Projects
10. Regional Transportation Safety Targets for 2026
11. 2026 Public Participation Plan Update
12. SCAG Memberships and Sponsorships

Receive and File

13. February 2026 State and Federal Legislative Update
14. Purchase Orders, Contracts and Contract Amendments below Regional Council Approval Threshold
15. CFO Monthly Report

There were no public Comments on the Consent Calendar.

Regional Council Member Steve Sanchez, La Quinta, RC District 66, stated he would like to pull item 8 for discussion and a separate vote.

Regional Council Debbie Baker, La Palma, RC District 18, asked for a correction on the attendance report on page 23 as the totals were not displaying correctly. President Allen indicated they would look into it.

Darin Chidsey, Chief Operating Officer, provided a brief overview of item number 8, which was to approve SCAG participation in the 2026 Milano-Cortina Olympic and Paralympic Game Observation Program. He explained that SCAG had been very engaged in planning for the Games and was also members of the Games Mobility Executive Committee. He stated that as part of this they had been offered an opportunity to participate in the Observer Program for the Milan Games. He explained that this program was specifically designed to send people that were actively working on the future

Olympics to understand on-the-ground logistics and challenges and complexities of what it takes to deliver the games. He also noted that per the Regional Council Bylaws, any international travel needed approval by this body, so they were asking for approval at this meeting. He reminded the Board that they sent a similar group to Paris last summer and that as part of that, they knew that oftentimes, additional information-sharing opportunities arise very quickly. He indicated that their process to certainly approve international travel can take several months given the Regional Council schedule. He explained that should another opportunity arise, there was a provision to delegate approval to the Executive Director for international trips specifically around the Games and their preparation for that.

Regional Council Member Sanchez stated that he understood the intent behind this item and that preparing for the 2028 Olympics and Paralympics was indeed a significant responsibility. He stated there was value in learning from cities that have previously hosted the Games and did not question the professionalism or dedication of staff or anyone involved in this effort. However, he stated that as a steward of public funds, he must evaluate every expenditure through the eyes of the taxpayers they represent. He stated that this item asked taxpayers to fund an all-expense-paid international trip estimated at approximately \$7,500, along with an unspecified additional amount for another staff member or potentially more. He indicated that he could not reasonably justify this expense to his constituents and if a resident were to ask him why their tax dollars were used to send someone to Italy, he would struggle to provide an answer that reflects fiscal discipline and a prioritization of local needs. He explained that to put this into perspective, \$7,500 or more could instead be allocated toward emergency preparedness, public safety training, traffic and pedestrian safety improvements, such as signage or crosswalk enhancements, and professional support programming, including expert consultants, data analysis, or remote briefings. He indicated that these were investments that directly benefit their community without the added cost of international travel. He stated that he firmly believed they could prepare responsibly for the 2028 Games while remaining mindful of taxpayers' expectations and pursuing more cost-effective alternatives. He indicated that every dollar they spend belongs to someone who worked for it.

Regional Council Member Jeff Woods, Lakewood, RC District 24, stated he shared many of the concerns that were raised. He explained that when their delegation traveled to Paris, they brought back a significant amount of valuable information. However, he noted that Paris was hosting Summer Games, and they would also be hosting the Summer Games on an even larger scale. He stated this alignment made sense. He expressed he was struggling to understand the benefit of sending a delegation to a Winter Olympics when their event was fundamentally different. He indicated that while there were certainly operational overlaps, they would be hosting nearly twice as many events, and their logistical challenges—particularly transportation, infrastructure improvements, street conditions, and public safety were substantial and very local in nature. He stated that they already discussed implementing fan zones and many other ideas that came directly from the Paris experience. He stated that from his perspective, they were actively incorporating those lessons. He asked what specific additional value attendance would provide at a Winter Games

that they did not already gain from Paris. He expressed concern about the structure of the travel authorization and stated that while the item specifies one attendee, it also allows the Executive Director to approve as many individuals as deemed necessary. He stated that without a clear cap or defined scope, that began to resemble a blank check and thought they needed clearer parameters. He explained that the item also mentioned that a SCAG delegation would join other Southern California leaders. He asked for clarification on who those leaders were and if they were elected officials. He stated that to date he had not seen broad representation from the 87 other cities in Los Angeles County or the surrounding jurisdictions that would also be directly impacted by the Games. He indicated that there were practical considerations and if these Games were imminent, asked if travel and lodging had already been secured as costs could rise significantly once events begin. He indicated that before moving forward, he believed they should have more concrete answers regarding timing, budget limits, delegation size, and measurable objectives. He indicated that he was not opposed to gathering best practices; he simply wanted to ensure that any travel was clearly justified, financially responsible, and directly tied to the challenges they were facing here at home.

Kome Ajise, Executive Director, stated this was part of what they do in their role as the Games Mobility Executive — to look at the various logistics surrounding the Games. He stated that although this was a Winter Games, the logistical considerations were not significantly different. He clarified that the staff member attending would not be there to view events, and their role was to remain outside at event centers to observe operations, coordinate with the organizing committee on the ground, and to learn. He further noted that the individual attending was deeply involved in their Transportation Demand Management (TDM) work. He indicated that this provided a valuable opportunity to observe innovations in TDM and to gain insight into logistical strategies that will be relevant to the Summer Games preparations. He discussed that given the proximity of the Games; they could limit attendance to the one staff member already scheduled to go. He also noted that it was not typical for elected officials to attend these observer programs as these delegations generally consisted of operational staff from agencies directly involved in Games planning. He also shared that this opportunity was extended to them by LA28 to participate as part of the official observer team and that there would be observer teams from all future Olympic host cities, like what occurred in Paris, where representatives from future Winter Games host cities attended to observe operations. He indicated that the focus was on learning about the movement of people, travel timing, and transportation logistics associated with hosting the Olympic Games.

Regional Council Member Jan Harnik, RCTC, stated she appreciated the comments that had been made and thanked Executive Director Ajise for his input. She indicated that as someone who served on the Transportation Committee and recently received a comprehensive report on TDM, presented by Ms. Aguirre, it gave her valuable insight and a certain comfort level about moving forward. She explained that when they consider the cost of this effort compared to the cost of not having the necessary information, it became clear that these were relatively inexpensive lessons to learn. She stated that with approximately 15 million unique visitors coming to their region, traffic demand models were critical. She indicated that if someone told them that for \$10,000, they could

provide answers to how they move people more efficiently throughout this region, it would be worth every cent. She indicated that when the time was appropriate, she would absolutely move approval.

Regional Council Member Daniel Ramos seconded the motion.

President Allen stated for the record that she had a motion [Harnki] and second [Ramos].

Regional Council Member Wood asked if it was safe to say that they were only authorizing one person [for the trip].

Executive Director Ajise stated that if that was the will of the Board, they would authorize just one person.

Regional Council Member Andrew Lara, Pico Rivera, RC District 31, stated he would like the Executive Director to have the ability to send multiple people he seems fit. He indicated that it was his understanding that he and staff would have a better idea of who was qualified to attend, and he put his faith and trust in Mr. Ajise to make a wise and prudent decision.

Regional Council Member Sanchez expressed that his primary concern was issuing a blank check. He stated this was not against staff or the CEO. He stated they all had to report back to their constituents. He stated he wanted to be able to protect the integrity of SCAG with its constituents and its members and leaving a blank check was very vague and not fiscally responsible for this body who had oversight of how all the money is spent.

Regional Council Member Frank Yokoyama, Cerritos, RC District 23, stated he was in favor of giving the Executive Director authority as requested on this agenda item and looked forward to getting a transparent report back at a future Regional Council meeting as to what happened, the results, who went, and what the expense was.

Regional Council Member Wood asked if they knew how many went to Paris and what the total cost was.

Executive Director Ajise stated that they had two who went to Paris and thought it was for the same amount but would get back to them on that. He stated that the two were there as observers with the Olympic Observation Group. He indicated that they take the expenditure of public funds very seriously and do not make these decisions lightly. He explained that this group had already authorized approximately \$5 million under one program for TDM work in the region. He explained that the \$7,500 request was intended to augment that work, particularly by supporting the individual leading the effort. He indicated that while the \$7,500 was not an insignificant amount, it had been carefully considered. He stated that they believed this was an important way to maximize

the investment they had already approved for TDM efforts related to the Olympics. Mr. Ajise indicated that having staff participate as part of the international community observing a live event—one that they will eventually be responsible for was valuable.

Regional Council Member Steve Manos, Lake Elsinore, RC District 63, stated that the optics on this item were terrible. He stated they were sending a staff member to Milan to check out how the system works, which was information they could probably get in a report. He stated they could probably have many meetings on the web, and this just didn't look good. He stated he would appreciate constraining it to a single person.

Regional Council Member Mark Henderson, Gardena, RC District 28, stated that he agreed with Regional Council Member Sanchez about giving a blank check to staff and noted they don't do this in their cities. He stated he was conflicted about the fact that they have invested so much in TDM and still need more data points to make sure they get accurate data for 2028. He also noted that he understood that they need to have some more data sets to make sure that they are doing this the right way. He indicated that he thought that the Winter Olympics were not synonymous with the Summer Olympics, because there were more people out, but understood the need for data points. He stated he did have a conflict with just saying we have to go do this and they don't know what it is. He stated that he did appreciate the comment of what they have already invested in TDM studies. He made a substitute motion to limit the amount of people going to no more than two with a budget of no more than \$16,000.

The substitute motion was seconded by Regional Council Member Manos.

Board Counsel Duran clarified that before them there was a motion by Regional Council Member Henderson to amend the original motion to limit to no more than two staff members for a total aggregate spend of no more than \$16,000, and he believed the second came from Regional Council Member Wood but might be mistaken.

It was clarified that the second came from Regional Council Member Manos.

Regional Council Member Lara asked staff to confirm what the appropriate limit would be regarding sending staff.

Executive Director Ajise stated that they proposed sending one person because they didn't know when the opportunity would come up regarding sending another person and they wanted to make sure that they had the capacity to do that, which is why they wrote the request the way they did.

Regional Council Member Lara asked if the amendment by Regional Council Member Henderson was to limit it to 2 people for \$16,000.

Executive Director Ajise stated yes and that this [the amendment] was fine.

Regional Council Member Larry McCallon, Air District Representative, asked if the motion could include the Consent Calendar rather than just Item 8.

Board Counsel Duran stated it was up to the motion maker and asked Regional Council Member Henderson if he would amend his motion to include the full Consent Calendar. Both Regional Council Members Henderson and Manos agreed to include the whole Consent Calendar with their amendment to Item 8.

While the clerk typed up the motion for a vote, Board Counsel Duran noted for the record that the motion on the floor was to approve the Consent Calendar with a change to Item 8 to be for no more than two staff members for a total spend of no more than \$16,000, and Mr. Ajise's discretion.

AN AMENDED SUBSTITUTE MOTION was made (Henderson) to approve the Consent Calendar (Items 1 through 12) with a change to Item 8 to be for no more than two staff members for a total spend of no more than \$16,000, and Mr. Ajise's discretion; and Receive and File Items 13 through 15. Motion was SECONDED (Manos) and passed by the following roll call votes.

**AYES:** Allen, Baker, Balius, Bucknum, Clark, Crosswhite, Dutrey, Elias, Gardner, Gabbard, Goodsell, Harnik, Henderson, Hernandez, Judge, Kalmick, Kelley, Krupa, Lara, Patricia Lock Dawson, Lopez, Lorimore, Manos, Marquez, Masiel, McCallon, Navarro, Perez, Ramos, Rebollar, Rhodes, Saleh, Sanchez, Sandoval, Saro, Shapiro, Sharif, Simonoff, Tran, Tye, Warren, Wong, Wood, and Yokoyama (44)

**NOES:** Denison and Go (2)

**ABSTAIN:** McLean (1)

## **INFORMATION ITEM**

### **16. Regional Leadership on Housing Production**

Mr. Ajise reported that at the beginning of her term, President Allen highlighted three priorities for focused policy leadership, which were 1) Regional Planning in support of the 2028 Olympic and Paralympic Games; 2) Clean Transportation Technology; and 3) Housing Production. He stated that when it came to housing, SCAG's role had shifted dramatically over the last few years, largely due to funding they received from the state through the REAP Program. He indicated that through this funding, SCAG had supported their jurisdictions and partners in taking steps to help tackle the housing crisis. He stated that as an organization, the success they had seen in this area had been facilitated by their leadership. He discussed that the Regional Council adopted Connect SoCal 2024,

which included a greater emphasis on housing policy, strategies, and production in the region. He also noted that the Regional Council also approved funding programs that allowed them to get this money out the door quickly to their partners. He emphasized that the Regional Council was also instrumental in helping them advocate to keep these critical dollars amid proposed state budget cuts to the program. He stated that as they look to the future, they would continue to rely on their leadership. He noted that the current housing crisis was decades in the making and addressing it would require long-term funding and commitment at all levels of government.

Mayon Johnson, Housing Department Manager, discussed the regional approach to housing production and SCAG's role in supporting local efforts. With respect to the Regional Housing Needs Assessment (RHNA), she emphasized that while Needs Assessment provides numbers, the focus should be on Regional Housing action-planning and producing housing to meet community needs. She noted that the housing crisis was long-standing, with production historically lagging population growth, despite periods of strong construction in the 1970's and 1980's. She noted key barriers identified in a regional survey included land availability, community opposition, and insufficient utilities/infrastructure. She indicated that local housing needs vary, spanning mixed-use, multifamily, rental, and homeownership models, with interest in partnerships and community engagement. She discussed that SCAG had evolved from a purely number-focused role to actively supporting housing production through regional programs, advocacy for state and federal funding, technical assistance, and integration with transportation and sustainability plans (Connect SoCal). She reported that recent funding initiatives like REAP 1 (\$47M) and REAP 2 (\$230M+) had helped move projects forward, resulting in roughly 450,000 units in the pipeline. She noted that SCAG's regional strategies targeted three main areas: 1) Zoning and land use – addressing surplus or infill-available lands through programs like HIP pilot and corridor-wide initiatives; 2) Funding and resources – \$65M allocated through NOFA programs for housing trusts and innovative financing; and 3) Infrastructure – programs like RUSH and CTC Partnership that ensure utilities and transportation can support new housing. Lastly, she shared that SCAG emphasizes long-term, collaborative, regional solutions rather than one-off or reactive measures to tackle the housing shortage.

Brielle Salazar, San Gabriel Valley Regional Housing Trust, detailed their REAP 2 projects, including the Affordable Housing Incubator, Revolving Loan Fund, and various technical assistance efforts. She indicated that these initiatives aim to streamline housing development, provide financial support, and address infrastructure and land use challenges. Her presentation concluded with a call for continued regional support and leadership in advancing housing production.

David Pollock, Executive Director of the Ventura Council of Governments, presented an update on the implementation of a housing program, highlighting six ongoing projects funded by a \$411,000 grant. He noted these projects include pro-housing initiatives for Ventura, mixed-use concept studies for Simi Valley and Santa Paula, an inclusionary housing program for the county, ADU homeowner tools for the county, and a small lot assembly program for Fillmore. He emphasized

that all projects aim to provide actionable recommendations to their respective governing boards by June 30, with consultants being paid by VCOG and reimbursed by SCAG.

Doug Spondello, Community Development Director from the City of Moorpark, presented on their downtown-specific plan development, funded by a \$250,000 SCAG grant through REAP 2.0. He indicated that the plan aims to enhance housing while preserving the downtown's historical character, with a focus on High Street and the Metrolink station. He shared that Moorpark completed their first general plan update in 2022 and was now working on updating the downtown-specific plan, which would include form-based coding and community engagement. He noted that the draft plan was expected to be presented to the Community Planning Commission and City Council later in the summer.

Regional Council Member Manos expressed concerns about government-imposed housing quotas and the impact of changing regulations, including tribal consultations and sprinkler requirements, which he argued are driving up costs and deterring development.

Margaret Clark thanked Brielle from the San Gabriel Valley COG and Senator Susan Rubio for their efforts in securing funding, and inquired about Moorpark's ban on chain stores, which Mr. Spondello confirmed was implemented with a definition and conditional use permit exceptions.

### **BUSINESS REPORT**

Regional Council Member Lucy Dunn stated her report was on page 222 of the agenda packet. She noted that the Business and Industry Advisory Council to the Regional Council met on February 2<sup>nd</sup> and they hosted Luis Quinones of the California Chamber of Commerce and their consultant Vicar Castillo, to talk about the pending CEQA ballot measure receiving \$5-6 million in high-tech funding. She stated that most of the business members of their organization have long supported modernization of CEQA and were very intrigued and supportive of this ballot measure. She stated that she asked Kevin Gilhooley to share with the LCMC information to garner support or comments on this ballot measure. She shared that the next meeting of the GLUE Council was set for April 6 and welcomed Regional Council Members to participate and engage with the business community. She stated that in her report she also included an op-ed that the Orange County Register published on housing and homelessness, and the changes in the federal rules that are coming down that could impact them in a negative way regarding funding for supportive housing. She noted that the op-ed had been distributed to the congressional delegation and had been well received. She also acknowledged SCAG, Kevin Kane, and all the consultants on the monthly economic reports as she felt this was a great asset that SCAG provides to the region. She suggested having accessible links on the website to those reports. Lastly, she indicated her report included information on express lanes coming of age.

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## **PRESIDENT'S REPORT**

President Allen reported it was time for the 2026 Regional Conference and General Assembly, May 7-8 at the JW Marriott in Palm Desert. She discussed that the event hosted by SCAG was Southern California's largest annual gathering of elected officials, planners, and industry leaders. She informed the members that early bird registration would open on Monday, February 9. She noted that Regional Council and Policy Committee members would receive special registration instructions from the board clerk following the meeting. She encouraged members to register and reserve their room as soon as possible. She also reported that the annual 2026 SCAG Scholarship Program application period would also open February 9. She noted that in partnership with the California Transportation Foundation, this program provided nine \$4,000 scholarships for high school or community college students from the SCAG region. She indicated that students of any field of study were invited to apply, and that applications were due Friday, March 20. She encouraged members to share this opportunity with youth in their communities. She also reported that the 2026 SCAG Student Showcase was open for submissions. She explained that the Student Showcase challenges students to create presentations that use data to tell compelling stories, create insights, and showcase plans and projects. She noted that submissions were due March 12 and that this was another great opportunity to share with students in their local communities. She also noted that appointments to the Bylaws and Resolution Committee, Nominating Committee, and Scholarship Committee had been made. She briefly discussed the roles of the three committees. She thanked members in advance for their time and service on these endeavors. Lastly, she reminded the members that the next regular meeting of the Regional Council was scheduled for Thursday, March 5, 2026, at 11:45 a.m.

## **EXECUTIVE DIRECTOR'S REPORT**

Executive Director Ajise congratulated Regional Councilmember Nikki Perez of Burbank, who was appointed by Governor Newsom to the California Film Commission. He also reported that on January 14, they were hosted by Mayor Patricia Lock Dawson in Riverside for an Inland Empire Housing Workshop. The event gathered city and county staff and housing professionals for conversations on real-world approaches to increasing housing supply, coordinating infrastructure, and reducing barriers to housing production. He also reported that SCAG recently published county-specific reports for a deeper look at economic conditions across all six counties in the SCAG region. He indicated that these county-level reports expand on findings included in the "2025 Southern California Economic Update" presented at the SCAG Joint Policy Committee Meeting last December. He stated the reports would be in SCAG's newsletter and could be found on the website. He reported that as part of Connect SoCal 2050, they were undertaking a new study to try to expand the footprint of their knowledge base in terms of dealing with the uncertainty in policy. He stated the project was called Connect SoCal Futures and would help support the plan development to evaluate policies and strategies across multiple plausible futures. He stated the intent was to bring together experts, a technical advisory group, to identify and help them understand the various

trends and uncertainties that may impact the future. He shared that this group would include individuals that know something about land use, transportation, water, and the economy. He indicated additional information would be presented at the policy committees. Lastly, he reported he was proud to launch their inaugural cohort of the Future Leaders Initiative. He stated they had about 244 applicants ranging from 18 to 24 years of age. He shared that the first cohort was 24 people, a very energized group who were interested in regional planning. He stated that he hoped they would have the opportunity to address these young individuals over the next six months. He noted that at the end of the six-month program, they would have something to report out.

There were no public comments on the Business, President's or Executive Director's reports.

#### **FUTURE AGENDA ITEMS**

There were no future agenda items.

#### **ANNOUNCEMENTS**

There were no announcements.

#### **ADJOURNMENT**

There being no further business, President Allen adjourned the meeting of the Regional Council. in memory of Carlene Adams at 1:05 p.m.

[MINUTES ARE UNOFFICIAL UNTIL APPROVED BY THE REGIONAL COUNCIL]

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Regional Council Attendance Report																
2025-2026																
MEMBERS	Representing	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Total Mtgs Attended To Date		
Allen, Cindy	Long Beach, RC District 30	1			1		1	1		1				5		
Amezcuca, Valerie	Santa Ana, RC District 16	0			0		0	0		0				0		
Baker, Debbie	La Palma, RC District 18	1			1		1	0		1				4		
Balius, Ryan	Anaheim, RC District 19	1			0		1	1		1				4		
Barger, Kathryn	Los Angeles County	0			0		0	0		0				0		
Bass, Karen	Los Angeles, (Member at Large)	0			0		0	0		0				0		
Bishop, Austin	Palmdale, RC District 43	0			0		1	0		0				1		
Blumenfield, Bob	Los Angeles, RC District 50	0			0		0	0		0				0		
Boyles, Drew	El Segundo, RC District 40	0			1		0	0		0				1		
Bucknum, Wendy	Mission Viejo, RC District 13	1	D	D	0	D	0	1	D	1				3		
Cabrera, Ulises	Moreno Valley, RC District 69	1			1		1	0		0				3		
Cardenas-Singh, Martha	Imperial County				1		1	0		0				2		
Clark, Margaret	Rosemead, RC District 32	0			1		1	1		1				4		
Crosswhite, Jenny	Santa Paula, RC District 47	1			1		1	1		1				5		
Denison, Rick	Yucca Valley, RC District 11	1			1		1	0		1				4		
Dumitru, Jon	Orange, RC District 17	0			0		0	1		0				1		
Dunn, Lucy	Business Representative	1			1		0	1		1				4		
Dutrey, John	Montclair, RC District 9	1			1		1	0		1				4		
Eich, Keith	La Cañada Flintridge, RC District 36	1			1		1	0		0				3		
Elias, Shaunna	Glendora, RC District 33	0			1		1	1		1				4		
Finlay, Margaret E.	Duarte, RC District 35	0	A	A	1	A	1	1	A	0				3		
Frometa, Claudia M.	Downey, RC District 25	0			0		0	1		0				1		
Gardner, Gary	Desert Hot Springs, RC District 2	1			1		0	1		1				4		
Gabbard, John	Dana Point, RC District 12	1			1		1	1		1				5		
Go, William	Irvine, RC District 14	1			1		1	1		1				5		
Goodsell, Mike	ICTC Representative	1			1		1	1		1				5		
Hagman, Curt	San Bernardino County	1			1		1	1		0				4		
Harnik, Jan C.	RCTC Rrepresentative	1			1		1	0		1				4		
Harris-Dawson, Marqueece	Los Angeles, RC District 55	0			0		0	0		0				0		
Henderson, Mark E.	Gardena, RC District 28	0			1		1	1		1				4		
Hernandez, Eunisses	Los Angeles, RC District 48	0			0		0	0		0				0		
Hernandez, Laura	Port Hueneme, RC District 45	1			1		0	1		1				4		
Hutt, Heather	Los Angeles, RC District 57	0	R	R	0	R	0	0	R	0				0		
Judge, Mike T.	VCTC Representative	1			1		1	1		1				5		
Jung, Fred	Fullerton, RC District 21	0			0		0	0		0				0		
Jurado, Ysabel	Los Angeles, RC District 61	0			0		0	0		0				0		
Kalmick, Joe	Seal Beach, RC District 20	1			1		1	1		1				5		
Kelley, Trish	TCA Representative	1			1		1	1		1				5		
Kleiman, Lauren	Newport Beach, RC District 15	0			0		1	1		0				2		
Krupa, Linda	Hemet, RC District 3	1	K	K	1	K	1	1	K	1				5		
Lara, Andrew	Pico Rivera, RC District 31	1			0		0	1		1				3		
Lee, John	Los Angeles, RC District 59	0			0		0	0		0				0		
Leon, Carlos A.	OCTA Representative	0			0		0	0		0				0		
Lock Dawson, Patricia	Riverside, RC District 68	0			0		0	1		1				2		
Lopez, Vianey	Ventura County	1			1		1	0		1				4		
Lorimore, Clint	Eastvale, RC District 4	0			1		1	1		1				4		
Manos, Steve	Lake Elsinore, RC District 63	1			1		1	1		1				5		
Marquez, Ray	Chino Hills, RC District 10	1			1		0	1		1				4		
Masiel, Andrew	Pechanga Band of Luiseno Indians Tribal Gov. Reg. Plng. Brd.	0			0		1	1		1				3		
McCallon, Larry	Air District Representative	1			1		1	1		1				5		
McLean, Marsha	Santa Clarita, RC District 67	1			1		1	1		1				5		
McOsker, Tim	Los Angeles, RC District 62	0			0		0	0		0				0		
Navarro, Frank J.	Colton, RC District 6	1			1		1	1		1				5		
Nazarian, Adrin	Los Angeles, RC District 49	0			0		0	0		0				0		
Padilla, Imelda	Los Angeles, RC District 53	0			0		0	0		0				0		
Park, Traci	Los Angeles, RC District 58	0			0		0	0		0				0		
Perez, Nikki	Burbank, RC District 42	0			1		0	0		1				2		
Price, Curren D.	Los Angeles, RCDistrict 56	0			0		0	0		0				0		
Raman, Nithya	Los Angeles, RC District 51	0			0		0	0		0				0		
Ramos, Daniel	Adelanto, RC District 65	1			1		1	1		1				5		

Rebollar, Gil	Brawley, RC District 1	1		1		0	0		1					3
Rhodes, Rocky	Simi Valley, RC District 46	1		1		1	1		1					5
Rodriguez, Monica	Los Angeles, RC District 54	0		0		0	0		0					0
Saleh, Ali	Bell, RC District 27	1		0		1	1		1					4
Sanchez, Steve	La Quinta, RC District 66	1		1		1	0		1					4
Sandoval, Tim	Pomona, RC District 38	0		1		1	0		1					3
Saro, Suely	Long Beach, RC District 29	0		0		1	1		1					3
Schwank, Zak	Temecula, RC District 5	0		0		0	0		0					0
Shapiro, David J.	Calabasas, RC District 44	1		1		1	1		1					5
Sharif, Emma	Compton, RC District 26	0		1		1	0		1					3
Simonoff, Marty	Brea, RC District 22	1		1		1	1		1					5
Solis, Hilda	Los Angeles County	0		0		0	0		0					0
Soto-Martinez, Hugo	Los Angeles, RC District 60	0		0		0	0		0					0
Spiegel, Karen	Riverside County	1		1		1	0		0					3
Tran, Helen	San Bernardino, RC District 7	1		1		1	1		1					5
Twining, Butch	Huntington Beach, RC District 64	1		1		0	0		0					2
Tye, Steve	Diamond Bar, RC District 37	1		1		1	0		1					4
Wagner, Donald P.	Orange County	1		1		0	0		0					2
Wapner, Alan	SBCTA/SBCOG	1		1		1	0		0					3
Waronek, Mark	Lomita, RC District 39	0		1		1	1		0					3
Warren, Acquanetta	Fontana, RC District 8	1		1		1	0		1					4
Wong, Thomas	Monterey Park, RC District 34	1		1		1	1		1					5
Wood, Jeff	Lakewood, RC District 24	1		1		1	1		1					5
Yaroslavsky, Katy	Los Angeles, RC District 52	0		0		0	0		0					0
Yokoyama, Frank A.	Cerritos, RC District 23	1		0		1	1		1					4
		45	0	0	51	0	49	42	0	48	0	0	0	



**AGENDA ITEM 3**

**REPORT**

Southern California Association of Governments  
March 5, 2026

**To:** EAC - Executive Administration Committee  
RC - Regional Council

**EXECUTIVE DIRECTOR'S  
APPROVAL**

**From:** Darin Chidsey, Chief Operating Officer  
213-236-1836, chidsey@scag.ca.gov

**Subject:** SCAG Participation in the 2026 CA Assembly Select Committee on  
Asia/California Trade and Investment Trade Delegation to Japan

**RECOMMENDED ACTION FOR EAC:**

That the Executive Administration Committee recommend that the Regional Council approve: 1) travel and participation of two (2) Regional Council Board Members, in accordance with Article VIII, Section F of the Regional Council Policy Manual, in the California State Assembly Select Committee on Asia/California Trade and Investment delegation trip to Japan, March 28-April 3, 2026; and 2) the estimated expenditure of approximately \$25,000 to cover delegation fees and other travel-related costs which will be allocated from SCAG's FY25-26 General Fund Budget.

**RECOMMENDED ACTION FOR RC:**

Approve: 1) Travel and participation of two (2) Regional Council Board Members, in accordance with Article VIII, Section F of the Regional Council Policy Manual, in the California State Assembly Select Committee on Asia/California Trade and Investment delegation trip to Japan, March 28-April 3, 2026; and 2) the estimated expenditure of approximately \$25,000 to cover delegation fees and other travel-related costs which will be allocated from SCAG's FY25-26 General Fund Budget.

**STRATEGIC PRIORITIES:**

This item supports the following Strategic Priority 3: Spur innovation and action through leadership in research, analysis and information sharing.

**EXECUTIVE SUMMARY:**

*SCAG has been invited to participate in a trade mission to Japan organized by the California State Assembly Select Committee on Asia/California Trade and Investment. This delegation will include approximately 40 representatives from California, including state legislators, senior staff, and leaders from business, economic development, and industry sectors. The delegation aims to strengthen economic relationships between California and Japan, expand trade and investment opportunities, and promote collaboration across key industries such as technology, healthcare, agriculture, infrastructure, and entertainment. SCAG's participation will provide an opportunity to engage with government officials, business leaders, and innovation partners in Japan to exchange*

*best practices, explore economic partnerships, and highlight Southern California's leadership in economic development, mobility, and innovation.*

**BACKGROUND:**

SCAG has been invited by Assemblymember Jessica M. Caloza, Chair of the Assembly Select Committee on Asia/California Trade and Investment, to participate in a delegation of senior public and private sector leaders focused on strengthening economic engagement between California and Asia, with a particular emphasis on Japan. The 2026 Assembly Delegation to Japan is scheduled to take place March 28 – April 3, 2026.

The Assembly Select Committee on Asia/California Trade and Investment held two informational hearings in August and September 2025 to evaluate California's economic relationships with key Asian partners and identify opportunities for deeper collaboration. The first hearing examined California's growing interdependence with Asia across sectors such as trade, tourism, technology, agriculture, and clean energy. Stakeholders emphasized the state's global leadership role and highlighted the importance of strengthening supply chains, supporting bilateral investment, and addressing regulatory challenges that affect California companies operating in Asia and Asian companies investing in the state.

The second hearing, held on September 25, 2025, at JAPAN HOUSE Los Angeles, expanded the discussion with a focus on Japan and the Philippines. The forum explored trends in trade, tourism, healthcare, technology, agriculture, and entertainment. Industry representatives from organizations including World Trade Center Los Angeles, Waymo, and Takeda Pharmaceuticals discussed strategies for strengthening partnerships and supporting business growth.

Building on insights from these hearings, Japan has been identified as one of California's most essential global partners and a key focus of the Assembly's work on Asia/California trade and investment. Testimony highlighted Japan's role as a leading investor in California and a major trading partner across sectors including technology, clean energy, mobility, healthcare, agriculture, and entertainment—industries that align closely with California's economic priorities and climate goals.

SCAG's primary role as a Metropolitan Planning Organization is to develop a plan for a healthy, prosperous, connected, and equitable Southern California over the next three decades—and support its implementation. Through this mission, the delegation seeks to collaborate with business, community, and industry partners in Japan who share an interest in advancing meaningful and mutually beneficial economic engagement. Key objectives of the delegation include:

- Expanding trade and investment opportunities between California and Japan
- Deepening intergovernmental relationships
- Supporting job creation in California

- Showcasing California’s leadership in innovation
- Exploring bilateral collaboration in technology, healthcare, agriculture, and entertainment
- Strengthening cultural and educational ties

The delegation will include representation from:

- State legislators
- Trade and economic development leaders
- Innovation, mobility, and technology sectors
- Healthcare and life sciences
- Agriculture and food systems
- Entertainment, lifestyle, and cultural institutions

The SCAG region is home to nearly 19 million residents and generating \$1.6 trillion in GDP—stands as the 16th largest economy in the world and the nation’s most significant goods movement hub. With the country’s largest concentration of seaports, rail networks, air cargo operations, highways, and nearly 2 billion square feet of industrial space, the region plays a central role in both domestic and international trade. Over the past several years, global disruptions, from the COVID-19 pandemic and geopolitical tensions to inflationary pressures and accelerating clean-technology mandates, have tested the resilience of our freight system and reshaped supply chain operations.

Given these evolving pressures, strengthening international collaboration is critical. The SCAG region is deeply connected to global trade flows, especially through its linkages between ports, warehouses, railyards, and distribution centers that support goods movement throughout the U.S. As Japan remains a key trading partner and a leader in advanced logistics, clean technology, and freight innovation, participation in a trade delegation provides an important opportunity for SCAG to exchange information, learn from global best practices, and bring back insights that can enhance the resilience, sustainability, and competitiveness of Southern California’s goods movement system and beyond.

SCAG staff is seeking approval for two (2) Regional Council Board Member participation and travel for an estimated expenditure of \$25,000.

**FISCAL IMPACT:**

The proposed expenditure of approximately \$25,000, and the expenditure of additional funds to cover actual travel expenses and per diems, will be allocated from SCAG’s FY25-26 General Fund Budget, Project Number 800-0160.01. In accordance with SCAG Travel Policy, foreign travel requires approval from the Regional Council.



**To:** EAC – Executive Administration Committee  
RC - Regional Council

**EXECUTIVE DIRECTOR'S  
APPROVAL**

**From:** Cindy Giraldo, Chief Financial Officer  
213-630-1413, giraldo@scag.ca.gov

**Subject:** Contracts \$500,000 or Greater: 26-043-C01, Go Human Safety Strategies

**RECOMMENDED ACTION:**

Approve Contract No. 26-043-C01 in an amount not to exceed \$537,151.85 with Walk San Diego dba Circulate Planning, to create new traffic safety messaging materials, implement program improvements, and coordinate safety resource distribution for the 2026 Go Human Safety Strategies. Authorize the Executive Director, or his designee, pursuant to legal counsel review, to execute the contract on behalf of SCAG.

**STRATEGIC PRIORITIES:**

This item supports the following Strategic Priority 3: Spur innovation and action through leadership in research, analysis and information sharing.

**EXECUTIVE SUMMARY:**

*Consistent with the requirements of the State of California Office of Traffic Safety (OTS) Grant (Pedestrian and Bicycle Safety Program) that funds this project, the consultant shall design, develop and test new campaign creative; implement program expansion elements and improvements; coordinate educational services and training materials in collaboration with campaign partners; provide on-site support of traffic safety events; and fulfill orders and deliveries of bicycle and pedestrian safety materials for the 2026 Go Human Safety Strategies.*

**BACKGROUND:**

Staff recommends executing the following contract \$500,000 or greater:

<u>Consultant/Contract #</u>	<u>Contract Purpose</u>	<u>Contract Amount</u>
Walk San Diego dba Circulate Planning 26-043-C01	The consultant shall design, develop and implement the 2026 Go Human Safety Strategies.	\$537,151.85



**FISCAL IMPACT:**

Funding of \$537,151.85 is available in the Fiscal Year (FY) 2025-26 Overall Work Program (OWP) Budget in Project Number 225-3564JE.24, and any unused funds are expected to be carried forward into future fiscal year budget(s), subject to budget availability.

**ATTACHMENTS:**

1. 26-043-C01 Contract Summary (Approval Item)
2. 26-043-C01 Conflict of Interest Form

**CONSULTANT CONTRACT NO. 26-043-C01**

<b>Recommended Consultant:</b>	Walk San Diego dba Circulate Planning
<b>Background &amp; Scope of Work:</b>	<p>Consistent with the requirements of the State of California Office of Traffic Safety (OTS) Grant that funds this project, the Consultant shall create new traffic safety messaging materials, implement program improvements, and coordinate safety resource distribution.</p> <p>Consultant shall design, develop and test new campaign creative; implement program expansion elements and improvements; coordinate educational services and training materials in collaboration with campaign partners; provide on-site support for traffic safety events; and fulfill orders and deliveries of bicycle and pedestrian safety materials.</p>
<b>Project's Benefits &amp; Key Deliverables:</b>	<p>The project's benefits and key deliverables include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• New creative and materials for local traffic safety messaging campaigns;</li> <li>• Updated elements and processes for Go Human's traffic safety resources to increase impact and accessibility for jurisdiction and community partners;</li> <li>• Coordination of on-site traffic safety engagement for three (3) community events;</li> <li>• Purchase and distribution of pedestrian and bicycle safety materials alongside six (6) community partners;</li> <li>• Coordination of eight (8) training opportunities by Traffic Safety Community Experts; and</li> <li>• Draft &amp; final report.</li> </ul>
<b>Strategic Plan:</b>	This item supports SCAG's Strategic Priority # 3: Spur innovation and action through leadership in research, analysis and information sharing.
<b>Contract Amount:</b>	<p><b>Total not to exceed <span style="float: right;">\$537,151.85</span></b></p> <p>Walk San Diego dba Circulate Planning (prime consultant) <span style="float: right;">\$537,151.85</span></p> <p>Note: Walk San Diego dba Circulate Planning proposed \$537,151.85 and SCAG staff determined the proposed cost was fair and reasonable for the type of work being performed.</p>
<b>Contract Period:</b>	Notice to Proceed through September 30, 2026.
<b>Project Number(s):</b>	<p>225-3564JE.24 \$537,151.85</p> <p>Funding source(s): Office of Traffic Safety (OTS)</p> <p>Funding of \$537,151.85 is available in the Fiscal Year (FY) 2025-26 Overall Work Program (OWP) Budget in Project Number(s) 225-3564JE.24, and any unused funds are expected to be carried forward into future fiscal year budget(s), subject to budget availability.</p>



**Conflict of Interest (COI) Form - Attachment  
For March 5, 2026, Regional Council Approval**

Approve Contract No. 26-043-C01 in an amount not to exceed \$537,151.85 with Walk San Diego dba Circulate Planning to create new traffic safety messaging materials, implement program improvements, and coordinate safety resource distribution. Authorize the Executive Director, or his designee, pursuant to legal counsel review, to execute the contract on behalf of SCAG.

The consultant team for this contract includes:

Consultant Name	Did the consultant disclose a conflict in the Conflict of Interest Form they submitted with its original proposal (Yes or No)?
Walk San Diego dba Circulate Planning (prime consultant)	No - form attached

# SCAG CONFLICT OF INTEREST FORM

RFP No. 26-043

RFP No./Contract No. 26-043

## SECTION I: INSTRUCTIONS

All persons or firms seeking contracts must complete and submit a SCAG Conflict of Interest Form along with the proposal. This requirement also applies to any proposed subconsultant(s). Failure to comply with this requirement may cause your proposal to be declared non-responsive.

In order to answer the questions contained in this form, please review SCAG’s Conflict of Interest Policy, the list of SCAG employees, and the list of SCAG’s Regional Council members. All three documents can be viewed online at <https://scag.ca.gov>. The SCAG Conflict of Interest Policy is located under “GET INVOLVED”, then “Contract & Vendor Opportunities” and scroll down under the “Vendor Contracts Documents” tab; whereas the SCAG staff may be found under “ABOUT US” then “OUR TEAM” then “Employee Directory”; and Regional Council members can be found under “MEETINGS”, then scroll down to “LEADERSHIP” then select "REGIONAL COUNCIL" on the left side of the page and click on “Regional Council Officers and Member List.”

Any questions regarding the information required to be disclosed in this form should be directed to SCAG’s Legal Division, especially if you answer “yes” to any question in this form, as doing so **MAY** also disqualify your firm from submitting an offer on this proposal

Name of Firm: City Fabrick

Name of Preparer: Brian Ulaszewski

Project Title: 2026 Go Human Safety Strategies.

RFP Number: 26-043 Date Submitted: 01/05/2026

## SECTION II: QUESTIONS

- 1. During the last twelve (12) months, has your firm provided a source of income to employees of SCAG or members of the SCAG Regional Council, or have any employees or Regional Council members held any investment (including real property) in your firm?

YES  NO

If “yes,” please list the names of those SCAG employees and/or SCAG Regional Council members and the nature of the financial interest:

Name	Nature of Financial Interest
_____	_____
_____	_____
_____	_____

Attachment 6

2. Have you or any members of your firm been an employee of SCAG or served as a member of the SCAG Regional Council within the last twelve (12) months?

YES       NO

If “yes,” please list name, position, and dates of service:

Name	Position	Dates of Service
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

3. Are you or any managers, partners, or officers of your firm related by blood or marriage/domestic partnership to an employee of SCAG or member of the SCAG Regional Council that is considering your proposal?

YES       NO

If “yes,” please list name and the nature of the relationship:

Name	Relationship
_____	_____
_____	_____
_____	_____
_____	_____

4. Does an employee of SCAG or a member of the SCAG Regional Council hold a position at your firm as a director, officer, partner, trustee, employee, or any position of management?

YES       NO

If “yes,” please list name and the nature of the relationship:

Name	Relationship
_____	_____
_____	_____
_____	_____
_____	_____

5. Have you or any managers, partners, or officers of your firm ever given (directly or indirectly), or offered to give on behalf of another or through another person, campaign contributions or gifts to any current employee of SCAG or member of the SCAG Regional Council (including contributions to a political committee created by or on behalf of a member/candidate)?

YES       NO

If “yes,” please list name, date gift or contribution was given/offered, and dollar value:

Name	Date	Dollar Value
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**SECTION III: VALIDATION STATEMENT**

This Validation Statement must be completed and signed by at least one General Partner, Owner, Principal, or Officer authorized to legally commit the proposer.

**DECLARATION**

I, (printed full name) Brian Ulaszewski, hereby declare that I am the (position or title) Executive Director, Principal of (firm name) City Fabrick, and that I am duly authorized to execute this Validation Statement on behalf of this entity. I hereby state that this SCAG Conflict of Interest Form dated 01/05/2026 is correct and current as submitted. I acknowledge that any false, deceptive, or fraudulent statements on this Validation Statement will result in rejection of my contract proposal.

<p style="text-align: center;"><u>Brian Ulaszewski</u></p> <p>_____ Signature of Person Certifying for Proposer (original signature required)</p>	<p style="text-align: center;"></p> <p>_____ Date</p>
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**NOTICE**

A material false statement, omission, or fraudulent inducement made in connection with this SCAG Conflict of Interest Form is sufficient cause for rejection of the contract proposal or revocation of a prior contract award.



# AGENDA ITEM 5

## REPORT

Southern California Association of Governments  
March 5, 2026

**To:** TC – Transportation Committee  
RC - Regional Council

EXECUTIVE DIRECTOR'S  
APPROVAL

**From:** Rachel Om, Senior Regional Planner  
213-630-1550, om@scag.ca.gov

**Subject:** 2027 (Cycle 8) Active Transportation Program: Regional Guidelines

**RECOMMENDED ACTION FOR TC:**

Recommend that the Regional Council adopt Resolution No. 26-679-1 approving the 2027 Active Transportation Program Regional Guidelines.

**RECOMMENDED ACTION FOR RC:**

Adopt Resolution No. 26-679-1 approving the 2027 Active Transportation Program Regional Guidelines

**STRATEGIC PRIORITIES:**

This item supports the following Strategic Priority 5: Secure and optimize diverse funding sources to support regional priorities.

**EXECUTIVE SUMMARY:**

*On March 20, 2026, the California Transportation Commission (CTC) is anticipated to adopt the 2027 Active Transportation Program (ATP) Guidelines (Statewide Guidelines). Per the Statewide Guidelines, SCAG is responsible for adopting the 2027 ATP Regional Guidelines (Regional Guidelines) to direct the selection of projects receiving awards through the regional portion of the 2027 ATP. Nearly \$129 million is anticipated to be available in the SCAG region for programming through the 2027 ATP.*

**BACKGROUND:**

On March 20, 2026, the CTC is anticipated to adopt the 2027 Statewide Guidelines and open the 2027 ATP call for projects. Statewide project applications are due June 22, 2026. The 2027 ATP budget is approximately \$619 million and will cover fiscal years 2027/28 through 2030/31. Sixty percent of the total funding awards will be recommended by the CTC through the Statewide (50 percent) and Small Urban & Rural (ten percent) Components. Forty percent of the total funding awards will be recommended by Metropolitan Planning Organizations (MPOs) with a population greater than 200,000 through the MPO Component, with funds distributed by population. SCAG’s share of the MPO Component is nearly \$129 million (52 percent).

The proposed 2027 ATP Regional Guidelines outline the process by which SCAG, in collaboration with the CTC and six county transportation commissions within the SCAG region, will recommend funding awards for the 2027 Regional ATP. The Regional ATP will award funding to two categories of projects: (1) Implementation & Capacity Building Projects and (2) Planning Projects, which are described below. Eligible applicants must submit an application through the statewide ATP call for projects in order to be considered for funding in the Regional ATP. Base scores (out of 100) are established through the statewide ATP evaluation process, and the Regional Guidelines allow county transportation commissions to add up to twenty points to the base score to prioritize projects within their respective county on a 120-point scale. As in previous cycles, the Board of each county transportation commission shall approve the methodology for assigning the additional points, as well as approve the final project scores. Total funding available in each county is based on population-based funding targets.

**Implementation & Capacity Building Projects:** No less than 98 percent of SCAG’s funding will be recommended to fund projects in this category, which include Infrastructure, Non-infrastructure, and Infrastructure with Non-infrastructure components projects.

**Implementation & Capacity Building Projects Category: Funding Targets  
(98% of Regional Funds)**

County	Pop %*	Funding Amount** (\$1,000s)
Imperial	1%	\$1,226
Los Angeles	52%	\$65,784
Orange	17%	\$21,375
Riverside	14%	\$17,057
San Bernardino	12%	\$14,929
Ventura	4%	\$5,633
<b>Total</b>	<b>100%</b>	<b>\$126,004</b>
*Population estimates based on American Community Survey 2024 1-Year Estimates		
**Population distribution displayed as rounded percentages but funding targets calculated using actual percentages.		

**Planning Projects:** Per Statewide Guidelines, no more than two percent of SCAG’s funding will be recommended to fund projects in this category, which include Planning projects that benefit disadvantaged communities (DACs)/Priority Equity Communities (PECs).

**Planning Projects Category: Funding Targets (2% of Regional Funds)**

County	Pop %*	Funding Amount** (\$1,000s)
Imperial	1%	\$26
Los Angeles	52%	\$1,342
Orange	17%	\$436
Riverside	14%	\$348
San Bernardino	12%	\$304
Ventura	4%	\$115
<b>Total</b>	<b>100%</b>	<b>\$2,571</b>
<i>*Population estimates based on American Community Survey 2024 1-Year Estimates</i> <i>**Population distribution displayed as rounded percentages but funding targets calculated using actual percentages.</i>		

The county transportation commissions may also recommend projects to be included on the Regional ATP contingency list, which will be used to fund projects should there be an increase in funding, project failures, or savings in the Regional ATP. Available funding will aim to be awarded to projects within the county where the funded was initially awarded.

The final recommended Regional ATP will be reviewed by the county transportation commissions, Caltrans, and CTC staff to make any final adjustments and achieve consensus prior to submitting the Regional ATP recommendations to the Chief Executive Officers (CEOs) of the county transportation commissions and boards, SCAG’s Regional Council, and CTC for approval.

Next Steps

SCAG staff will continue to work with the county transportation commissions in the SCAG region, the CTC, Caltrans and other partners to provide outreach to ensure eligible applicants are aware of the ATP funding opportunities and provide technical assistance, resources and support as requested to facilitate regional competitiveness through the application submission period ending on June 22, 2026. Upon RC approval, the 2027 ATP Regional Guidelines will be submitted to the CTC for consideration of approval at the June 25-26, 2026 CTC meeting. The 2027 Regional ATP will be submitted to the Regional Council for approval in April 2027 followed by submission to the CTC for approval in June 2027.

**FISCAL IMPACT:**

None



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**ATTACHMENT(S):**

1. Draft 2027 ATP Regional Guidelines
2. Resolution No. 26-679-1 - Approving the 2027 ATP Regional Guidelines
3. PowerPoint Presentation – Draft 2027 ATP Regional Guidelines

# **2027 Active Transportation Program Regional Guidelines**

## **Draft**

February 2026

Southern California Association of Governments

Imperial County Transportation Commission

Los Angeles County Metropolitan Transportation Authority

Orange County Transportation Authority

Riverside County Transportation Commission

San Bernardino County Transportation Authority

Ventura County Transportation Commission

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS**  
**2027 ACTIVE TRANSPORTATION PROGRAM REGIONAL GUIDELINES**

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## **Introduction**

### **Purpose**

The intent of this document is to successfully implement the Metropolitan Planning Organization (MPO) Component of the [California Active Transportation Program](#) (ATP). The following 2027 ATP Regional Guidelines (Regional Guidelines) outline the roles, responsibilities, and processes for selecting projects to receive funding from the SCAG region's dedicated share of the 2027 ATP. The Regional Guidelines also outline the requirements for programming, project delivery, and project reporting related to the 2027 Regional Active Transportation Program (Regional ATP). The Regional Guidelines may be revisited and modified in order to remain consistent with the latest ATP Statewide Guidelines (Statewide Guidelines) and to consider innovative concepts and best practices to improve the Regional ATP's efficiency and effectiveness.

### **Background**

The [2027 ATP Guidelines \(Statewide Guidelines\)](#), which will be adopted by the California Transportation Commission (CTC) on March 20, 2026, describe the policies, standards, criteria and procedures for the development, adoption and management of the ATP. Section VI (MPO Component) of the Statewide Guidelines describe the process for MPOs, including SCAG, to develop Regional Guidelines and select projects through a competitive process. Projects selected for funding in the MPO Component must abide by all policies and reporting requirements outlined in the Statewide Guidelines.

The SCAG Regional ATP will be developed through coordination of the ATP Subcommittee, which is comprised of SCAG staff and representatives from each of the six county transportation commissions. The ATP Subcommittee develops the Regional Guidelines and the Regional ATP and administers tasks associated with project delivery. The county transportation commissions approve the Regional ATP as it pertains to their respective counties. SCAG's Regional Council approves the Regional Guidelines and Regional ATP. The California Transportation Commission approves the Regional Guidelines and Regional ATP.

### **Fund Estimates for 2027 Regional ATP**

The 2027 ATP total fund estimate is \$619.32M (March 2026). Per the Statewide Guidelines, the MPO Component is 40 percent of the total budget with funding distributed by population. The SCAG region’s share of the 2027 ATP is \$128.575M (52 percent of MPO Component) and includes funding in Fiscal Years 2027/28, 2028/29, 2029/30, and 2030/2031 to be programmed as follows:

<b>Year (Fiscal)</b>	<b>Funds (\$1000s)</b>
FY 27/28	\$29,754
FY 28/29	\$20,781
FY 29/30	\$38,771
FY 30/31	\$39,269
<b>Total</b>	<b>\$128,575</b>

### **Eligibility**

SCAG applies the eligibility requirements in the Statewide Guidelines to the Regional ATP.

### **Regional Disadvantaged Communities Definitions**

Per Section III.12.A (Disadvantaged Communities) of the Statewide Guidelines, to qualify as a disadvantaged community, the community served by the project must meet the criteria for at least one of the disadvantaged community indicators, such as Median Household Income, CalEnviroScreen, and Healthy Places Index. In addition, a regional definition that was adopted as part of a four-year cycle adoption of a Regional Transportation Plan (RTP)/Sustainable Communities Strategy (SCS) may qualify a project as benefitting a disadvantaged community.

As part the 2024 RTP/SCS ([Connect SoCal 2024](#)), SCAG established “Priority Equity Communities” (PECs) as disadvantaged communities through a robust public outreach process that included the input of community stakeholders. PECs are census tracts in the SCAG region that have a greater concentration of populations that have been historically marginalized and are susceptible to inequitable outcomes based on a combination of the following socioeconomic factors: people of color, low-income households, limited vehicle and transit access, vulnerable ages, single parent households, people without a high school diploma, people with disabilities, housing cost burdened households, and people with limited English proficiency. See the [Connect SoCal 2024 Equity Analysis Technical Report](#) and [a map](#) of PECs in the SCAG region for additional details and to identify PECs.

## Regional ATP Project Selection

SCAG intends to award funding to projects in two categories: Implementation & Capacity Building projects and Planning projects.

### Implementation & Capacity Building Projects

Implementation & Capacity Building projects include Infrastructure, Infrastructure projects with Non-infrastructure components, and Non-infrastructure projects as defined by the Statewide Guidelines. No less than 98 percent (\$126.004M) of the total regional funds shall be dedicated to funding Implementation & Capacity Building projects in the 2027 Regional ATP. Implementation & Capacity Building funds shall aim to be allocated to projects in each county using population-based funding targets (U.S. Census American Community Survey 2024 1-Year Estimates).

#### Implementation & Capacity Building Projects Category: Funding Targets (98% of Regional Funds)

County	Pop %*	Funding Amount** (\$1,000s)
Imperial	1%	\$1,226
Los Angeles	52%	\$65,784
Orange	17%	\$21,375
Riverside	14%	\$17,057
San Bernardino	12%	\$14,929
Ventura	4%	\$5,633
<b>Total</b>	<b>100%</b>	<b>\$126,004</b>

*\*Population estimates based on American Community Survey 2024 1-Year Estimates*  
*\*\*Population distribution displayed as rounded percentages but funding targets calculated using actual percentages.*

### Planning Projects

Planning projects include Plans as defined by the Statewide Guidelines. Per Statewide Guidelines, no more than two percent (\$2.571M) of the total 2027 Regional ATP funds shall be dedicated to funding Planning Projects that benefit DACs/PECs. The pool of projects considered for funding in this category shall include projects that are submitted through the CTC’s Statewide ATP call for projects using the state’s Plan application. Planning funds shall aim to be allocated to projects in each county using population-based funding targets (U.S. Census American Community Survey 2024 1-Year Estimates).

**Planning Projects Category: Funding Targets (2% of regional funds)**

<b>County</b>	<b>Pop %*</b>	<b>Funding Amount** (\$1,000s)</b>
Imperial	1%	\$26
Los Angeles	52%	\$1,342
Orange	17%	\$436
Riverside	14%	\$348
San Bernardino	12%	\$304
Ventura	4%	\$115
<b>Total</b>	<b>100%</b>	<b>\$2,571</b>
<i>*Population estimates based on American Community Survey 2024 1-Year Estimates</i> <i>**Population distribution displayed as rounded percentages but funding targets calculated using actual percentages.</i>		

If SCAG does not receive sufficient applications from a county to meet the Planning funding targets outlined above, the respective county transportation commission may choose to allocate those funds towards Implementation & Capacity Building Projects. If a county transportation commission recommends funding Planning projects with funding requests that exceed their respective county funding target, then: (a) the applicant must identify supplemental funds for their Plan, or (b) if the two percent of regional funds has not been met (i.e. another county transportation commission recommends less than their two percent funding target), the remaining funding may go towards the Plan that exceeds the county’s funding target. The additional amount a county transportation commission recommends for their Planning projects will be reduced from their Implementation & Capacity Building funding target to ensure each county receives their overall population-based funding targets. If more than one county transportation commission recommends funding Planning projects with funding requests that exceed their respective county funding target, then the Plan applications will be ranked by their Statewide score and receive funding in that order. If two or more Plan applications receive the same Statewide score, then the Plan application with the highest score on the highest point value question will rank higher. If two or more Plan applications are still tied on the highest point value question, then the highest score on the second highest point value question will rank higher.

**Project Selection Process**

The selection process shall occur as follows:

- SCAG will develop the Regional ATP utilizing the CTC statewide applications, scoring, and ranking process. However, SCAG and its member county transportation commissions

reserve the option to establish an evaluation committee and issue a supplemental call for projects in future ATP cycles.

- Prior to scoring by the CTC, SCAG shall coordinate with each county transportation commission to ensure that all project applications submitted through the statewide call for proposals have been submitted to the respective county transportation commission and SCAG.
- The county transportation commissions shall review the statewide project applications and determine which projects are “consistent with plans adopted by local and regional governments within the county” per the requirements of SB 99.
- County transportation commissions may assign up to 20 points to each project application deemed consistent and meeting eligibility requirements. If a county transportation commission assigns additional points (up to 20) to a project for which they are the lead applicant, an explanation shall be provided to SCAG of how the scoring process resulted in an unbiased evaluation of the project. The board of each respective county transportation commission shall approve the scoring methodology/guidelines and point assignments, and staff will submit the methodology and scores to SCAG for inclusion in the preliminary ranking of regional projects by February 5, 2027.
- The county transportation commissions may also recommend projects to be included on the Regional ATP contingency list. Projects included on the Regional ATP contingency list shall be included in the program as detailed in the Fund Balance & Contingency List section below.

## **Recommended Regional ATP**

SCAG shall develop a draft Regional ATP based on the county transportation commissions’ submissions that programs no less than 98 percent of the total regional funds towards Implementation & Capacity Building Projects, no more than two percent of the total regional funds to Plans, and aims to allocate funding reflecting population-based funding targets to achieve geographic equity.

SCAG will analyze the draft Regional ATP to ensure it meets the DAC requirements by allocating at least 25 percent to projects benefiting DACs (as defined by the Statewide Guidelines) or Priority Equity Communities (PECs).

If the total is less than 25 percent, SCAG will modify the preliminary Regional ATP to ensure the 25 percent mark is achieved, as follows:

- The lowest scoring project on the preliminary Regional ATP may be replaced with the highest scoring, funding-eligible DAC/PEC project within the same county. If the county has no other eligible DAC/PEC projects, the lowest scoring project on the preliminary

Regional ATP shall be replaced with the highest scoring, funding-eligible DAC/PEC project(s) from the region.

- This process will be repeated until the 25 percent target is met.
- This process may lead to an outcome where a county receives less than its population-based share of the funding but is necessary to ensure the DAC requirements for the Regional ATP are met.

The final recommended Regional ATP will be reviewed by the county transportation commissions, Caltrans, and CTC staff to make any final adjustments and achieve consensus prior to submitting the Regional ATP recommendations to the Chief Executive Officers (CEOs) of the county transportation commissions and boards, SCAG's Regional Council, and CTC for approval.

With consensus from the county transportation commission CEOs or their designees, SCAG's Executive Director may make technical changes to the program as needed to ensure the timely delivery of the regionally-selected projects.

## **Programming**

### **Fund Assignments**

SCAG is required to recommend the funding assignments for all projects proposed for funding in the Regional ATP. The programming years for the 2027 ATP are State Fiscal Years 2027/28 to 2030/31. Per the Statewide Guidelines, the ATP must be developed consistent with the fund estimate and the amount programmed by fiscal year must not exceed the amount identified in the fund estimate. SCAG will aim to program in a fiscally-constrained manner. SCAG is also required to recommend the funding source for each project, such that the program as a whole aligns with the fund estimate for each programming year. In meeting these requirements, SCAG will adhere to the following process and guiding principles:

- Funding assignments will be made by SCAG and the county transportation commissions through a collaborative decision-making process.
- Funding assignments will be made to best align the funding source with the project type, size, and sponsors' capacity for obligating federal funds; therefore, federal and state funds will not be equally distributed in each county.
- State funds will be programmed to address the following regional objectives, listed in order of priority:
  - Reduce administrative burden for Planning projects and projects requesting less than \$3.5M.
  - Completion of California Environmental Quality Act (CEQA) prioritizes projects for state only funding.

- Expedite delivery of pre-construction phases of projects to ensure timely delivery of projects funded for multiple phases.

### **Partial Awards**

County transportation commissions will be responsible for recommending partial awards for eligible projects. SCAG and the county transportation commissions will consider partial awards if the project sponsor meets one of the following requirements:

- The applicant provides funds through additional sources to fully fund the project or phase of work requested.
- The applicant has made a full funding request, but the project is at the funding cut-off for the respective county's funding target and there are not enough available remaining funds in the overall MPO component to fund the full project. Uncommitted funding is allowed in subsequent project phases to the phase(s) receiving funding. All project phases receiving ATP funds must be fully funded. The applicant must submit a plan to secure the funding for the subsequent phase(s) so that the scope included in the project application will be delivered. See Section VII.24 (Committed / Uncommitted Funds) of the Statewide Guidelines for guidance on uncommitted funding.
- The applicant downsizes the project scope in a manner such that the "new" project would receive the same scores or ranking as the originally proposed project. The ATP Subcommittee will determine the eligibility of a downsized project scope based on the representative county transportation commission's request. The request shall include:
  - An explanation of the proposed scope change.
  - The reason for the proposed scope change.
  - The impact which the proposed scope change would have on the overall cost of the project.
  - An estimate of the impact the proposed scope change would have on the potential of the project to increase walking and bicycling as compared to the benefits identified in the project application (increase or decrease in benefit).
  - An estimate of the impact the proposed scope change would have on the potential of the project to increase the safety of pedestrians and bicyclists as compared to the benefits identified in the project application (increase or decrease in benefit).
  - An explanation of the methodology used to develop the aforementioned estimates.

### **Fund Balance & Contingency List**

Any funds that are not assigned by SCAG, in consultation with the county transportation commissions, to projects in the Regional ATP will be returned to the state and incorporated into

the fund estimate for subsequent ATP cycles. To maximize funds available in the region, the following steps will be pursued:

- The initial recommended Regional ATP submitted to the CTC will identify projects that program 100 percent of the region's share of ATP funds. If a balance exists after each county has exhausted its Implementation & Capacity Building and Planning projects funding targets or if additional funds are made available, SCAG, in consultation with the county transportation commissions, will recommend the fund balance be awarded to projects receiving partial awards and then to fully or partially fund the highest scoring and/or shovel ready "contingency" project(s) (see below) across all counties.
- If the final project on a county's recommended list exceeds the county's ATP funding target, the county transportation commission may work with the project sponsor to explore the feasibility of a partial award, as noted above. If a partial award is determined to be insufficient/infeasible, the county transportation commission may recommend fully or partially funding the subsequent highest scoring project(s) in the county.
- The recommended Regional ATP will include a contingency list of Implementation & Capacity Building and Planning projects that will be in place until the adoption of the next statewide program. Projects will be ranked in priority order based on the county transportation commission's evaluation scoring. SCAG intends to fund projects on the contingency list should there be an increase in available funding, project failures, or savings in the Regional ATP. Available funding will aim to be awarded to projects within the county where the funding was awarded initially with priority given to projects that received a partial award. If the available funding exceeds the amount needed for fully funding the partial award, the surplus will aim to be made to the highest scoring project on the contingency list within the county where the funding was initially awarded. The surplus may also be made available for a partial award in another county, pending approval of the ATP Subcommittee. In recommending replacement projects, SCAG and the county transportation commissions may consider both project ranking and project readiness. If contingency projects are not amended into the Regional ATP, they will remain unfunded and project sponsors may resubmit them for future ATP cycles.

### **Program Amendments**

The Regional Guidelines allow SCAG to amend the Regional ATP to remove and advance projects. An annual report, as necessary, will be provided to the Regional Council on program amendments. Amendments to the Regional ATP may occur under the following conditions and in the following manner:

- Program amendments may only take place after the adoption of the Regional ATP.

- If a project is cancelled and removed from the Regional ATP, the respective county transportation commission may recommend replacing the cancelled project with a project in their county on the contingency list. If the respective county transportation commission does not identify a replacement project from the contingency list, then SCAG will collaborate with the ATP Subcommittee to identify a suitable replacement project from the contingency list and amend the project into the Regional ATP.

See Section VII.33 (Amendment Requests) in the Statewide Guidelines for guidance on amendments. All program amendments must be approved by the CTC following recommendations from SCAG and the respective county transportation commission.

### **FTIP Amendments**

All projects funded by the 2027 Regional ATP must be amended into the Federal Transportation Improvement Program (FTIP). The county transportation commissions will be responsible for programming their respective Implementation & Capacity Building and Planning projects into the FTIP and shall aim to program all 2027 ATP projects, regardless of programming year, in the 2027 FTIP amendment cycle. See the [2027 Federal Transportation Improvement Program Guidelines \(November 2025\)](#) for guidance on amending projects to the FTIP.

### **Project Delivery**

See Section VIII (Project Delivery) in the Statewide Guidelines for full guidance on project delivery. The section below includes additional guidance for the Regional ATP.

### **Allocations and Time Extensions**

The Statewide Guidelines require projects programmed in the MPO Component to include a recommendation by the MPO for allocations and time extensions. SCAG delegates this responsibility to the county transportation commissions for all projects in the Regional ATP and the responsibility of ensuring projects are consistent with FTIP programming. The county transportation commissions shall keep SCAG informed of allocation and time extension requests.

### **Project Reporting**

See Section IX (Reporting) in the Statewide Guidelines for full guidance on project reporting. The CTC submits an annual report to the Legislature that includes a discussion on the effectiveness of the ATP. SCAG will review these reports to identify project delivery issues in the SCAG region and work with the county transportation commissions and the project sponsor to resolve any issues.

## Schedule

Action	Date
SCAG Regional Council (RC) adopts draft ATP Regional Guidelines	March 5, 2026
CTC adopts ATP State Guidelines	March 20, 2026
Statewide call for projects opens	March 20, 2026
Draft ATP Regional Guidelines submitted to CTC	May 8, 2026
Statewide call for projects close	June 22, 2026
CTC approves or rejects Regional Guidelines	June 26, 2026
CTC shares recommendations for statewide and small urban and rural projects	November 2, 2026
CTC adopts statewide and small urban and rural projects	December 4, 2026
County transportation commissions submit 20-point scoring methodology to SCAG	February 5, 2027
County transportation commissions submit recommended project lists to SCAG	February 5, 2027
Project PPRs for partially funded projects due to SCAG	February 5, 2027
Draft Regional ATP submitted to CTC	February 19, 2027
SCAG RC adopts SCAG Regional ATP	April 1, 2027
Final Regional ATP submitted to CTC	April 23, 2027
CTC adopts Regional ATP	June 2027

## Contact Information

Agency/County	Staff Name	Staff Email
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**RESOLUTION NO. 26-679-1**

**A RESOLUTION OF THE SOUTHERN CALIFORNIA  
ASSOCIATION OF GOVERNMENTS (SCAG) APPROVING  
THE 2027 ACTIVE TRANSPORTATION PROGRAM REGIONAL GUIDELINES**

SOUTHERN CALIFORNIA  
ASSOCIATION OF GOVERNMENTS  
900 Wilshire Blvd., Ste. 1700  
Los Angeles, CA 90017  
T: (213) 236-1800  
www.scag.ca.gov

**WHEREAS**, the Southern California Association of Governments (SCAG) is the Metropolitan Planning Organization, for the six county region consisting of Los Angeles, Orange, San Bernardino, Riverside, Ventura, and Imperial counties;

**WHEREAS**, the Active Transportation Program (ATP) was created by Senate Bill 99 (Chapter 359, Statutes of 2013) to encourage increased use of active modes of transportation, such as biking and walking;

**WHEREAS**, Streets and Highways Code Section 2382(k) allows the California Transportation Commission (Commission) to adopt separate guidelines for the metropolitan planning organizations charged with awarding funds to projects pursuant to Streets and Highways Code Section 2381(a)(1) relative to project selection;

**WHEREAS**, the 2027 ATP Guidelines require the Commission to adopt a metropolitan planning organization's use of project selection criteria or weighting, minimum project size, match requirement, or definition of disadvantaged communities when differing from the statewide guidelines anticipated to be adopted by the Commission on March 20, 2026;

**WHEREAS**, SCAG developed the 2027 ATP Regional Guidelines with input from the ATP Subcommittee, comprised of staff from the six county transportation commissions, to govern award of projects funded through the SCAG Regional ATP;

**WHEREAS**, the 2027 ATP Guidelines require metropolitan planning organizations to submit their ATP Regional Guidelines to the Commission by May 8, 2026;

**WHEREAS**, attached with this Resolution as Exhibit "A" is SCAG's 2027 Active Transportation Program Regional Guidelines; and

**NOW, THEREFORE, BE IT RESOLVED**, by the Regional Council of the Southern California Association of Governments, that it approves SCAG's 2027 ATP Regional Guidelines.

**BE IT FURTHER RESOLVED THAT:**

1. The Regional Council authorizes SCAG staff to submit the 2027 ATP Regional Guidelines to the Commission for approval.

**REGIONAL COUNCIL OFFICERS**

President  
**Cindy Allen, Long Beach**

First Vice President  
**Ray Marquez, Chino Hills**

Second Vice President  
**Jenny Crosswhite, Santa Paula**

Immediate Past President  
**Curt Hagman  
County of San Bernardino**

**COMMITTEE CHAIRS**

Executive/Administration  
**Cindy Allen, Long Beach**

Community, Economic, &  
Human Development  
**David J. Shapiro, Calabasas**

Energy & Environment  
**Rick Denison, Yucca Valley**

Transportation  
**Mike T. Judge, Ventura County  
Transportation Commission**

**PASSED, APPROVED AND ADOPTED** by the Regional Council of the Southern California Association of Governments at its regular meeting this 5th day of March, 2026.

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Cindy Allen  
President, SCAG  
City of Long Beach

Attested by:

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Kome Ajise  
Executive Director

Approved as to Form:

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Jeffery Elder  
Chief Counsel



## 2027 (Cycle 8) Active Transportation Program: Regional Guidelines

Transportation Committee

March 5, 2026

[WWW.SCAG.CA.GOV](http://WWW.SCAG.CA.GOV)

### ATP Cycle 8: Funding Overview

- Funds four fiscal years: **FY28 to FY31**
- Fund Estimate: **\$619M**
  - 50% Statewide (\$309M)
  - 10% to Small Urban & Rural (\$62M)
  - 40% to MPOs with 200,000+ population (\$248M)
- **SCAG's regional share: \$129M**

## ATP Cycle 8: Guideline Development

- Regional Guidelines developed by ATP subcommittee:
  - SCAG staff
  - Representatives from six county transportation commissions
- Shaped by ATP Statewide Guidelines and regional priorities

## ATP Cycle 8: Regional Funding Distribution

- Per Statewide Guidelines, up to 2% for Plans:
  - Active transportation plans that benefit disadvantaged communities
  - Nearly \$2.6M over four years

County	Percent	Planning
Imperial	1%	\$26,000
Los Angeles	52%	\$1,342,000
Orange	17%	\$436,000
Riverside	14%	\$348,000
San Bernardino	12%	\$304,000
Ventura	4%	\$115,000

## ATP Cycle 8: Regional Funding Distribution

- Minimum 98% for Implementation & Capacity Building:
  - Infrastructure, Non-infrastructure, and Combination (I+NI)
  - Approximately \$126M over four years

County	Percent	Implementation & Capacity Building
Imperial	1%	\$1,226,000
Los Angeles	52%	\$65,784,000
Orange	17%	\$21,375,000
Riverside	14%	\$17,057,000
San Bernardino	12%	\$14,929,000
Ventura	4%	\$5,633,000

## ATP in Action

### City of El Centro

- Cycle 5 Regional ATP: El Centro Pedestrian Improvement Project
- \$1.8M total project cost
  - \$882,000 ATP award
- Includes new signals, all-way stops, sidewalks, ADA-compliant curb ramps, and enhanced crosswalks



New signal (Jan 2026):  
Imperial Ave & Pepper Dr.  
From the [City of El Centro](#)

## ATP in Action

### County of Orange

- Cycle 6 Statewide ATP: OC Loop Segment P & Q
- \$60.2M total project cost
  - \$45.9M ATP award
- 1.6-mile ADA-compatible asphalt trail
  - Bridges last gap in the 15.6-mile San Gabriel River/Coyote Creek multi-purpose trail



From the CTC's [Project Profile](#)

## ATP Cycle 8: Key Dates

### 2026

- March 5:
  - SCAG TC recommends approval of 2027 ATP Regional Guidelines
  - SCAG RC approves 2027 ATP Regional Guidelines
- March 20 – June 22: Statewide ATP call for projects
- June 26: CTC approves Regional Guidelines
- December 4: CTC adopts Statewide/Small Urban & Rural Components

## ATP Cycle 8 Schedule: Key Dates

2027

- February 19: SCAG submits draft Regional ATP to CTC
- March 4: SCAG TC recommends approval of Regional ATP
- April 1: SCAG RC approves Regional ATP
- June: CTC adopts MPO Component



# THANK YOU!

For more information, please visit:

<https://scag.ca.gov/active-transportation>



## AGENDA ITEM 6

### REPORT

Southern California Association of Governments  
March 5, 2026

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**To:** CEHD - Community, Economic, and Human Development Committee  
RC - Regional Council

**EXECUTIVE DIRECTOR'S  
APPROVAL**

**From:** Michael Dietz, Planning Supervisor  
213-630-1592, dietz@scag.ca.gov

*Kome Ajise*

**Subject:** REAP 2.0 NOFA for Lasting Affordability Call 2 Funding Awards

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#### **RECOMMENDED ACTION FOR CEHD:**

Recommend that the Regional Council:

1. Approve the Notice of Funding Available for Lasting Affordability Call 2 (NOFA 2) funding awards, as presented in this report.
2. Authorize the SCAG Executive Director or his designee to issue additional funding awards using the contingency list, depending on the availability of additional funding in the REAP 2.0 Program.
3. Authorize the SCAG Executive Director, or his designee, to execute all documents and actions incidental to effectuating the awards and resulting projects, including any revisions to proposed scopes of work and the ability to fully satisfy partial awards via any contingency funds available, as needed, for compliance with the Regional Early Action Planning Grant Program of 2021 (REAP 2.0) program.

#### **RECOMMENDED ACTION FOR RC:**

That the Regional Council:

1. Approve the NOFA 2 funding awards, as presented in this report.
2. Authorize the SCAG Executive Director or his designee to issue additional funding awards using the contingency list, depending on the availability of additional funding in the REAP 2.0 Program
3. Authorize the SCAG Executive Director, or his designee, to execute all documents and actions incidental to effectuating the awards and resulting projects, including any revisions to proposed scopes of work and the ability to fully satisfy partial awards via any contingency funds available, as needed, for compliance with the REAP 2.0 program.

#### **STRATEGIC PRIORITIES:**

This item supports the following Strategic Priorities: 1) Establish and implement a regional vision for a sustainable future; 3) Spur innovation and action through leadership in research, analysis and information sharing; and 5) Secure and optimize diverse funding sources to support regional priorities.

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**EXECUTIVE SUMMARY:**

*This report requests that the CEHD committee recommend that the Regional Council approve the NOFA 2 funding awards, as presented in this report, as a subset of the broader REAP 2.0 Programs to Accelerate Transformative Housing (PATH) program, and authorize staff to take the actions required to implement the call.*

*The PATH program was adopted by the Regional Council on November 3, 2022. The NOFA 2 Call for Applications was authorized by the Regional Council on November 6, 2025, and made \$20 million available to augment the original \$45 million awarded by the Regional Council as part of the Notice of Funding Available for Lasting Affordability Call 1 (NOFA 1) on October 13, 2023.*

*The NOFA 2 program aims to accelerate the infill development of affordable housing, in accordance with the REAP 2.0 and updated PATH program guidelines, through the expansion of regional affordable housing trusts and catalyst funds intended to establish new funding streams for affordable housing development. The Call for Applications was announced on November 17, 2025, and closed on January 20, 2026. In total, 23 applications were received totaling over \$108M in funding requests. Of these, 21 applications were deemed eligible and complete for program funding and were evaluated by the selection panel, consisting of SCAG Housing Department staff, using the scoring methodology provided in the NOFA 2 Funding Application and approved by the Regional Council.*

**BACKGROUND:**

The REAP 2.0 program was established as part of the 2021 California Comeback Plan under AB 140 to confront the statewide housing affordability crisis. The program is designed to implement SCAG's *Connect SoCal* plan by supporting integrated and transformative planning and implementation activities that realize the region's mobility, land use, housing, and environmental goals.

In mid-2023, the California Department of Housing and Community Development (HCD) awarded SCAG a total of \$231.5 million to develop programs that further REAP 2.0 objectives. All projects funded by REAP 2.0 must be in infill areas and meet three primary objectives, which are to: (1) Accelerate infill development that facilitates housing supply, choice and affordability; (2) Affirmatively further fair housing; and (3) reduce Vehicle Miles Traveled through transformative planning and implementation activities that lead to significant beneficial impacts.

On March 2, 2023, the Regional Council approved the PATH program, one of the main programs in SCAG's REAP 2.0 framework. The PATH program includes three funding areas, the NOFA 1 program, and two other pilot programs designed to prepare additional infill lands for housing development.

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**NOFA 1 – Fully Awarded October 13, 2023, \$45 Million**

On June 7, 2023, the NOFA 1 Call for Projects was released. The Call allocated \$45 million to support innovative finance strategies, including the development of Enhanced Infrastructure Finance Districts (EIFDs), as well as expanding existing and creating new housing trusts and catalyst funds. Eligible applicants were entities that managed an established or planned housing trust or land trust, or catalyst fund for, or have a mission-driven focus on, increasing affordable housing supply and lasting affordability. Staff and consultant costs were allowed to develop and operationalize the innovative funding strategies proposed. On October 13, 2023, the Regional Council awarded \$45 million to 14 applicants from across the region. Today, there are 13 projects totaling approximately \$41.2 million in funding.

**NOFA 2 – Call Closed January 20, 2026, \$20 Million**

As a result of project reductions across the SCAG REAP 2.0 Program, SCAG was able to release a second round of the program, titled NOFA 2, for \$20 million. On November 6, 2026, the Regional Council approved the updated PATH Guidelines and Application for this second Call for Projects. To support the timely expenditure of REAP 2.0 funds by the December 2026 deadline established by the California legislature, the NOFA 2 Call limited eligibility to applicants that manage an existing housing trust or catalyst fund and can deploy funding through established finance tools or loan programs. Eligible activities focused programmatically on expanding current financing tools in REAP 2.0-eligible infill areas to increase housing supply, choice, and lasting affordability for households at or below area median income. The NOFA 2 Call emphasized project readiness and timely use of funds to ensure awarded resources can be fully expended, in compliance with program requirements, prior to the expenditure deadline.

The NOFA 2 Call for Applications was opened on November 17, 2025, and closed on January 20, 2026. The Call was announced on SCAG's website, in the SCAG housing newsletter, and via a direct e-blast to all members of the SCAG housing interest list. The application, guidelines, and resources were made available on the SCAG REAP 2.0 PATH website ([www.scag.ca.gov/path](http://www.scag.ca.gov/path)). On December 2, 2025, and December 3, 2025, SCAG hosted information sessions on the NOFA 2 Call Application, and a recording of both the presentation and Q&A sessions was made available for viewing on the REAP 2.0 PATH webpage. A Frequently Asked Questions (FAQ) document was published on the webpage.

Following the close of the Call, all applications received on time were reviewed for completeness. In total, 23 applications requesting \$108,700,000 in cumulative funding were received. One application was determined to be ineligible, and one was found to be incomplete and therefore not eligible for full evaluation.

The remaining 21 applications were determined eligible and complete and were subsequently evaluated individually for funding by a selection panel consisting of internal SCAG Housing

Department staff using the evaluation criteria, shown below, and scoring rubrics approved by the Regional Council on March 3, 2023, and also included in the funding application.

**NOFA Evaluation Criteria**

Evaluation Criteria		% of Total
<b>1</b>	<b>Lead to a Transformative Significant Beneficial Impact</b>	<b>45%</b>
1.1	Accelerate Infill Development that facilitates Housing supply, Choice, and Affordability	15%
1.2	Affirmatively Further Fair Housing (AFFH)	15%
1.3	Reduce Vehicle Miles Travelled	15%
<b>2</b>	<b>Equitable Targeted Outreach</b>	<b>10%</b>
2.1	Engagement with Disadvantaged and Historically Underserved Communities	5%
2.2	Inclusive, Diverse & Equitable Engagement	5%
<b>3</b>	<b>Leverage Partnerships, Policy Match, Building Local Capacity, Ability to Complete the Project, and Cost Effectiveness</b>	<b>25%</b>
3.1	Local Policy Commitment	5%
3.2	Partnerships or Financial Match	5%
3.3	Ability to Complete the Project and Cost Effectiveness	15%
<b>4</b>	<b>Prioritize Disadvantaged Communities</b>	<b>10%</b>
4.1	Disadvantaged and Historically Underserved Priority Populations	5%
4.2	Addressing Historic/Current Inequities & Priority Population Benefit	5%
<b>5</b>	<b>Contributes to Regional Transformative Change</b>	<b>10%</b>
5.1	Transformative Approaches to Scale Housing Supply	5%
5.2	Regional Impact and Applicability	5%
	<b>Total</b>	<b>100%</b>

**TECHNICAL SUPPORT AND COMMUNITY ENGAGEMENT**

Following the announcement, and while the call remained open, SCAG staff hosted office hours. In total, more than 30 meetings were held with interested agencies and organizations. The engagement and technical support provided during the Call for Applications was the continuation of the extensive and inclusive stakeholder engagement conducted in developing the PATH Program and its three funding areas.

**NOFA FUNDING AWARD RECOMMENDATION**

Five applications are recommended for funding through the NOFA 2 Call for Applications at this time, which features a total amount of \$20 million identified as available for funding. At the Regional Council’s direction, maximum awards were capped at \$5 million per applicant to ensure the Call distributes funding to multiple projects across the SCAG region. The complete list of applications received has been provided as Attachment 1.

The following five projects are recommended for funding awards:

Applicant	Project	Request	Placement	Recommendation
National CORE	National CORE Housing Catalyst Fund	\$5 million	1	\$5 million
City of Anaheim	Anaheim Local Housing Trust - Gap Financing for Workforce Housing	\$5 million	2	\$5 million
Orange County Housing Trust	Orange County Ownership Housing Development Fund	\$5 million	3	\$5 million
Community Corporation of Santa Monica & West Hollywood Community Housing Corporation	Southern California High Opportunity Zone	\$5 million	4	\$4 million
Neighborhood Housing Services of the Inland Empire	Inland Empire Infill Development and Homeownership Catalyst	\$5 million	5	\$1 million

This recommended action would fund the applications that received the highest scores during the evaluation process, with consideration given to differentiate between new applicants and existing NOFA grantees. As provided in the methodology approved by the Regional Council, in order to maximize the impact of the REAP 2.0 program across the region, the NOFA 2 Call distinguished between two applicant tiers:

- **Tier 1:** Applicants that were not previously granted funding under the NOFA 1 program
- **Tier 2:** Grantees that were previously granted funding for use in a lending program through the NOFA 1 program who are seeking continued funding for that existing lending program

SCAG evaluated and scored all complete and eligible applications. Applications with an average score of 70.00 were determined to have passing scores. Applications that did not receive a passing score are not recommended for funding. Only Tier 1 applications with passing scores were considered for initial funding awards. Passing Tier 2 projects were instead placed on a contingency list. The contingency list combined and ranked any remaining unawarded passing Tier 1 applications in conjunction with passing Tier 2 applications based upon their scores.

The following nine projects are recommended for contingency funding, should any additional funding become available:

**NOFA2 Contingency Funding Recommendation**

Applicant	Project	Request	Placement	Recommendation
Neighborhood Housing Services of the Inland Empire	Inland Empire Infill Development and Homeownership Catalyst	\$5 million	0*	\$4 million
Lift to Rise	We Lift: Housing Catalyst Fund	\$5 million	1	\$5 million
Gateway Cities Affordable Housing Trust	Affordable Multi-Family Loan Program	\$5 million	2	\$5 million
Orange County Housing Finance Trust	Orange County Housing Finance Trust Revolving Loan Funds	\$5 million	3	\$5 million
City of West Hollywood	Affordable Housing Trust Fund Matching Fund	\$5 million	4	\$5 million
Burbank-Glendale-Pasadena Regional Housing Trust	BGPRHT Affordable Housing Lending Program	\$5 million	5	\$5 million

City of Pomona	Pomona Development Accelerator Fund (PDAF)	\$5 million	6	\$5 million
San Gabriel Valley Regional Housing Trust	San Gabriel Valley Regional Housing Trust Project Pipeline	\$5 million	7	\$5 million
City of Indio	City of Indio's Housing Trust Fund	\$5 million	8	\$5 million

*Note: Since the Neighborhood Housing Services of the Inland Empire project is recommended for a partial award (\$1 million out of a requested \$5 million) at this time, staff recommends that it also be the first project slated for contingency funding, with the goal of satisfying the entire amount requested for the project (a remaining \$4 million discrepancy).*

Of the 21 applications evaluated by the selection panel, the recommended applications are those that successfully demonstrated, with the highest level of certainty, how their proposals would accomplish the following:

- Meet the REAP 2.0 program objectives and SCAG Key Priorities
- Provide transformative and significant beneficial impacts, as defined in the application, through investment in existing finance tools or expanding funding streams that will accelerate infill development that will facilitate housing supply, choice, and affordability, affirmatively further fair housing, and result in per capita vehicle miles traveled (VMT) reductions.

The awards recommended represent investments in a range of financial strategies that would support the development of affordable housing resources across the region. Furthermore, the projects recommended for funding would also contribute to the realization of multimodal communities, shifting travel behavior through reducing self-occupancy driving, promoting pedestrian connectivity, and increasing transit ridership. Most importantly, the recommended projects all demonstrate the potential to meet the REAP 2.0, *Connect SoCal*, and PATH program objectives.

A brief summary of each project recommended for funding is provided below:

- **National CORE - National CORE Housing Catalyst Fund:** The project would fund the applicant’s Housing Catalyst Fund, a revolving predevelopment and gap financing tool, to support approximately 2,508 units of affordable housing, dispersed amongst 27 distinct infill projects across Los Angeles, Orange, Riverside, and San Bernardino Counties. The investment

includes support for three separate projects comprised of 100% permanent supportive housing.

- **City of Anaheim - Anaheim Local Housing Trust - Gap Financing for Workforce Housing:** The project would expand the capacity of the Anaheim Local Housing Trust Fund to provide gap-financing using residual-receipts loans paired with long-term City-controlled ground leases to support the development of approximately 550 units of affordable workforce housing near job centers, paired with recorded covenants and regulatory agreements that ensure affordability in perpetuity.
- **Orange County Housing Trust - Orange County Ownership Housing Development Fund:** The project would capitalize a revolving loan fund that provides low-cost acquisition, predevelopment, and construction financing to support an estimated 228 units of affordable housing, advancing homeownership opportunities throughout Orange County. The investment would include a focus on “missing middle” opportunities and shared-equity models.
- **Community Corporation of Santa Monica and West Hollywood Community Housing Corporation - Southern California High Opportunity Zone:** The project would expand the Southern California High Opportunity Fund, a revolving predevelopment loan fund, to finance early-stage costs for an estimated 693 housing units across both Los Angeles and Riverside Counties, featuring deep affordability requirements and located on sites less than .25 miles from major transit stops or hubs.
- **Neighborhood Housing Services of the Inland Empire - Inland Empire Infill Development and Homeownership Catalyst:** The project would combine supply-side and demand-side approach to advance affordability across Riverside and San Bernardino Counties. On the supply side, the investment would expand the Healthy Homes Wellness Fund to provide flexible, early-stage capital to cover high-risk pre-development costs for at least 400 affordable units. On the demand side, the investment would provide down payment assistance for approximately 40 households.

**FISCAL IMPACT:**

Work associated with this item is included in the FY 25-26 Overall Work Program (305.4925.01 - REAP 2.0 Programs to Accelerate Transformative Housing).

**ATTACHMENT(S):**

1. Ranked List of Applications Received
2. PowerPoint Presentation - NOFA CEHD Presentation

**Attachment 1: NOFA 2 Applications Received**

Placement	Applicant	Project	Request
1	Lift to Rise	We Lift: Housing Catalyst Fund	\$5 million
2	National Core	National CORE Housing Catalyst Fund	\$5 million
3	City of Anaheim	Anaheim Local Housing Trust - Gap Financing for Workforce Housing	\$5 million
4	Orange County Housing Trust	Orange County Ownership Housing Development Fund	\$5 million
5	Gateway Cities Affordable Housing Trust	Affordable Multi-Family Loan Program	\$5 million
6	Community Corporation of Santa Monica & West Hollywood Community Housing Corporation	Southern California High Opportunity Zone	\$4 million
7	Neighborhood Housing Services of the Inland Empire	Inland Empire Infill Development and Homeownership Catalyst	\$5 million
8	Orange County Housing Finance Trust	Orange County Housing Finance Trust Revolving Loan Funds	\$5 million
9	City of West Hollywood	Affordable Housing Trust Fund Matching Fund	\$5 million
10	Burbank-Glendale-Pasadena RHT	BGPRHT Affordable Housing Lending Program	\$5 million
11	City of Pomona	Pomona Development Accelerator Fund (PDAF)	\$5 million
12	San Gabriel Valley Regional Housing Trust	San Gabriel Valley Regional Housing Trust Project Pipeline	\$5 million
13	City of Indio	City of Indio's Housing Trust Fund	\$5 million
Applications below the line are not recommended for funding			
14	City of Beverly Hills	Beverly Hills Transit-Oriented Lasting Affordability	\$5 million
15	Housing Authority of City of Buenaventura	Ventura Housing's Housing Trust Fund	\$5 million

Placement	Applicant	Project	Request
16	Long Beach Community Investment Company	Backyard Builders ADU Loan Program	\$5 million
17	People's Self-Help Housing Corporation	People's Self-Help Housing Corp. Homeownership Opportunity Fund (HOF)	\$5 million
18	Ontario Housing Authority	Ontario Housing Authority Transit Corridor Loan Fund	\$5 million
19	City of Palm Springs	City of Palm Springs Affordable ADU and Multi-Family Affordable Housing Project Forgivable Loan Program	\$5 million
20	City of Calabasas	City of Calabasas Affordable Housing Trust Fund - Infill Land Acquisition and Leveraging Program	\$3 million
21	City of Pasadena	Lake Avenue Homebuyers Fund	\$3 million
N/A	San Gabriel Valley Community Land Trust	Eaton Fire SGVCLT Rebuild Program	\$3.7 million
N/A	San Bernardino Council of Governments	San Bernardino Regional Housing Trust - Pipeline Implementation Program (SBRHT - PIP)	\$5 million



# Notice of Funds Available for Lasting Affordability, Round 2 (NOFA 2)

Funding Recommendations

March 5, 2026

[WWW.SCAG.CA.GOV](http://WWW.SCAG.CA.GOV)

## Recommendations

### RECOMMENDED ACTION FOR CEHD:

Recommend that the Regional Council take the following actions:

### RECOMMENDED ACTION FOR THE REGIONAL COUNCIL:

1. Approve the NOFA 2 funding awards, as presented in the report.
2. Authorize the SCAG Executive Director or his designee to issue additional funding awards using the contingency list, depending on the availability of additional funding in the REAP 2.0 Program
3. Authorize the SCAG Executive Director, or his designee, to execute all documents and actions incidental to effectuating the awards and resulting projects, including any revisions to proposed scopes of work and the ability to fully satisfy partial awards via any contingency funds available, as needed, for compliance with the REAP 2.0 program.

## NOFA 2

**\$20,000,000**

### Eligible Applicants

- Existing Housing Trusts and Catalyst Funds focused on Lasting Affordability

- Funding for existing affordable housing lending programs:
  - Land acquisition
  - Predevelopment, Permanent, Bridge, Gap Financing
  - Homeownership
- Potential to issue additional awards if funding becomes available

Evaluate in two tiers:

- I. New applicants, not awarded in NOFA 1
- II. Existing NOFA 1 grantees

## Timeline

NOFA 2 Call for Applications	Date
Application Opening and Materials Available	November 17, 2025
Application Period, Consultation and Office Hours	November 17, 2025 – January 20, 2026
Information Sessions	December 2 & December 3, 2025
Application Due Date	January 20, 2026
Evaluation Period	January – February 2026
Regional Council Considers Funding Awards	March 5, 2026
Awarded Applicants Must Execute the MOU, Meet All Requirements, and Receive Funding	July 31, 2026
Reporting Period Through	December 31, 2026

## Technical Support and Community Engagement

- Announcing the call:
  - SCAG website
  - SCAG Housing Newsletter
  - Direct e-blast to SCAG housing interest list
- Two informational sessions
  - Recordings posted online
- Office hours throughout
  - Over 30 meetings with interested agencies and organizations
- Built upon extensive foundation of engagement for NOFA 1 and broader REAP 2.0 program

## Evaluation Criteria



*Evaluation criteria same as NOFA 1*

## Funding Requested, Geographic Distribution

County	Applications	Funding Requested	Funded
Los Angeles	10	\$44,700,000	
Riverside	3	\$15,000,000	
San Bernardino	2	\$10,000,000	
Orange	3	\$15,000,000	\$10,000,000
Ventura	2	\$10,000,000	
Imperial	0	\$-	
Multiple	3	\$14,000,000	\$10,000,000
<b>Total</b>	<b>23</b>	<b>\$108,700,000</b>	<b>\$20,000,000</b>

**544%**  
**Over-Subscribed**

## Funding Recommendations (All Tier 1)

APPLICANT	PROGRAM	COUNTY	AMOUNT
National Core	National CORE Housing Catalyst Fund	Los Angeles, Orange, Riverside, San Bernardino	\$5 million
City of Anaheim	Anaheim Local Housing Trust - Gap Financing for Workforce Housing	Orange	\$5 million
Orange County Housing Trust	Orange County Ownership Housing Development Fund	Orange	\$5 million
Community Corporation of Santa Monica & West Hollywood Community Housing Corporation	Southern California High Opportunity Zone	Los Angeles, Riverside	\$4 million
<i>Neighborhood Housing Services of the Inland Empire</i>	<i>Inland Empire Infill Development and Homeownership Catalyst</i>	<i>Riverside, San Bernardino</i>	<i>Partial award of \$1 million (\$5 million requested)</i>

*\*Recommended to fully fund Neighborhood Housing Services first if contingency becomes available*

## Contingency List (Tier 1 and 2, By Score)

APPLICANT	PROGRAM	COUNTY	AMOUNT
Neighborhood Housing Services of the Inland Empire	Inland Empire Infill Development and Homeownership Catalyst	Riverside, San Bernardino	\$4 million (To satisfy full request after partial award)
Lift to Rise	We Lift: Housing Catalyst Fund	Riverside	\$5 million
Gateway Cities Affordable Housing Trust	Affordable Multi-Family Loan Program	Los Angeles	\$5 million
Orange County Housing Finance Trust	Orange County Housing Finance Trust Revolving Loan Funds	Orange	\$5 million
City of West Hollywood	Affordable Housing Trust Fund Matching Fund	Los Angeles	\$5 million
Burbank-Glendale-Pasadena Regional Housing Trust	BGPRHT Affordable Housing Lending Program	Los Angeles	\$5 million
City of Pomona	Pomona Development Accelerator Fund (PDAF)	Los Angeles	\$5 million
San Gabriel Valley Regional Housing Trust	San Gabriel Valley Regional Housing Trust Project Pipeline	Los Angeles	\$5 million
City of Indio	City of Indio's Housing Trust Fund	Riverside	\$5 million



# THANK YOU

For more information, visit:  
<https://scag.ca.gov/path>



# AGENDA ITEM 7

## REPORT

Southern California Association of Governments  
March 5, 2026

**To:** RC - Regional Council  
TC - Transportation Committee

EXECUTIVE DIRECTOR'S  
APPROVAL

**From:** Ryan Laws, Senior Regional Planner  
213-630-1470, laws@scag.ca.gov

**Subject:** Recommendation and Approval of Recommended Applicants for the Last Mile Freight Program (LMFP) Rebate Program

### RECOMMENDED ACTION FOR TC:

Recommend that the Regional Council conditionally approve the award of \$871,000 in rebate funding to three applicants (ESL Power Systems, Inc., Mailing Pros, Inc., and PacTrack Inc.) for the purchase of Class 4/5 battery-electric vehicles (BEVs) under the Last Mile Freight Program (LMFP) Rebate Program, pending concurrence from the South Coast Air Quality Management District.

### RECOMMENDED ACTION FOR RC:

Conditionally approve the award of \$871,000 in rebate funding to three applicants (ESL Power Systems, Inc., Mailing Pros, Inc., and PacTrack, Inc.) for the purchase of Class 4/5 battery-electric vehicles under the LMFP Rebate Program pending concurrence from the South Coast Air Quality Management District.

### STRATEGIC PRIORITIES:

This item supports the following Strategic Priority 1: Establish and implement a regional vision for a sustainable future. 3: Spur innovation and action through leadership in research, analysis and information sharing.

### EXECUTIVE SUMMARY:

***SCAG partnered with the South Coast Air Quality Management District (SCAQMD) on its U.S. Environmental Protection Agency (EPA) INVEST CLEAN application, with SCAQMD serving as the lead applicant and SCAG contributing regional coordination, program design expertise, and an established deployment platform. The application proposed leveraging SCAG's Last Mile Freight Program (LMFP) to accelerate commercial deployment of zero-emission and near-zero-emission (ZE/NZE) medium and heavy-duty trucks and supporting infrastructure across the region. SCAG launched the LMFP Rebate Program on October 31, 2025, accepting applications through January 30, 2026. Applicants were required to demonstrate compliance with detailed eligibility requirements, including diesel vehicle documentation, proof of business location, California Air Resources Board (CARB) verified battery electric vehicle (BEV) specifications, operational use case verification, and vendor cost documentation. Eligible applications were evaluated using a tiered***

*ranking system designed to emphasize shovel ready projects, prioritize diesel replacement and emissions benefits, and support geographic balance across the region. By the application deadline, SCAG received 13 applications requesting rebates for 37 BEVs and proposing 27 diesel vehicle replacements, representing roughly five percent of available program funds. After eligibility review and assessment of the program's required 51 percent diesel to BEV replacement ratio, staff recommends awarding three (3) applicants a total of 13 eligible rebates totaling \$871,000. Approval under this initial solicitation would be pending final concurrence from the South Coast Air Quality Management District. In response to the program's initial undersubscription, staff is collaborating with SCAQMD and the U.S. EPA on targeted modifications to improve accessibility and increase participation in the next solicitation.*

**BACKGROUND:**

SCAG partnered on the South Coast Air Quality Management District's (SCAQMD) U.S. Environmental Protection Agency (EPA) INVEST CLEAN application, proposing to leverage SCAG's current Last Mile Freight Program (LMFP), focused on the commercial deployment of zero emission/near-zero emission (ZE/NZE) heavy and medium duty on-road trucks and supporting infrastructure. SCAG's partnership with SCAQMD on the INVEST CLEAN application was grounded in the SCAG's existing LMFP, which provided a ready-to-scale platform for ZE/NZE truck deployment. By incorporating LMFP into the application, SCAQMD and SCAG jointly demonstrated regional capacity, established program infrastructure, and alignment with statewide air quality and goods movement goals, strengthening the competitiveness of the proposal. The INVEST CLEAN application was submitted on April 1, 2024, and outlined a coordinated, large scale regional effort for ZE vehicles and fueling infrastructure improvements to support the regional goods movement network.

In July 2024, U.S. EPA awarded SCAQMD a Climate Pollution Reduction Grant of nearly \$500 million for INVEST CLEAN. This grant includes \$51,500,000 to expand SCAG's LMFP, specifically targeting Class 4/5 trucks through a rebate based program. Note: Class 4/5 trucks are medium duty delivery and work trucks commonly used in last mile freight operations, generally weighing between 14,000 and 19,500 pounds. The award was recognized by the SCAQMD Board in September 2024 and authorization to execute contracts related to the grant was approved by the SCAQMD Board on January 10, 2025. On April 3, 2025, the Regional Council approved Resolution No. 256722 to authorize acceptance of \$51,500,000 from the U.S. EPA to support the commercial deployment of Class 4/5 battery electric vehicles through SCAG's LMFP. As part of this authorization, SCAG is tasked with implementing items listed under Measure 2.2, Battery Electric Freight Vehicle Deployment Incentive Program, including:

- Administration of a rebate program to fund Class 4/5 BEVs (issuing rebates with a maximum of \$67,000 per vehicle);
- Development of an implementation plan, with SCAQMD and U.S. EPA involvement, to detail how the rebate program will be administered;

- Engagement with local communities regarding how project priorities will be incorporated in the implementation plan; and
- Inclusion of vehicle scrappage to achieve the emission reduction goals.

SCAG launched the LMFP Rebate Program on October 31, 2025, allowing rebate applications to be submitted online on the LMFP webpage. Online applications were accepted beginning October 31, 2025 through January 30, 2026.

Baseline eligibility was assessed using a range of criteria including diesel vehicle and BEV information, new technology/conversion documentation, geographic eligibility, and operational use case information. At a minimum, all applicants were required to provide proof of the following to be considered for the rebate program:

- General vehicle information for replacement aspects of the program,
- New vehicle or conversion documentation,
- Geographic eligibility, and
- Last-mile operating characteristics.

Applicants that met the minimum eligibility threshold were evaluated using a tiered ranking system that assessed vehicle replacement levels, readiness for deployment, projected emissions benefits, and geographic funding balance. The tiered system is designed to ensure transparency and consistency in award decisions while prioritizing projects that deliver the greatest air quality and community benefits.

SCAG received 13 applications requesting rebates for 37 BEVs and proposing to scrap or replace 27 diesel vehicles. In total, this represents demand for approximately five percent of available program funds (roughly \$2.5 million). Following eligibility review, only three (3) applications fully met all program requirements and could proceed without substantial issues. Together, these applications request 17 BEVs and propose to scrap seven (7) diesel vehicles. While these projects align well with program priorities — including the vehicle tiering and diesel replacement framework — the number of diesel vehicles offered for scrappage is insufficient to support the full number of BEVs requested per the program's requirements,

Because the program requires a minimum 51 percent diesel to BEV replacement ratio, the seven (7) diesel vehicles identified across the three eligible applications allow SCAG to award no more than 13 rebates, totaling \$871,000, under current program rules. To maintain compliance with this requirement, SCAG worked with one applicant (PacTrack, Inc.) to reduce the number of rebates requested. A list of recommended applicants is provided in **Figure 1**.

**Figure 1 – Recommended Applicants**

Applicant/Business Name	Domicile County	# of BEVs/Rebates	#of Diesel Vehicles for Replacement	Total Rebate \$ Amount
ESL Power Systems, Inc.	Riverside	1	1	\$67,000
Mailing Pros, Inc.	Orange	1	1	\$67,000
PacTrack, Inc.	Los Angeles	11	5	\$737,000
<b>Total</b>		<b>13</b>	<b>7</b>	<b>\$871,000</b>

Collectively, the three (3) applicants comply with the program’s evaluation threshold and are recommended for approval to receive LMFP rebates for BEV purchase and delivery as well as diesel vehicle scrappage/replacement.

**ENGAGEMENT & OUTREACH**

Prior to opening the INVEST CLEAN Measure 2.2 rebate program on October 31, 2025, SCAG conducted targeted outreach to ensure eligible fleets and industry stakeholders were aware of the opportunity and understood program requirements. Staff engaged directly with original equipment manufacturers (OEMs), vehicle dealerships, businesses and transportation companies operating last-mile delivery services, and public fleets, to promote the program and answer eligibility questions. Outreach included site visits, in-person and virtual meetings, and distribution of program materials through partner networks. Throughout these conversations, staff heard consistent feedback about potential barriers to participation including:

- Mandatory scrappage requirements,
- Challenges associated with transitioning from diesel to zero-emission as many companies had already transitioned to compressed natural gas (CNG),
- Being restricted to submitting for Class 4-5 vehicles (and not other classes) for both new zero-emission and replacement vehicles, and
- Regulatory uncertainty at the federal level especially, causing hesitancy to invest in zero-emission technologies.

**LESSONS LEARNED**

Despite staff’s proactive outreach efforts, the program was significantly undersubscribed during its initial application window (October 31, 2025 through January 30, 2026). Recognizing important engagement and outreach with industry, staff has concurrently developed recommended adjustments to the program that are being coordinated with the SCAQMD and U.S. EPA to ensure that the next application opening for the program will be better subscribed. Key areas that will be discussed for modification include broadening new and replacement vehicle classifications and

scrappage components, as well as incorporating public and private fleet opportunities within last-mile delivery services, and permitting a rolling application process until all rebates are subscribed.

**NEXT STEPS:**

Upon Regional Council approval, SCAG will coordinate with SCAQMD to complete the INVEST CLEAN selection process and issue award notices to ESL Power Systems, Inc., Mailing Pros, Inc., and PacTrack, Inc. and SCAG will initiate the Memorandum of Understanding (MOU) negotiation processes. Rebate funds will be disbursed after confirmation of eligible vehicle purchase and delivery as well as diesel vehicle scrappage/replacement.

Per the Program Announcement and Solicitation, SCAG will reopen the program later this summer. As part of the reopening effort, SCAG staff is currently working with SCAQMD and the U.S. EPA to modify the program and make targeted adjustments that expand eligibility requirements, increase participation, and ensure full use of available funding. Current applicants that did not receive an initial award will be encouraged to reapply for the next opportunity.

**FISCAL IMPACT:**

Funding is included in the FY25/26 Overall Work Program under Task 315.4898.02.

**ATTACHMENT(S):**

1. PowerPoint Presentation – LMFP Recommended Award List and Application Review Outcomes

# Last Mile Freight Program (LMFP): Recommended Award List and Application Review Outcomes

March 5, 2026

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## South Coast AQMD INVEST CLEAN

- SCAG partnered on the South Coast AQMD's U.S. EPA INVEST CLEAN application for Climate Pollution Reduction Grant (CPRG)
- U.S. EPA awarded South Coast AQMD nearly \$500 million for INVEST CLEAN
- SCAG to administer incentives for LMFP as sub-recipient under INVEST CLEAN Measure 2.2
  - \$51,500,000 (\$50M for incentives) to expand SCAG's LMFP specifically targeting Class 4 and 5 trucks



# INVEST CLEAN – Measure 2.2

## Class 4 & 5 Vehicle Replacement

### Eligible Entities:

- Private and Public Fleet Owners

### Operating Location:

- Vehicles must be domiciled in one of the two MSAs

### Existing Equipment Requirements:

- Diesel-fueled mobile vehicles
- Class 4, 5, & 6 vehicles used in goods movement

### Replacement Equipment Requirements:

- New Battery Electric Class 4 and Class 5 vehicles used in goods movement



- Rebates to not exceed \$67,000 per vehicle
- The majority of vehicles ( $\geq 51\%$ ) must be replacements for existing vehicles

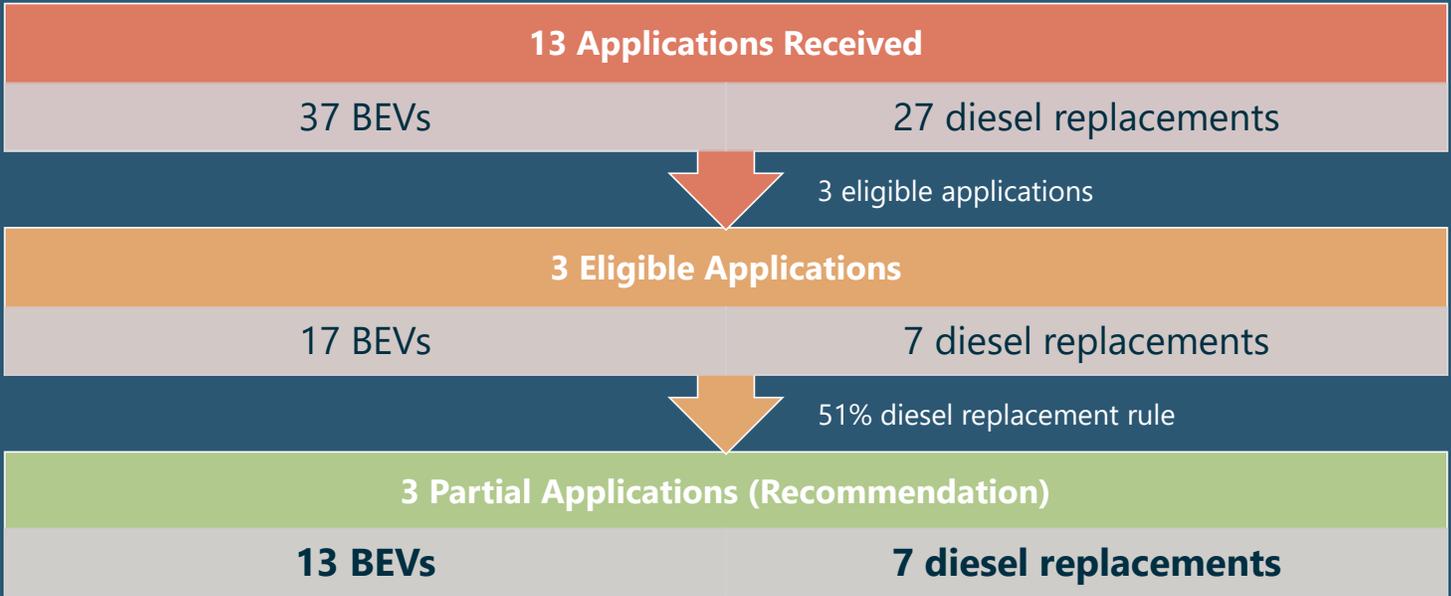
3

## Program Launch and Evaluation Criteria

- SCAG launched the LMFP Rebate Program on October 31, 2025, and accepted applications through January 30, 2026
- Applicants were required to demonstrate compliance with detailed eligibility requirements, including:
  - Diesel vehicle documentation,
  - Proof of business location,
  - CARB-verified BEV specifications,
  - Operational use case verification, and
  - Vendor cost documentation.
- Eligible applications were then evaluated using a tiered ranking system designed to emphasize shovel-ready projects, prioritize diesel replacement and emissions benefits, and support geographic balance

4

# LMFP Rebate Applications Received



# Recommended Applications

Applicant/Business Name	Domicile County	# of BEVs/Rebates	#of Diesel Vehicles for Replacement	Total Rebate \$ Amount
ESL Power Systems, Inc.	Riverside	1	1	\$67,000
Mailing Pros, Inc.	Orange	1	1	\$67,000
PacTrack, Inc.	Los Angeles	11	5	\$737,000
<b>Total</b>		<b>13</b>	<b>7</b>	<b>\$871,000</b>

## Next Steps

- Following Regional Council approval, SCAG will issue award notices to the selected applicants
- SCAG will initiate Memorandum of Understanding (MOU) negotiation processes
- Rebate funds will be disbursed upon confirmation of eligible vehicle purchase and delivery milestones
- SCAG will develop a program modification proposal; for SCAQMD and U.S. EPA consideration as part of a program relaunch later this summer

## Recommended Action for TC/RC

### Transportation Committee:

- Recommend that the Regional Council conditionally approve the award of \$871,000 in rebate funding to three applicants (ESL Power Systems, Inc., Mailing Pros, Inc., and PacTrack, Inc.) for the purchase of Class 4/5 battery-electric vehicles under the LMFP Rebate Program.

### Regional Council:

- Conditionally approve the award of \$871,000 in rebate funding to three applicants (ESL Power Systems, Inc., Mailing Pros, Inc., and PacTrack, Inc.) for the purchase of Class 4/5 battery-electric vehicles under the LMFP Rebate Program pending concurrence from the South Coast Air Quality Management District.



**AGENDA ITEM 8**

**REPORT**

Southern California Association of Governments  
March 5, 2026

**To:** EAC - Executive Administration Committee  
RC - Regional Council  
**From:** Javiera Cartagena, Chief Government and Public Affairs Officer  
213-236-1980, [cartagena@scag.ca.gov](mailto:cartagena@scag.ca.gov)  
**Subject:** AB 2002 (Solache) – REAP 1.0 Codification Bill & Budget Request

**EXECUTIVE DIRECTOR'S  
APPROVAL**

**RECOMMENDED ACTION:**

The Legislative/Communications and Membership Committee (LCMC) recommends that SCAG support and sponsor Assembly Bill (AB) 2002 and a complementary \$125 million budget request.

**STRATEGIC PRIORITIES:**

This item supports the following Strategic Priorities 2: Be a cohesive and influential voice for the region. 5: Secure and optimize diverse funding sources to support regional priorities.

**EXECUTIVE SUMMARY:**

*At its January 20, 2026, meeting, members of the Legislative/Communications and Membership Committee (LCMC) received a report on staff research efforts to sponsor legislation to codify REAP 1.0 into state law, along with a separate but complementary \$125 million state budget request to support a new round of funding for the program.*

*Staff provided a final presentation on February 17, 2026, after securing draft legislative language for the proposal. After receiving the presentation, the LCMC voted unanimously to recommend to the Regional Council (RC) that SCAG support and serve as a bill sponsor for Assembly Bill (AB) 2002, introduced on February 17, 2026, by Assemblymember Jose Luis Solache (D-Lynwood), and the complementary \$125 million budget request.*

**BACKGROUND:**

REAP 1.0 Codification Legislative Effort

Because there is no state-level funding for regional agencies to assist their member jurisdictions with the 7th cycle RHNA program, SCAG staff explored the possibility of SCAG sponsoring a bill to codify REAP 1.0 into state law. REAP 1.0 was included in AB 101 (Chapter 159, Statutes of 2019), a budget trailer bill for that year relating to state housing programs. For unknown reasons, the REAP 1.0 program was a one-time program and was not added to the Health and Safety Code, unlike other state housing programs, which are permanently authorized. As the SCAG region enters the 7th Cycle RHNA, stable funding is needed to maintain SCAG’s housing programs, which are critical to helping

our region comply with its RHNA allocation and address housing availability concerns at all income levels. In addition to efforts to codify the REAP 1.0 program, the staff also explored opportunities to advocate for a separate but complementary \$125 million budget request to fund a new round of REAP 1.0, reflecting the amount the state allocated to support Councils of Governments (COGs) under AB 101 in 2019.

After conducting initial research on this effort, in collaboration with the California Association of Councils of Governments (CALCOG), staff provided background and a presentation on potential provisions in a REAP 1.0 codification bill at the January 2026 LCMC meeting, along with details on a potential complementary \$125 million budget request. At the February 2026 LCMC meeting, staff shared the “unbacked” bill language for the REAP 1.0 codification proposal and delivered an update on the efforts to secure a bill author and champion for the \$125 million budget request. Afterward, the LCMC unanimously forwarded a recommendation to the RC for SCAG to sponsor and support both the bill and the budget ask.

Assemblymember Jose Luis Solache (D-Lynwood) formally introduced the REAP 1.0 codification bill on February 17, 2026, now known as Assembly Bill (AB) 2002, ahead of the February 20, 2026, bill-introduction deadline. In addition, the Assemblymember agreed to champion the complementary budget request.

#### Background on the REAP 1.0 Program:

In 2019, Governor Newsom signed AB 101 into law, which allocated \$250 million to the REAP 1.0 program and the Local Early Action Planning (LEAP) grant programs. This amount was split in half, with \$125 million through LEAP in over-the-counter grants provided to cities and counties for the preparation and adoption of planning documents, and \$125 million through REAP for regional agencies to administer the RHNA program. Of this \$125 million, SCAG received \$47 million.

SCAG used its share of the funding to support cities and counties in developing their 6th-cycle housing elements and other programs to help meet regional housing goals. These resources were critical to enabling SCAG to provide technical assistance and support local jurisdictions in planning for the unprecedented 1.34 million housing units the state determined our region needed as part of the 6th cycle RHNA program. Overall, SCAG’s REAP 1.0 program delivered strong outcomes and provided meaningful, lasting benefits for the region. SCAG’s investments provided resources to streamline the planning process and help jurisdictions address barriers to housing production, including zoning restrictions, environmental reviews, and infrastructure needs. In addition to financial support, the program provided capacity-building, technical guidance, and best practices to optimize land-use and housing development strategies.

From 2020 to 2023, SCAG’s REAP 1.0 program supported increased housing production in the region, with more than 450,000 housing projects submitted for approval and over 223,000 units permitted. These metrics were enhanced by efforts from SCAG’s REAP 1.0 program.

Summary of provisions in AB 2002, the official REAP 1.0 Codification bill language:

AB 2002, which is attached to this report, and mirrors the “unbacked” bill language shared at the February 2026 LCMC, proposes codifying the 2019 REAP 1.0 framework in the Health & Safety Code, where state housing program authorities administered by HCD are typically located. Below is a section-by-section summary of the proposal:

**Section 1 - Regional Early Action Planning Fund**

This section would establish the Regional Early Action Planning Fund in the State Treasury. Upon appropriation, the Department of Housing and Community Development (HCD) would allocate funds to support planning activities that enable preparation for the 7th and subsequent RHNA cycles.

**Section 2 – Eligible Entities & Allocation**

This section states that (a) councils of governments and (b) other regional entities responsible for allocating RHNA would be the two types of entities eligible to receive funding from this program. Entities could apply for funding up to 39 months before the next housing element due date, in line with the deadline for HCD to meet and consult with COGs regarding their total housing need. Further, funds would be distributed on a population basis, using the Department of Finance’s most recent estimates. Consistent with the original 2019 REAP 1.0 program, direct allocations to local jurisdictions are not included; however, COGs/regional entities may suballocate to local jurisdictions.

**Section 3 – Eligible Uses & Reporting**

This section outlines the eligible uses of this funding and includes annual and final reporting requirements that mirror the language in the original REAP 1.0 program.

- Activities that support the development, improvement, or implementation of RHNA methodology for the 7th *and* subsequent cycles;
- Suballocations to jurisdictions for planning and infrastructure efforts that accelerate housing production, consistent with state priorities;
- Technical assistance, planning, temporary staffing, or consultants for local planning and zoning, including activities related to updating or implementing a jurisdiction’s housing element, application processing, and other production-accelerating actions;
- Administrative costs up to five (5) percent;
- Activities to establish a regional or countywide housing trust, or to allocate funds to an

existing regional or countywide housing trust, for planning/pre-development activities that facilitate production; and

- Other activities, determined in consultation with HCD, that support regional or local housing planning priorities.

Eligible uses for jurisdictions receiving suballocations include: (1) technical assistance for permitting processes/tracking/tools; (2) establishing regional or countywide housing trust funds; (3) infrastructure planning (water, sewer, transit, roads, facilities); (4) feasibility studies; and (5) temporary staffing/consultants for those activities.

#### Prior Committee Action

At the LCMC's January 20, 2026, meeting, staff provided an initial presentation and update on efforts to explore whether the agency should sponsor a bill to codify the REAP 1.0 program, with a complementary \$125 million budget request. After the presentation, committee members expressed general support for the proposal but asked why it excluded restoring the funding pot that provided allocations directly to local jurisdictions.

At the LCMC's February 17, 2026, meeting, staff provided the "unbacked" bill language for the REAP 1.0 codification proposal and delivered a final presentation, recommending that SCAG support and sponsor the bill. During the presentation, staff also provided additional context about the REAP 1.0 program versus the Local Early Action Planning (LEAP) grant program, which provided local governments with funding to support local planning work, including housing element updates. Staff noted that while the recommendation focused on codifying and funding REAP 1.0, SCAG would be able to suballocate funds and provide technical assistance to local governments to support housing element update-related work if the \$125 million budget request were fulfilled. Further, staff noted that it was likely too early to advocate for funding to support housing element updates, as local governments in the SCAG region are not required to update those plans until October 2029, at the earliest. Thus, there would still be opportunities to advocate for LEAP funding in future budget cycles.

After receiving the presentation and update regarding direct allocations to local governments, the committee unanimously approved and forwarded a recommendation to the RC to support and serve as a bill sponsor for Assembly Bill (AB) 2002 and the complementary \$125 million budget request.

#### **FISCAL IMPACT:**

Work associated with AB 2002 (Solache) – REAP 1.0 Codification Bill & Budget Request is in the Indirect Cost budget, Legislation 810-0120.10.

#### **ATTACHMENT(S):**

1. AB 2002 (Solache)
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**ASSEMBLY BILL**

**No. 2002**

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**Introduced by Assembly Member Solache**

February 17, 2026

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An act to add Chapter 3.16 (commencing with Section 50515.11) to Part 2 of Division 31 of the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 2002, as introduced, Solache. Local government assistance: Regional Early Action Planning Fund.

Existing law, the Planning and Zoning Law, requires each county and each city to adopt a comprehensive, long-term general plan for the physical development of the county or city, and specified land outside its boundaries, that includes, among other specified mandatory elements, a housing element. That law requires the Department of Housing and Community Development, in consultation with each council of governments, to determine the existing and projected need for housing in each region and further requires the appropriate council of governments, or the department for cities and counties without a council of governments, to adopt a final regional housing need plan that allocates a share of the regional housing need to each city, county, or city and county, as provided. Existing law establishes the Local Government Planning Support Grants Program, administered by the department, for the purpose of providing regions and jurisdictions with one-time funding, including grants for planning activities to enable jurisdictions to meet the sixth cycle of the regional housing need assessment, as provided.

This bill would establish the Regional Early Action Planning Fund in the State Treasury for the purpose of providing councils of governments, regional entities, and jurisdictions with one-time funding,

including grants for planning activities, to enable those entities to meet the 7th and subsequent cycles of the regional housing need assessment. The bill would require the department to allocate funds, upon appropriation by the Legislature, from the Regional Early Action Planning Fund to each council of governments or regional entity responsible for allocating regional housing need that applies and qualifies for those moneys, as specified. The bill would authorize a council of governments or regional entity to expend funds awarded for certain purposes, including for activities that support the development, improvement, or implementation of the methodology for the 7th and subsequent regional housing needs assessment cycles, and for providing jurisdictions with technical assistance, planning, temporary staffing, or consultant needs associated with updating local planning and zoning documents, as provided. The bill would require a jurisdiction that receives a suballocation of funds to only use that suballocation for housing-related planning activities, as provided. The bill would authorize the department to monitor expenditures and activities of an applicant, as the department deems necessary, to ensure compliance with program requirements.

Existing law, the Administrative Procedure Act, sets forth the requirements for the adoption, publication, review, and implementation of regulations by state agencies.

This bill would require the department to issue guidelines to implement the above-described provisions and would exempt those guidelines from the rulemaking provisions of the Administrative Procedure Act.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
 State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Chapter 3.16 (commencing with Section  
 2 50515.11) is added to Part 2 of Division 31 of the Health and Safety  
 3 Code, to read:

4  
 5 CHAPTER 3.16. REGIONAL EARLY ACTION PLANNING

6  
 7 50515.11. The Legislature finds and declares the following:

1 (a) The regional housing needs assessment (RHNA) is a core  
2 component of the state’s housing planning framework and  
3 establishes the basis for local housing element law obligations.

4 (b) Regional governments perform essential functions in  
5 implementing RHNA, including methodology development, public  
6 engagement, and distributing regional housing need to local  
7 jurisdictions.

8 (c) RHNA responsibilities have increased in complexity and  
9 scope, and regional governments require consistent and adequate  
10 resources to fulfill these responsibilities.

11 (d) Funding provided through the Local Government Planning  
12 Support Grants Program (Chapter 3.1 (commencing with Section  
13 50515)) demonstrated that targeted investments in regional  
14 planning activities support local housing element implementation  
15 and advance state housing goals.

16 (e) It is the intent of the Legislature to provide councils of  
17 governments, regional entities, and jurisdictions with resources to  
18 support the seventh and subsequent RHNA cycles.

19 50515.12. For purposes of this article:

20 (a) “Council of governments” means a single-county or  
21 multicounty council created pursuant to Chapter 5 (commencing  
22 with Section 6500) of Division 7 of Title 1 of the Government  
23 Code that is responsible for allocating regional housing need under  
24 Sections 65584, 65584.04, and 65584.05 of the Government Code.

25 (b) “Jurisdiction” means a city, county, or city and county.

26 (c) “Regional entity” means a regional government that is not  
27 a council of government that is responsible for allocating regional  
28 housing need pursuant to Sections 65584, 65584.04, and 65584.05  
29 of the Government Code.

30 (d) “Regional housing need assessment” or “RHNA” means the  
31 existing and projected need for housing for each region, as  
32 determined by the department pursuant to Section 65584.01 of the  
33 Government Code.

34 50515.13. (a) The Regional Early Action Planning Fund is  
35 hereby established in the State Treasury for the purpose of  
36 providing councils of governments, regional entities, and  
37 jurisdictions with one-time funding, including grants for planning  
38 activities to enable those entities to meet the seventh and  
39 subsequent cycles of the regional housing need assessment.

1 (b) Upon appropriation by the Legislature, moneys in the fund  
2 shall be made available to the department for allocation in  
3 accordance with this chapter.

4 50515.14. (a) The department shall allocate funds from the  
5 Regional Early Action Planning Fund to each council of  
6 governments or regional entity responsible for allocating regional  
7 housing need, pursuant to Sections 65584, 65584.04, and 65584.05  
8 of the Government Code, in accordance with this section.

9 (b) A council of governments or regional entity may apply for  
10 funds, in a form and manner prescribed by the department,  
11 beginning 39 months prior to the next applicable housing element  
12 due date pursuant to Section 65588 of the Government Code.

13 (c) Funds shall be distributed by the department on a population  
14 basis based on the most recent population estimates posted on the  
15 Department of Finance’s internet website.

16 (d) An application shall include, at minimum and in a form and  
17 manner prescribed by the department, all of the following  
18 information:

19 (1) An allocation budget for the funds provided pursuant to this  
20 section.

21 (2) Amounts to be retained by the council of governments or  
22 regional entity, and any suballocations to jurisdictions.

23 (3) An explanation of how proposed uses will increase housing  
24 planning and facilitate local housing production.

25 (4) Identification of current best practices at the regional and  
26 statewide level that promote sufficient supply of housing affordable  
27 to all income levels, and a strategy for increasing adoption of these  
28 practices at the regional level, where viable.

29 (5) An education and outreach strategy to inform jurisdictions  
30 of the need and benefits of taking early action related to housing  
31 need, as quantified by the regional housing need assessment.

32 (e) The department shall review an application submitted  
33 pursuant to this section within 30 days, otherwise the application  
34 shall be deemed approved. Upon approval of an application for  
35 funds pursuant to this section, the department shall award the  
36 moneys for which the council of governments or regional entity,  
37 as applicable, qualify.

38 50515.15. (a) A council of governments or regional entity may  
39 expend funds awarded pursuant to Section 50515.14 for any of  
40 the following purposes:

1 (1) Activities that support the development, improvement, or  
2 implementation of the methodology for the seventh and subsequent  
3 RHNA cycles, to further the objectives described in subdivision  
4 (d) of Section 65584 of the Government Code.

5 (2) Suballocating moneys directly and equitably to jurisdictions  
6 in the form of grants for planning that will accommodate the  
7 development of housing and infrastructure that accelerates housing  
8 production in a way that aligns with state planning priorities, and  
9 housing, transportation, equity, and climate goals.

10 (3) Providing jurisdictions with technical assistance, planning,  
11 temporary staffing, or consultant needs associated with updating  
12 local planning and zoning documents, including any activity related  
13 to updating or implementing a jurisdiction's housing element,  
14 expediting application processing, and other actions to accelerate  
15 additional housing production.

16 (4) Administrative costs necessary to implement this section,  
17 which may be up to 5 percent of an entity's total award.

18 (5) Activities to establish a regional or countywide housing  
19 trust, or to allocate a portion of funds to an existing regional or  
20 countywide housing trust, for the purpose of supporting planning,  
21 predevelopment, or other activities that facilitate the production  
22 of housing consistent with this chapter.

23 (6) Activities, determined in consultation with the department,  
24 that support regional or local housing planning priorities consistent  
25 with this chapter.

26 (b) A jurisdiction that receives a suballocation of funds pursuant  
27 to paragraph (2) of subdivision (a) shall only use that suballocation  
28 for housing-related planning activities, including, but not limited  
29 to, the following:

30 (1) Technical assistance in improving housing permitting  
31 processes, tracking systems, and planning tools.

32 (2) Establishing regional or countywide housing trust funds for  
33 affordable housing.

34 (3) Performing infrastructure planning, including for sewers,  
35 water systems, transit, roads, or other public facilities necessary  
36 to support new housing and new residents.

37 (4) Performing feasibility studies to determine the most efficient  
38 locations to site housing consistent with Sections 65041.1 and  
39 65080 of the Government Code.

- 1 (5) Covering the costs of temporary staffing or consultant needs  
2 associated with the activities described in paragraphs (1) to (6),  
3 inclusive, of subdivision (a).
- 4 (c) A council of governments or regional entity receiving funds  
5 shall submit annual reports to the department in a form and manner  
6 prescribed by the department. The reports shall include information  
7 on expenditures and suballocations to jurisdictions.
- 8 (d) A council of governments or regional entity shall submit a  
9 final report to the department upon expenditure of all funds, or as  
10 otherwise required by the department. The final report shall include  
11 information on outcomes achieved, including the corresponding  
12 impact on housing within the region.
- 13 (e) The department may publish a summary of information  
14 received pursuant to this section on its internet website.
- 15 (f) The department may monitor expenditures and activities of  
16 an applicant, as the department deems necessary, to ensure  
17 compliance with program requirements.
- 18 (g) The department shall issue guidelines to implement this  
19 chapter. The adoption, amendment, or repeal of guidelines  
20 authorized by this subdivision is hereby exempted from the  
21 rulemaking provisions of the Administrative Procedure Act  
22 (Chapter 3.5 (commencing with Section 11340) of Part 1 of  
23 Division 3 of Title 2 of the Government Code).

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**AGENDA ITEM 9**

**REPORT**

Southern California Association of Governments  
March 5, 2026

**To:** RC - Regional Council

**EXECUTIVE DIRECTOR'S  
APPROVAL**

**From:** Javiera Cartagena, Chief Government and Public Affairs Officer, (213)  
236-1980, cartagena@scag.ca.gov

**Subject:** March 2026 State and Federal Legislative Update

**RECOMMENDED ACTION:**

Receive and File

**STRATEGIC PRIORITIES:**

This item supports the following Strategic Priority 2: Be a cohesive and influential voice for the region.

**STATE**

**State Legislature Update**

On February 20, 2026, the State Legislature reached the deadline for bill introductions for the current legislative session. At this time, SCAG is actively tracking 75 bills relevant to the region and will continue to monitor their progress as they are referred to policy and fiscal committees in the coming weeks. Staff will provide regular updates as these measures advance through the legislative process.

As the Session moves forward, staff will also continue to share an updated calendar of key legislative deadlines to ensure timely engagement and advocacy. Notable upcoming dates include the start of Spring Recess on March 26, 2026, upon adjournment, the Legislature's return from recess on April 6, 2026, and the constitutional deadline for the state budget to be passed by midnight on June 15, 2026.

The table below highlights recent and upcoming legislative deadlines:

Date	Deadline
<b>February 20, 2026</b>	Last day for bills to be introduced
<b>March 26, 2026</b>	Spring Recess begins upon adjournment
<b>April 6, 2026</b>	Legislature reconvenes from Spring Recess
<b>June 15, 2026</b>	Budget must be passed by midnight

## 2026 SCAG Sponsored Legislation

### Senate Bill (SB) 1087 (Cabaldon) – Sustainable Communities Strategies Modernization

SB 375 (Steinberg, 2008) required the state’s 18 Metropolitan Planning Organizations (MPOs) to develop a Sustainable Communities Strategy (SCS) to achieve greenhouse gas (GHG) reduction targets related to the use of cars and light duty trucks. Adopted in 2008, the bill set reduction targets for 2020 and 2035, determined by the California Air Resources Board. While the landmark bill has improved integration of housing, land use, and transportation planning across the state, significant changes over the past 15 years – including Zero-Emission Vehicle mandates, post-pandemic travel shifts, and new housing and climate laws – have exposed limitations in the existing framework.

As 2035 approaches, state and regional leaders have begun advancing efforts to strengthen SB 375 with the goal of ensuring housing, transportation, and climate policies are more closely aligned. This included the convening of the California Sustainable Communities Task Force (CSTF) in 2025 by the California State Transportation Agency (CalSTA). To stay actively engaged in these policy discussions, the Regional Council (RC) adopted an updated State Legislative Platform in February 2025 that, among other priorities, endorsed targeted reforms to SB 375 aimed at improving implementation, better aligning regional and state GHG reduction strategies, and enhancing coordination with the Regional Housing Needs Assessment (RHNA) process.

As presented to the Legislative/ Communications and Membership Committee (LCMC) on November 18, 2025, the Big 4 MPOs – including the Metropolitan Transportation Commission (MTC), Sacramento Area Council of Governments (SACOG), San Diego Association of Governments (SANDAG), and SCAG – engaged Darrell Steinberg, the initial author of SB 375, and have been convening discussions to reform and strengthen the SB 375 program, guided by the direction outlined in the Legislative Platform.

These efforts have led to the introduction of SB 1087 by Senator Christopher Cabaldon (D-Yolo), a major reform bill authored in partnership with the Big 4 MPOs. As introduced, the bill makes two changes from the comprehensive list of strategies presented to the LCMC. These include extending the SCS update cycle from four to eight years and better aligning SB 1 (Beall, 2017) planning grant funds with adopted SCS priorities.

With the introduction of the bill, the Big 4 MPOs continue to work with Senator Cabaldon and impacted stakeholders throughout the state to refine language that addresses the remainder of the policy framework provided to the LCMC, which will be introduced through future amendments.

SCAG staff will continue to provide updates to the Regional Council as the bill develops and moves through the legislative process.

As a SCAG sponsored bill, SB 1087 (Cabaldon) will be one of SCAG’s top advocacy priorities at the agency’s 2026 Sacramento Summit.

### AB 2002 (Solache) Regional Early Action Planning Fund 1.0

At its February 2026 meeting, the LCMC forwarded a recommendation that the RC adopt a “support” position and serve as a bill sponsor for Assembly Bill (AB) 2002, introduced by Assemblymember José Luis Solache (D-Lynwood) in mid-February, alongside the California Association of Councils of Governments (CALCOG), which is also sponsoring the bill. AB 2002 (Solache) aims to codify the Regional Early Action Planning grant program (REAP 1.0) to solidify its proven model of expediting housing development through leveraging regional capacity for the benefit of local cities and counties. In addition, the bill would be coupled with a multiyear \$125 million budget request to fund these efforts.

In conjunction with the \$125 million budget request, AB 2002 will safeguard the integrity of the state’s housing planning framework, improve the RHNA process, and ensure California can meet its long-term housing goals.

Between 2020 and 2023, REAP 1.0 supported the adoption of 140 fair housing programs and enabled SCAG to provide technical assistance to 129 agencies on housing elements and/or site inventories in our region. REAP 1.0 demonstrated that small, upstream investments in planning yield significant downstream gains in housing readiness and production.

The next RHNA cycle will be the most expensive and complex in California history. Recent legislative changes require regions to analyze two new income categories, interview households with special housing needs, undergo expanded reviews by the Department of Housing and Community Development, and meet more rigorous equity, environmental, and data standards. These requirements strengthen the system but increase compliance costs. Without a dedicated funding source, regions will not be able to meet these requirements, and cities and counties will risk losing access to the planning assistance they relied on during REAP 1.0 to deliver expedite housing production.

With the 7<sup>th</sup> Cycle of RHNA starting in the Summer of 2026 for the SCAG region, this bill and the complementary budget request are vital to ensure the agency can administer the RHNA and suballocate funds to local jurisdictions for planning work and housing element updates. AB 2002 (Solache) will be one of SCAG’s top advocacy priorities at the agency’s 2026 Sacramento Summit.

### **California State Senate Rules Committee Unanimously Approves Riverside Mayor Patricia Lock Dawson’s CARB Appointment, Teeing Up Final Approval on the Senate Floor**

On February 11, 2026, the California State Senate Rules Committee unanimously voted 5-0 to forward Riverside Mayor Patricia Lock Dawson’s Gubernatorial appointment to the California Air Resources Board (CARB) to the Senate Floor for final approval. Though Mayor Lock Dawson’s CARB was effective upon being appointed by Governor Gavin Newsom in April 2025, it still requires confirmation by the full Senate, which will be the next and final step. Mayor Lock Dawson has championed the development of Riverside’s "Clean and Green Tech Hub," successfully attracting national and

international clean technology firms to establish headquarters in the city. Her vision is to position Riverside as a leader in sustainability-driven economic development and innovation.

The Mayor currently chairs California's Big City Mayors Coalition and SCAG's Legislative/Communications & Membership Committee. She also serves on the boards of Local Governments for Sustainability (ICLEI), the Riverside County Regional Conservation Authority, and the South Coast Air Quality Management District.

## **FEDERAL**

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### **Federal FY 2025-2026 Appropriations**

After Congress failed to reach an agreement on FY 2025 spending, lawmakers relied on a continuing resolution passed on March 14, 2025, which kept federal funding at existing levels through September 30, 2025. When a new agreement could not be reached, the government entered a 43-day shutdown beginning October 1, 2025. This shutdown was the longest in modern history and ended on November 12, 2025, when President Trump signed a new continuing resolution. That measure provided full-year FY 2026 funding for (1) Agriculture, (2) Military Construction and Veterans Affairs, and (3) the Legislative Branch. It continued temporary funding for all other agencies until January 30, 2026.

As the January deadline approached, both chambers worked through a series of funding bills. On January 14, 2026, the House approved a bipartisan package that included the (1) Financial Services & General Government and the (2) National Security & State Department bill. The Senate then passed a separate package on January 15 that included the (1) Commerce-Justice-Science, (2) Energy & Water, and (3) Interior & Environment appropriations bills, which had already cleared the House.

On January 20, 2026, congressional leaders released a four-bill bipartisan agreement covering (1) Defense, (2) Homeland Security (DHS), (3) Labor, Health and Human Services, Education (Labor-HHS-Education), and (4) Transportation, Housing and Urban Development (T-HUD). Negotiations moved quickly enough for Congress to avoid the risk of a prolonged shutdown, and on February 3, 2026, President Trump signed the Consolidated Appropriations Act of 2026. This law provided full-year funding for (1) Defense, (2) Labor, Health & Human Services, & Education (Labor-HHS-Education), (3) Transportation, Housing & Urban Development (T-HUD), and (3) Financial Services & General Government, and (4) National Security State programs. It also temporarily extended Homeland Security funding through February 13, 2026. Because the Congress has not yet resolved this funding dispute for the Department of Homeland Security, and Department and its subordinate agencies are in a partial government shutdown.

In total, 11 of the 12 regular FY 2026 appropriations bills are now enacted. Attention will now focus on passing the last remaining appropriations bill for DHS and the FY 27 appropriations, which must be passed by September 30, 2026 for the 2026-27 federal fiscal year.

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Item	House	Senate
Homeland Security	Passed House 220-207 on 1/22/26	Pending Senate Vote
Commerce, Justice, Science	Passed House 397-28 on 1/8/26 Passed Senate 82-15 on 1/15/26 Signed by the President on 1/23/26	
Energy & Water Development		
Interior, Environment		
Defense	Passed Senate 71-29 on 1/30/26 Passed House 217-214 on 2/3/26 Signed by the President on 2/3/26	
Labor, HHS, Education		
Transportation, HUD		
Legislative Branch	Passed House 222-209 on 11/12/2025 Passed Senate 60-40 on 11/10/2025 Signed by the President on 11/12/25	
Military Construction, VA		
Agriculture		
National Security-State	Passed house 341-79 vote on 1/14/26 Passed Senate 82-15 on 1/15/26 Signed by the President on 2/3/26	
Financial Services & General Government		

**House of Representatives Passes the Housing for the 21<sup>st</sup> Century Act**

On February 9, 2026, the U.S. House of Representatives overwhelmingly passed the Housing for the 21st Century Act by a bipartisan vote of 390–9. This legislation is designed to address the nation’s housing affordability crisis by expanding housing supply, modernizing federal housing programs, and reducing regulatory barriers. It includes more than 20 provisions, such as directing the Government Accountability Office to identify gaps in federal housing programs and updating the Department of Housing and Urban Development’s HOME Investment Partnerships Program to better support affordable housing development.

The bill was co-led by House Financial Services Chair French Hill (R-AR) and Ranking Member Maxine Waters (D-CA), reflecting broad bipartisan support. Following House passage, the bill now heads to the Senate, where lawmakers are expected to reconcile differences with the Senate’s own housing

package, the ROAD to Housing Act, on which SCAG adopted a formal “support” position in November 2025.

The House’s “Housing for the 21st Century Act” and the Senate’s “ROAD to Housing Act” take different approaches, especially in areas that matter for SCAG’s priority provisions. The House bill focuses on expanding housing supply by modernizing federal programs and reducing regulatory barriers, while keeping existing Community Development Block Grant formulas intact and avoiding any link between CDBG funding levels and a jurisdiction’s housing production. The Senate’s ROAD to Housing Act is a much broader package that combines 27 earlier bipartisan bills and adds several new HUD grant programs that reward jurisdictions that have adopted pro-housing policies or already increased production. The most significant difference is that the Senate bill introduces a pilot program that increases CDBG allocations for jurisdictions with higher-than-average housing growth but reduces funding for jurisdictions with growth rates below their 10-year average, while the House version does not include this provision. Staff will monitor the conference committee process to determine which SCAG priorities are included or excluded in the final bill.

**Federal Notices of Funding Opportunities (NOFOs) Update**

Below is a current list of open and upcoming NOFOs for transportation and sustainability-related competitive programs. At this moment there are no open NOFO, staff is continuing to track these programs:

Program	Deadline	Agency
Round 2: Strengthening Mobility & Revolutionizing Transportation (SMART) Grants Program	TBD	US DOT
Bridge Investment Program, Bridge Project Grants	TBD	FHWA
All Stations Accessibility Program	TBD	FTA
Reduction of Truck Emissions at Port Facilities (RTEPF) Program	TBD	FHWA
Grid Resilience and Innovation Partnerships (GRIP) Program	TBD	DOE
Rail Vehicle Replacement Grants	TBD	FTA
Nationally Significant Federal Lands and Tribal Projects Program	TBD	FHWA

**FISCAL IMPACT:**

Work associated with the March 2026 State and Federal Legislative Update is within the Indirect Cost budget, Legislation 810-0120.10.



**To:** EAC - Executive Administration Committee  
 CEHD – Community, Economic, and Human Development Committee  
 EEC – Energy and Environment Committee  
 TC – Transportation Committee  
 RC – Regional Council

**EXECUTIVE DIRECTOR'S  
 APPROVAL**

*Kome Ajise*

**From:** Elizabeth Carvajal, Deputy Director (Land Use)  
 213-236-1801, carvajal@scag.ca.gov

**Subject:** REAP 2.0 Program Update

**RECOMMENDED ACTION FOR EAC, CEHD, EEC, TC, AND RC:**

Receive and File

**STRATEGIC PRIORITIES:**

This item supports the following Strategic Priority 1: Establish and implement a regional vision for a sustainable future. 5: Secure and optimize diverse funding sources to support regional priorities.

**EXECUTIVE SUMMARY:**

*SCAG’s REAP 2.0 program invests in innovative finance, land use, and transportation strategies to realize the vision of Connect SoCal. SCAG has been working with grantees to make steady progress in delivering the \$231.5M REAP 2.0 program, including refining the final project list with grantees. This report summarizes the program status.*

**BACKGROUND:**

The REAP 2.0 program was established as part of the 2021 California Comeback Plan under AB 140. REAP 2.0 builds on the success of Regional Early Action Planning Grant Program of 2019 (REAP 1.0) and expands the program focus by integrating housing and climate goals, and allows for broader planning and implementation investments, including infrastructure investments supporting infill development to facilitate housing supply, choice, and affordability. The program tackles key barriers to meeting regional housing needs and state policy goals—such as limited land availability, financing gaps, and insufficient infrastructure—through targeted funding and technical assistance.

**REAP 2.0 Program Progress Updates**

At the time of this report, all but one MOU are executed with the remaining MOU expected to be executed by late spring. Currently, the REAP 2.0 Program include 86 projects totaling approximately \$178.4M in suballocations, with an additional approximately \$20M expected to be allocated as part

of the second Notice of Funding Availability for Lasting Affordability Program which will be considered for approval by the CEHD and Regional Council at their March 2026 meetings.

#### Status of Current Programs

The REAP 2.0 program currently includes 86 projects totaling approximately \$178.4M. A status update by program area is provided below.

#### Sustainable Communities Program – Civic Engagement, Equity and Environmental Justice (SCP CEEEJ)

The Sustainable Communities Program - Civic Engagement, Equity and Environmental Justice (SCP CEEEJ) grant prioritizes housing planning that aims to close the racial equity gap and include partnerships with community-based organizations. The CEEEJ program currently includes five REAP 2.0 funded Housing and Land Use Strategies projects totaling approximately \$2M. All grantees have executed MOUs with SCAG and work is underway.

In the last quarter, SCP CEEEJ project teams made progress on technical analyses and held public workshops / advisory committee meetings to engage local stakeholders on technical findings and inform development of final deliverables.

#### Sub-Regional Partnership Program 2.0

The Sub-Regional Partnership Program 2.0 (SRP 2.0) Program includes approximately \$24.5M in funding to sub-regional partners for eligible activities supporting member jurisdictions with implementing housing element work plans and strategies for increasing affordable housing. This program is anticipated to include 20 projects with SCAG's subregional partners.

#### Transportation Partnership Programs

The Transportation Partnership Programs include \$80M for the Regional Pilot Initiatives Program and the County Transportation Commission (CTC) Partnership Program. The CTC Partnership Program connects infill housing to daily services and increases travel options that support multimodal communities to shift travel modes. This program funds 30 transformative planning and implementation projects that expand access, increase mobility, and bring jobs and housing closer together to achieve a more sustainable growth pattern across the region. Staff continue to work collaboratively with the CTCs to monitor project scopes, timelines, and budgets.

A project highlight from the last quarter is the ongoing construction of the Calexico Intermodal Transportation Center. ICTC received multiple state and federal funding grants to implement the project, including \$1 million for right-of-way acquisition from REAP 2.0. SCAG staff toured the ongoing construction in January 2026. Scheduled for completion in Spring 2026, the project will improve transit and transportation access in Calexico's downtown core.

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### Programs to Accelerate Transformative Housing (PATH)

The PATH Program includes three separate calls for projects; each is described in greater detail below.

#### *Housing Infill on Public and Private Lands*

The Housing Infill on Public and Private Lands (HIPP) Pilot Program includes \$6.7M to 9 projects to scale up development of available land and implementing large corridor-wide or area-wide infill housing policies and initiatives. All MOUs are executed with work underway. In the last quarter, HIPP project teams made progress on technical analyses and held workshops to engage public on technical findings and inform development of final deliverables.

#### *Notice of Funding Available for Lasting Affordability*

The Notice of Funds Available for Lasting Affordability (NOFA) includes approximately \$41.2M to 13 projects in support of innovative housing finance, trust funds, catalyst funds, and new permanent funding sources. All MOUs are executed. As noted above, SCAG released a second Notice of Funding Availability for Lasting Affordability with up to \$20M available and the ability to award additional funding-making the total allocation for this program \$61.2M. The call will prioritize new grantees and focus on existing catalyst and housing trust funds that are ready to receive funding. In addition, staff recommend creating a contingency list of projects that can receive funding, should additional REAP 2.0 funding become available. This list of initially awarded projects is on the CEHD and Regional Council agendas at their March 2026 meetings.

To date, \$13.9M has been deployed by three regional housing trusts into local affordable housing lending programs and progress has been made to establish three new regional housing trusts.

#### *Regional Utilities Supporting Housing*

The Regional Utilities Supporting Housing (RUSH) program includes approximately \$24M for nine projects that focus on investments in utility infrastructure planning and capital improvements that will support jurisdictions in basic utility infrastructure needed for housing: water, wastewater, stormwater management and electricity.

All projects have executed MOUs at this point and are working to advance the projects. Five of the nine are capital projects. This includes Palm Desert and Soboba that will provide stormwater drainage improvements, LADWP that is constructing electric utility improvements to support affordable housing developments, San Bernardino County that is building a sewer extension, and Calipatria that is upgrading a water pump station. Each of these projects will support the delivery of new housing units in the region. Similarly, the four additional RUSH planning projects will focus on laying the utility planning foundation necessary for subsequent utility improvements that are needed for future housing growth.

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### **Milestones for upcoming quarter**

The County Transportation Commission (CTC) Partnership Program anticipates several milestones in the next quarter. Active SGV, a subgrantee of LA Metro and the San Gabriel Valley Council of Governments is expected to launch their Go-SGV E-Bike share lending library. Additionally, LA Metro intends to award the Metro Bike Share expansion contract to deploy hundreds of new bike share bikes throughout Los Angeles.

In the coming quarter, the Lasting Affordability Program expects additional regional housing trusts to deploy an additional \$8.8M to local affordable housing lending programs.

The Sustainable Communities Program - Civic Engagement, Equity and Environmental Justice (SCP CEEJ) grant program anticipates the City of Lancaster's Transit Oriented Development Zones Update to wrap up in the next quarter, making it the first Housing and Land Use project in the program to be completed. The remaining four projects will continue technical planning work, engagement activities, and preparing for board and council presentations as they move toward plan completion and adoption prior to the December 2026 expenditure deadline.

RUSH projects will continue to move forward in the next quarter. Four of the nine projects are projected to be completed by the end of FY 26 with the remainder to be completed prior to the December 2026 expenditure deadline.

### **NEXT STEPS**

Staff will take the second NOFA for the Lasting Affordability Program funding recommendations before the CEHD and Regional Council for consideration and continue to provide regular updates to the Regional Council and Policy Committees on the REAP 2.0 program, with an anticipated next update in fall 2026.

### **FISCAL IMPACT:**

Work associated with this item is included in the FY 25-26 Overall Work Program No. 305 – Regional Early Action Planning (REAP) Grants Program – REAP 2.0.



**AGENDA ITEM 11**  
**REPORT**

Southern California Association of Governments  
March 5, 2026

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**To:** EAC - Executive Administration Committee  
RC - Regional Council  
**From:** Cindy Giraldo, Chief Financial Officer  
213-630-1413, giraldo@scag.ca.gov  
**Subject:** Purchase Orders, Contracts, and Contract Amendments below the  
Regional Council's Approval Threshold

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**EXECUTIVE DIRECTOR'S  
APPROVAL**

*Kome Ajise*

**RECOMMENDED ACTION:**

Information Only - No Action Required

**STRATEGIC PRIORITIES:**

This item supports the following Strategic Priority 2: Be a cohesive and influential voice for the region.

**BACKGROUND:**

There are no Purchase Orders (POs) exceeding \$5,000 to report. In January 2026, SCAG executed Purchase Orders below the \$5,000 threshold.

SCAG executed the following contract for more than \$25,000 but less than \$500,000:

<b>Consultant/Contract No.</b>	<b>Description</b>	<b>Amount</b>
Sutra Research 26-031-C01	The consultant will develop the Community & Tribal Nations Partnership Strategy, informed by a Best Practices Research Report as well as internal and external engagement efforts.	\$249,833

There are no contract amendments to report that are below \$150,000 and 30% of the original contract value.

**ATTACHMENTS:**

1. 26-031-C01 Contract Summary (Information Item)

**CONSULTANT CONTRACT NO. 26-031-C01**

<b>Recommended Consultant:</b>	Sutra Research
<b>Background &amp; Scope of Work:</b>	<p>SCAG has contracted with and granted funds to various non-governmental organizations and tribal nations and has found that there is a need to evaluate existing policies, practices and procedures to ensure accessibility, clarity, consistency, and the responsible financial stewardship of public funds.</p> <p>The consultant team will identify and develop the necessary actions SCAG should consider to effectively strengthen partnerships with communities and tribal nations. The primary deliverable will be the Community &amp; Tribal Nations Partnership Strategy, informed by a Best Practices Research Report as well as internal and external engagement efforts. The strategy will include guidance to ensure CBO partnerships support SCAG’s role in assisting jurisdictions, including approaches for local involvement and examples from peer agencies to inform best practices.</p> <p>The study will clearly distinguish between administrative and financial requirements, practices, and parameters that fall within SCAG’s control and those controlled by other entities. SCAG will evaluate and assess actionable recommendations and explore opportunities to evaluate existing processes, including consultation with state and federal agencies and funders, as appropriate.</p>
<b>Project’s Benefits &amp; Key Deliverables:</b>	<p>The project’s benefits and key deliverables include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Explore opportunities to evaluate existing processes and ensure that accessible opportunities are created for successful partnership and contracting with community-based organizations (CBOs) and Tribal nations; and</li> <li>• Outline a set of actionable and implementable recommendations for SCAG in the short to long term to build the necessary capacity internally and externally to effectively pursue partnerships with CBOs and Tribal nations.</li> </ul>
<b>Strategic Plan:</b>	This item supports SCAG’s Strategic Priority Goal 2: Be a cohesive and influential voice for the region.
<b>Contract Amount:</b>	<p><b>Total not to exceed</b> <span style="float: right;"><b>\$249,833</b></span></p> <p>Sutra Research (prime consultant) <span style="float: right;">\$249,833</span></p> <p>Note: Sutra Research proposed \$249,833 and staff determined the proposed amount was fair and reasonable for the type of work being performed.</p>
<b>Contract Period:</b>	March 1, 2026, through March 1, 2027
<b>Project Number(s):</b>	<p>290-4951UD.01    \$221,325</p> <p>290-4951E.01    \$28,508</p>

	<p>Funding source(s): Senate Bill 1 (SB 1) and Transportation Development Act (TDA), Other Specify.</p> <p>Funding of \$249,833 is available in the Fiscal Year (FY) 2025-26 Overall Work Program (OWP) Budget in Project Number(s) 290-4951UD.01 &amp; 290-4951E.01, and the remaining balance will be requested in future fiscal year budget(s), subject to budget availability.</p>																						
<b>Request for Proposal (RFP):</b>	<p>SCAG staff notified 5,806 firms of the release of RFP 26-031-C01 via SCAG's PlanetBids website. A total of 103 firms downloaded the RFP. SCAG received the following 11 proposals in response to the solicitation:</p> <table border="0"> <tr> <td><b>Sutra Research (no subconsultants)</b></td> <td style="text-align: right;"><b>\$249,833</b></td> </tr> <tr> <td>Casuba (no consultants)</td> <td style="text-align: right;">\$199,003</td> </tr> <tr> <td>Konesen (no consultants)</td> <td style="text-align: right;">\$249,530</td> </tr> <tr> <td>Momentum (1 consultants)</td> <td style="text-align: right;">\$249,654</td> </tr> <tr> <td>Crowe (1 consultants)</td> <td style="text-align: right;">\$271,932</td> </tr> <tr> <td>Strategic Earth (no consultants)</td> <td style="text-align: right;">\$278,984</td> </tr> <tr> <td>Dalberg (no consultants)</td> <td style="text-align: right;">\$297,308</td> </tr> <tr> <td>Baker Tilly (no consultants)</td> <td style="text-align: right;">\$297,506</td> </tr> <tr> <td>Arellano (1 consultants)</td> <td style="text-align: right;">\$298,353</td> </tr> <tr> <td>National Communications (2 consultants)</td> <td style="text-align: right;">\$299,940</td> </tr> <tr> <td>Calstart (1 consultants)</td> <td style="text-align: right;">\$300,000</td> </tr> </table>	<b>Sutra Research (no subconsultants)</b>	<b>\$249,833</b>	Casuba (no consultants)	\$199,003	Konesen (no consultants)	\$249,530	Momentum (1 consultants)	\$249,654	Crowe (1 consultants)	\$271,932	Strategic Earth (no consultants)	\$278,984	Dalberg (no consultants)	\$297,308	Baker Tilly (no consultants)	\$297,506	Arellano (1 consultants)	\$298,353	National Communications (2 consultants)	\$299,940	Calstart (1 consultants)	\$300,000
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<b>Selection Process:</b>	<p>The Proposal Review Committee (PRC) evaluated each proposal in accordance with the criteria set forth in the RFP and conducted the selection process in a manner consistent with all applicable federal and state contracting regulations. After evaluating the proposals, the PRC interviewed the three (3) highest ranked offerors.</p> <p>The PRC consisted of the following individuals:</p> <p>Alisha James, Senior Public Affairs Specialist, Community &amp; Economic Development  Victor Negrete, Department Manager, Community &amp; Economic Development  Jules Lippe-Klein, Planning Supervisor, Community &amp; Economic Development  Ana Vallianatos, Department Manager, Media and Public Affairs Department</p>																						
<b>Basis for Selection:</b>	<p>The PRC recommended Sutra Research &amp; Analytics for the contract award because:</p> <ul style="list-style-type: none"> <li>• The selected firm is the most qualified, presenting a proposal that demonstrated a strong technical approach along with having the most relevant project experience and expertise.</li> <li>• The selected firm received the highest score demonstrating their team's extensive qualifications to perform the work outlined in the SOW. Additionally, Sutra showcased the strongest capability to produce all required deliverables on schedule and within budget.</li> <li>• The selected firm also displayed balanced expertise, including, combined MPO experience, tribal engagement, and funding landscape knowledge.</li> </ul>																						

Although other firm(s) were clearly qualified and provided sound technical approaches, the PRC did not recommend these firm(s) for contract award because this firm(s):

- Given the project's significant involvement with MPOs as an essential component of its focus and outcomes, the non-selected firms demonstrated a lack of familiarity with MPO's structure, operations, and funding mechanisms;
- Additionally, the firms presented very few relevant project examples or experience performing the tasks outlined in the SOW for a similar projects. Many proposals referenced reports or projects unrelated to the Community Partnership Strategy. Some cited heavy outreach-focused plans but lacked examples involving CBO or more importantly tribal contracting strategies.



**AGENDA ITEM 12**

**REPORT**

Southern California Association of Governments  
March 5, 2026

**To:** EAC – Executive Administration Committee  
RC - Regional Council

**EXECUTIVE DIRECTOR'S  
APPROVAL**

**From:** Cindy Giraldo, Chief Financial Officer  
213-630-1413, giraldo@scag.ca.gov

**Subject:** CFO Monthly Report

**RECOMMENDED ACTION:**

Information Only - No Action Required

**STRATEGIC PLAN:**

This item supports the following Strategic Plan Goal 5: Secure funding to support agency priorities to effectively and efficiently deliver work products.

**ACCOUNTING:**

Membership Dues

As of January 31, 2026, 189 cities, 6 counties, 7 commissions, and 9 tribal governments have paid their Fiscal Year (FY) 2025-2026 membership dues. SCAG has collected \$2.84 million out of \$2.85 million billed. This represents 99.64% of the membership assessment.

Investments & Interest Earnings

As required by SCAG’s investment policy adopted by the Regional Council in July 2018, staff will provide a monthly report of investments and interest earnings. As of January 31, 2026, SCAG has invested \$16.59 million in the LAIF account and has earned \$516,878.69 in interest income (as of Q2). The interest earnings are distributed on a quarterly basis with an average interest rate of 3.931%. Additionally, SCAG has opened a Money Market Account to maximize interest income while monitoring the REAP’s funding balance, interest earnings from this account are distributed monthly. As of January 31, 2026, SCAG has invested \$70.02 million in the Money Market Account and has earned \$1,032,332.28 (YTD), in interest income.

**BUDGET & GRANTS (B&G):**

On January 29, 2026, staff submitted the FY 2025-26 2nd Quarter Overall Work Program (OWP) Progress Report to Caltrans. The cumulative expenditures reported for the period of July to December 2025 are approximately \$24.04 million. Of which, the expenditures for Consolidated Planning Grant (CPG) funding, including Senate Bill 1 (SB1) Formula Funds, amount to approximately

\$20.73 million. In cumulative, approximately 32% of the FY 2025-26 OWP Amendment 2 for the CPG and SB1 funding has been expended.

During the month of February 2026, staff focused on refining and finalizing the FY 2026-27 Draft Comprehensive Budget. The draft budget is being presented to the Executive/Administration Committee (EAC) and Regional Council (RC) in March 2026. Staff also analyzed requested budget changes for Amendment 3 to the FY 2025-26 Comprehensive Budget including the OWP. The FY 2025-26 Comprehensive Budget Amendment 3 will be presented to the EAC and RC in April 2026.

**CONTRACTS ADMINISTRATION:**

In January and February 2026, the Contracts Administration Department supported an average of 25 formal procurements and managed 186 active goods and services contracts.

During this period, staff finalized comprehensive updates to the SCAG Procurement Policy and Procedures Manual and conducted eight (8) agency-wide training sessions in February. Implementation of the updated procurement manual, procedures, and forms is scheduled for March 2, 2026.



**AGENDA ITEM 13**

**REPORT**

Southern California Association of Governments  
March 5, 2026

**To:** RC - Regional Council  
**From:** Elizabeth Carvajal, Deputy Director (Land Use)  
213-236-1801, carvajal@scag.ca.gov  
**Subject:** Resilience Resolution Update

**EXECUTIVE DIRECTOR'S  
APPROVAL**

**RECOMMENDED ACTION:**

Information Only- No Action Required

**STRATEGIC PRIORITIES:**

This item supports the following Strategic Priority 2: Be a cohesive and influential voice for the region.

**EXECUTIVE SUMMARY:**

*Following the Eaton and Pacific Palisades Wildfires, SCAG held a regional discussion through a Joint Policy Committee (JPC) meeting on rebuilding, recovery and resilience. The meeting included presentations from notable experts in planning, resilience, and disaster rebuilding and recovery. The JPC was followed in March and April with more focused discussions in each of the policy committees to understand the nature of disasters and how to best build regional and local capacity to be more resilient.*

*In June 2025, the Regional Council approved the Resilience Resolution that outlined a series of activities that SCAG would pursue to leverage our capacities as a regional planning agency to support equitable and resilient recovery and rebuilding and long-term resilience. This report outlines a progress update on these activities.*

**BACKGROUND:**

SCAG defines resilience as the capacity of the region's built, social, economic and natural systems to anticipate and effectively respond to changing conditions, acute shocks, and chronic stressors by creating multiple opportunities for a sustainable, thriving and equitable future. As a region, the likelihood that communities will face shocks such as droughts, earthquakes, extreme heat, flooding, landslides, among others, is significant and the frequency of many these disasters is increasing as a result of the unavoidable impacts of climate change.

The Eaton and Pacific Palisades Fires resulted in the destruction of communities. These wildfires served as a reminder that disasters can occur anywhere and at any time and that it is critical that

resilience is at the forefront of community design and building and that communities are prepared for potential disasters.

### **Regional Resilience Strategies**

In June 2025, the Regional Council approved the [Resilience Resolution](#) that outlined strategies that are described below to expand the impact and reach of existing SCAG programs and explore new innovative strategies. A few highlights of progress made are highlighted below and described in greater detail in Attachment 1.

### **Resilience and Climate Adaptation Planning**

- Staff will release the Resilience Toolkit in March 2026 and hold a Toolbox Tuesday in April 2026.
- Staff applied for a Caltrans grant to develop a Wildlife Crossing Connectivity Masterplan.

### **Tax Increment Financing Tools**

- Staff has formalized a partnership with California Forward to learn from their Climate Resilience District Pilot Program that will be a useful resource in informing SCAG's Tax Increment Financing and Climate Resilience District pilots that will kick off in the summer of 2026.

### **Infrastructure planning**

- Staff integrated resilience as a consideration as part of the STBG/CMAQ project selection that was awarded by the Regional Council in December 2025.
- SCAG is preparing to launch the Clean and Resilient Utility Infrastructure Study (CRUIS) to explore the current state of utility planning and infrastructure and future demand and needs to accommodate anticipated economic and demographic trends, the clean energy transition, impacts from climate change, and energy sectors such as data centers. It will focus on infill areas and transportation infrastructure that serves and connects those areas.

### **Disaster Recovery**

Staff supported the City and County of Los Angeles recovery efforts in the following areas:

- SCAG staff co-led the development of the Resilient Rebuild Resource Guide to support property owners and design and building professionals supporting property owners with resources to inform decision-making around resilient rebuilding.
- A \$3.8M grant was provided to the County of Los Angeles as part of the REAP 2.0 Subregional Partnerships Program to support ADU development in fire impacted communities and unincorporated LA County.

- SCAG supported both the City and the County through the provision of consultant services through Kosmont Companies to assess the feasibility of creating tax increment financing districts to support resilient recovery and rebuilding.

To further highlight SCAG's progress, the Regional Council will hear a presentation from Kosmont Companies and representatives from the City and County of Los Angeles to speak to the Tax Increment Financing exploration that staff facilitated in Pacific Palisades and the unincorporated Santa Monica Mountains along with an update how the city and county are tackling broader resilient recovery and rebuilding efforts.

### Presenters

**Larry Kosmont, CRE®, Chairman and CEO of Kosmont Companies.** Larry Kosmont founded Kosmont Companies in 1986. Kosmont Companies is an industry leader in public/private real estate transactions and economic development. In 1990, he founded Kosmont Realty, a real estate brokerage firm. In 2015, he launched Kosmont Financial Services which sources financing for public/private projects, P3 initiatives, and infrastructure funding. He is a co-principal, California Golden Fund, a USCIS approved EB-5 Regional Center.

Mr. Kosmont's distinguished 40-year career encompasses public/private financial structuring, negotiation, development, and management of real estate and public finance transactions exceeding \$10B. He has assisted hundreds of local government agencies in public finance and real estate matters ranging from large-scale economic development programs to site-specific real estate strategies and projects. He has guided over 1,000 private sector projects in obtaining public approvals, structuring deal terms, and securing public/private financing.

Mr. Kosmont served as Interim City Administrator, City Manager, Director of Community Development, and Redevelopment Director in the cities of Montebello, Santa Monica, Seal Beach, Bell Gardens, and Burbank.

**Julia Orozco, Deputy Chief of Staff, Office of Los Angeles County Supervisor Lyndsey Horvath.** Julia joined Supervisor Lindsey P. Horvath's office as Assistant Chief Deputy in 2024. Julia is an LA County government veteran, with over 26 years of experience. She has served in various roles within Los Angeles County's Chief Executive Office (CEO) over the last 16 years, including at management and executive level roles. Prior CEO roles include Acting Branch Manager over the Policy Implementation and Alignment Branch, Manager over Economic Development and Municipal and Unincorporated Area Services in the CEO's office, lead Principal Analyst within the Office of Cannabis Management.

Prior to her service in the Chief Executive Office, Ms. Orozco served as Senior Deputy to LA County Supervisor Yvonne B. Burke. Julia's experience serving at various levels within County government

gives her a unique perspective on operational, budgetary and policy matters. She is also an alumna of the German Marshall Fund's, American Marshall Memorial Fellowship. A graduate of the UCLA Luskin School of Public Affairs, with Master of Arts in Urban Planning, Julia brings a vast network and a proven track record within County government to the Third District.

**Craig Bullock, Planning Director, Office of City of Los Angeles Councilmember Traci Park (City Council District 11).** Craig Bullock has extensive experience in local government having worked for several elected officials at the local level and in various capacities with the former Community Redevelopment Agency of the City of Los Angeles and its successor agency. Currently, Craig is the Planning Director for Councilwoman Traci Park (District 11). In this capacity he oversees all planning activities for the councilwoman, liaises across legislative bodies and City departments, and works on the City's recovery efforts in Pacific Palisades. Prior to joining Councilwoman Park's Office, he was the Planning Director for Councilmembers Paul Krekorian and Mitch O'Farrell.

#### **Next Steps**

Staff will report back in late 2026 with an assessment and progress of the resolution with recommendations for refinements that might lend to greater impact in the region.

#### **FISCAL IMPACT:**

Work associated with this item is included in the FY25 Indirect Cost Program (810.0120.20: Planning Policy Development).

#### **ATTACHMENT(S):**

1. Resilience Resolution Update

## ATTACHMENT 1: SCAG RESILIENCE RESOLUTION UPDATE

Strategy	Update
<p>1. The Southern California Association of Governments confirms its commitment to planning for and building resilient communities as an imperative and core to its role in supporting jurisdictions and other partners in realizing the goals and vision of Connect SoCal.</p>	<p>Staff has made steady progress in advancing strategies outlined in the resolution and will continue to iterate and share lessons learned with partners via regular updates to policy committees, the Regional Council, and Toolbox Tuesday presentations.</p>
<p>2. SCAG shall leverage existing and pursue new resources to develop and deploy planning resources and engagement strategies on climate adaptation and resilience to support jurisdictions to plan, prepare, and recover, including but not limited to:</p> <p>a. the Resilience Toolkit,</p>	<p>Resilience Toolkit will be an online resource that will inform local jurisdiction efforts to:</p> <ul style="list-style-type: none"> <li>• Identify resilience vulnerabilities/challenges</li> <li>• Develop resilience plans, policies, and strategies</li> <li>• Fund and finance resilience projects and programs</li> <li>• Implement and monitor resilience projects and programs</li> <li>• Prepare for and recover from natural disasters</li> </ul> <p>The toolkit will be released in March 2026. An overview of the Toolkit will be provided at the March EEC meeting, and a Toolbox Tuesday will be held on April 21st to provide an in-depth dive into the Toolkit. Subsequent to the completion on the Toolkit SCAG will be working to complete complementary guides that will be a resource for jurisdictions seeking to integrate resilience into different types of plans and implementation strategies.</p>
<p>b. the SCAG Climate Adaptation Planning Guide,</p>	<p>Staff is also working to update the SCAG Southern California Climate Adaptation Planning Guide and related resources. The Adaptation Planning Guide will include updated climate projections for Southern California, tools, resources, and best practices for adaptation planning, and a compliance guide for Safety Element updates.</p> <p>This targeted update will align the guide with the latest climate projections and assist users to navigate the combined resources of the Adaptation Planning Guide and the Resilience Toolkit.</p>

## Strategy

## Update

<p>c. Wildlife Crossing Connectivity Master Plan,</p>	<p>SCAG submitted a grant application to the State to launch a regional Wildlife Connectivity Master Plan. This effort will identify high-value areas for wildlife connectivity improvements within the transportation network. It will include tools to support planning and implementation efforts.</p>
<p>d. transportation emergency preparedness plans, and</p>	<p>SCAG provided funding to support and serves as an advisor to California Statewide Local Streets and Roads Needs Assessment. This work is a complement to the State and Local Transportation Needs Assessment completed by the California Transportation Commission with support from regional partners like SCAG. Both efforts will serve a part of the foundation for Connect SoCal 2050 development. Connect SoCal 2050 work is underway.</p>
<p>e. system preservation strategy.</p>	<p>SCAG has a \$1M Caltrans grant that is funding the Resiliency/Readiness Planning Study. Staff is engaging with Caltrans on project execution with procurement expected in spring 2026 and project completion expected in the spring of 2028.</p>
<p>3. SCAG will develop tax increment financing resources, including for Climate Resilience Districts and/or Enhanced Infrastructure Financing Districts, to support jurisdictions in planning for and building resilient communities including taking proactive actions to respond to impacts on the insurance and housing market.</p>	<p>SCAG is partnering with CA Forward to explore opportunities and barriers to adoption of Climate Resilience Districts in the SCAG region. Staff has completed a scope of work for this effort and is in the process of executing a contract with CA Forward. Work will begin in Spring 2026.</p> <p>Additionally, SCAG is seeking consultant support to develop a suite of technical assistance resources to support local jurisdictions that are interested in evaluating the feasibility and potential benefits of tax increment financing tools to advance local needs, including climate resilience, housing, mobility and economic development. Staff is in the process of procuring a consultant. Work is anticipated to begin in Summer 2026.</p>

## Strategy

## Update

<p>4. SCAG will take proactive steps to expand upon the successes of the Regional Utilities Supporting Housing (RUSH) Program to support infrastructure planning and investments that are critical to meeting regional sustainable communities' strategy goals, including housing development, with a climate adaptation and resilience lens.</p>	<p>SCAG is preparing to launch the Clean and Resilient Utility Infrastructure Study (CRUIS). CRUIS will explore the current state of utility planning and infrastructure and future demand and needs to accommodate anticipated economic and demographic trends, the clean energy transition, impacts from climate change, and energy sectors such as data centers. It will focus on infill areas and transportation infrastructure that serves and connects those areas.</p>
<p>5. SCAG will explore opportunities to support transportation systems vulnerability assessments that can lead to further planning and establish a pathway for resilient infrastructure funding via SCAG's federal Surface Transportation Block Grant and Congestion Mitigation and Air Quality Improvement Programs and other funding programs.</p>	<p>For the FFY 2026-27 &amp; FFY 2027-28 STBG/CMAQ Call for Projects selection process, SCAG elevated the prioritization of projects that address the resilience of at-risk infrastructure for funding. This call for projects concluded with Regional Council approval of project awards and contingency project lists in December 2025.</p>
<p>6. SCAG will continue to support the Los Angeles County Office of Emergency Management (LAOEM) as a collaborator and identify potential resources, geared towards supporting the communities impacted by the LA Wildfires to rebuild and recover.</p>	<p>Staff supported the City and County of Los Angeles in the following areas:</p> <ul style="list-style-type: none"> <li>• SCAG staff co-led the development of the Resilient Rebuild Resource Guide to support property owners and design and building professionals supporting property owners with resources to inform decision-making around resilient rebuilding</li> <li>• A \$3.8M grant was provided to the County of Los Angeles as part of the REAP 2.0 Subregional Partnerships Program to support ADU development in fire impacted communities and unincorporated LA County</li> <li>• SCAG supported both the City and the County through the provision of consultant support through Kosmont Companies to assess the feasibility of creating tax increment financing districts to support resilient recovery and rebuilding.</li> </ul>

## Strategy

## Update

<p>7. Staff will report back for assessment of progress made to date and refinement of strategies moving forward in early 2026.</p>	<p>Staff reported back to the Regional Council in March 2026.</p>
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**To:** Regional Council (RC)  
**From:** Lucy Dunn, Ex-Officio Member; Business Representative  
**Subject:** Business Report – March 5, 2026

Here are a few items that business and industry leaders have been engaged in which may also be of interest to regional public leaders:

- 1. The next GLUE Council meeting** of business and industry leaders will be held April 6, 2026 at 10:00 AM via Zoom.
- 2. Tariffs Uncertainty Impact So Cal’s Economy.** And with the Supreme Court’s recent decision finding tariffs imposed under IEEPA unconstitutional, the So Cal economy will continue to feel impacts, especially of uncertainty. No one yet knows whether tariffs collected will be refunded or to whom. However, we do know that tariffs will continue to be imposed. Here’s a list of the President’s alternatives from Bruce Mehlman, [brucemehlman@substack.com](mailto:brucemehlman@substack.com), and [Bloomberg finds](#) Sec. 122 tariffs could “more than replace” IEEPA if set at just 10%, *but they only last for 150 days* and could themselves face court challenge. Stay tuned. Small businesses in our cities are particularly affected.

**THERE WILL BE TARIFFS**

**President’s Tariff Toolbox is Robust**

-  **IEEPA (national security emergency powers)**
-  **Sec. 232 (national security)** IMPORT TARIFFS
-  **Sec. 301 (unfair trade practices)**
-  **Sec. 122 (balance of payments authority)**
-  **Sec. 338 (response to foreign discrimination)**
-  **Sec. 201 (imports threaten domestic industry)**
-  **Sec. 891 (retaliatory tax)**

- 3. SoCal Housing Notes from Randall Lewis of Lewis Homes.** Randall Lewis is a member of GLUE Council. Here are his insights on homebuilding for the month:

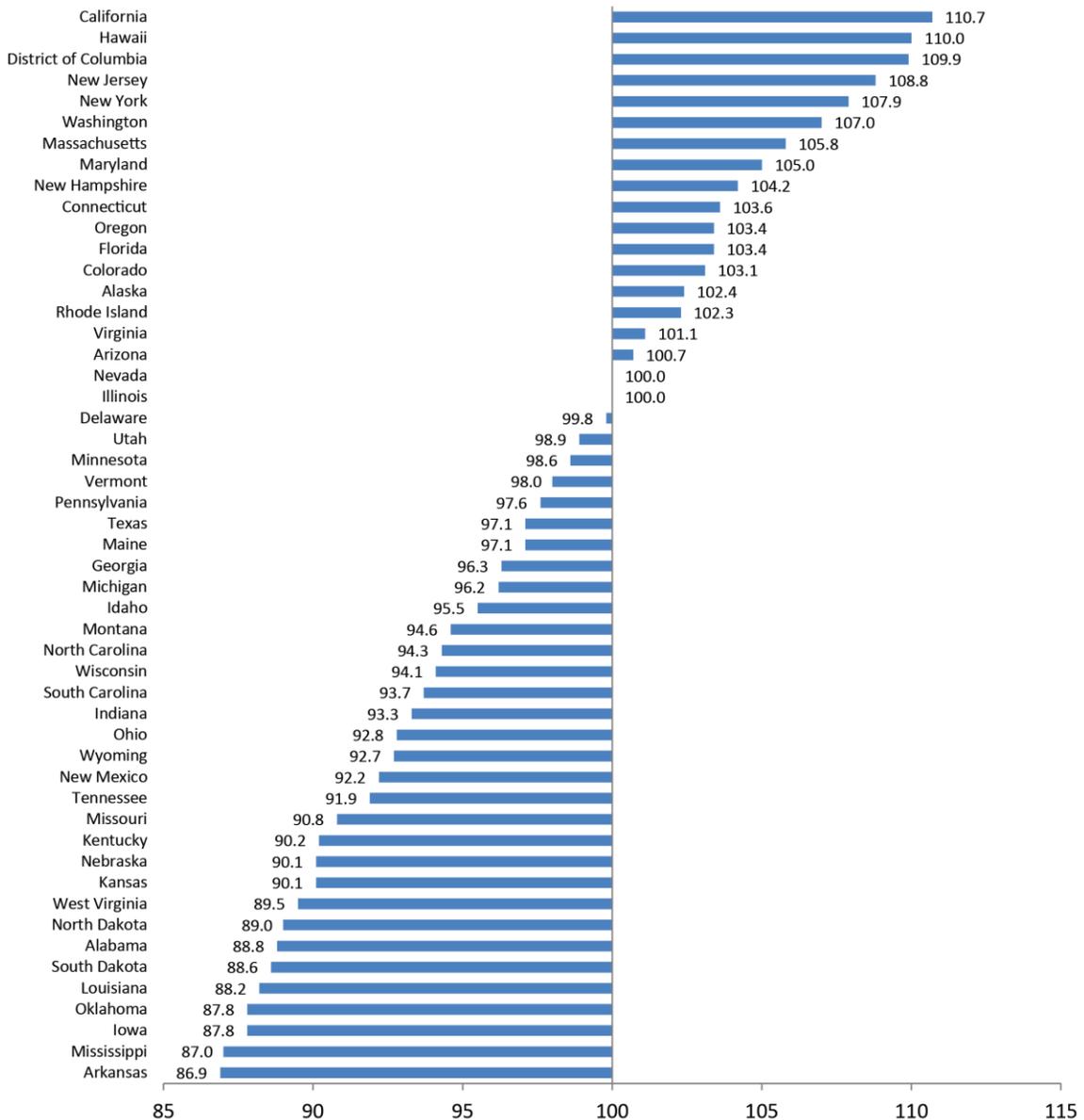
  - Home sales, both new and resale, continue to be sluggish. They're not terrible but they're not very good. We are hearing that customers have a lot of uncertainty about the economy, about their jobs, and what will happen with AI. This is the beginning of the Spring selling season and there still are many shoppers looking so we will wait and see.
  - Apartment renters continue to stay in their apartments much longer than normal. Young people in increasing numbers are living at home with their parents.
  - There will be a continued shift from new homes towards more affordable product types such as duplexes, townhouses, and condominiums. The ADU movement is slowly gaining momentum. Collectively, we all must work on ways to drive down the cost of housing.
  - California continues to have policies that discourage businesses and wealthy residents to stay put. The exodus of high-net-worth people and their companies will only continue unless Sacramento takes positive steps. This is a problem that is not going away.
  
- 4. New PPIC Report Dissects Factors Making Life Tough for CA Business Owners.** PPIC economists studied the relationships between regulation and business starts in California. Sneak preview: It is the *quality* of California's regulatory climate, more than the *quantity* of regulations, that creates headwinds for the state's economy. Here's the report: <https://www.ppic.org/publication/business-regulation-and-business-starts-in-california/>.

Key findings:

  - California is not an outlier nationwide in the quantity of business regulations, but it appears as an outlier for the quantity of specific prohibitions or obligations embedded in business regulations.
  - States with more regulation tend to have fewer business starts, both overall and in manufacturing. While this correlation does not imply that reducing regulation would necessarily increase business growth, California stands out with its relatively higher regulation and slower rate of business starts.
  - Across California cities, less correlation exists between the number of permits required and the rate of business starts; for manufacturing, however, there is more evidence that more permits are associated with fewer new manufacturing business starts.
  
- 5. Update: CEQA Reform Ballot Measure** proposed to modernize the 55-year-old law appears to have secured enough signatures to ready for the November ballot. For more info, <https://advocacy.calchamber.com/2025/10/21/calchamber-files-building-an-affordable-california-ballot-initiative/>.

**6. Economy—California Most Expensive State in Nation in 2024** according to the Regional Price Parities (RPPs) published by the US Bureau of Economic Analysis. For more info, <https://www.bea.gov/news/2026/real-personal-consumption-expenditures-state-and-real-personal-income-state-2024>.

Regional Price Parities for States, 2024 (United States = 100)



U.S. Bureau of Economic Analysis

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7. **OC Forum's Outlook OC 2026.** On March 3, I will have the honor of moderating a luncheon panel featuring Dr. Mira Farka, Professor of Economics and Co-Director for the Woods Center for Economic Analysis & Forecasting, CSUF; Jon Gould, Dean, UC Irvine School of Social Ecology; and Cori Takkinen, CEO, Townsend Public Affairs. This expert panel will explore how local economic conditions are influencing voter perceptions, what the latest polling reveals about shifting attitudes, and the key policy and governance implications to watch at the state and federal levels. For more info, [www.ocforum.org/events](http://www.ocforum.org/events).
  8. **2026 Report of the Region.** I have included the 2026 Report of the Region by Manfred Keil, Robert Kleinhenz, and Kenneth P. Miller, which provides an Economic Update and Outlook to the U.S. Economy.

# The 2026 Report of the Region

by

Manfred Keil, Robert Kleinhenz, and Kenneth P. Miller<sup>1</sup>

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## ECONOMIC UPDATE AND OUTLOOK THE U.S. ECONOMY

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### General Economic Conditions Today

Based on headline developments of indicators of economic well-being, such as GDP growth, inflation, and the unemployment rate, 2025 appears to have been a good year for the U.S. economy. It is when looking beyond these headline numbers that alarm bells are starting to ring. Still, we **do not forecast an economic downturn for 2026**. On the contrary, both fiscal policy and monetary policy – the One Big Beautiful Bill Act, reduced interest rates, respectively – suggest a **continuation of relatively high growth rates of real GDP**, driven primarily through Artificial Intelligence (AI) related investment expenditures and sustained levels of household expenditures (consumption).

2025 was a year of uncertainty, created by a number of disruptive changes in policy at the federal level, including President Trump’s Liberation Day announcements regarding tariffs on April 2. This initially resulted in a list of incredibly high tariff rates on some countries that you would have predicted were in the President’s crosshairs (China, South Korea, Japan, Mexico, European Union). Given the “formula” to determine tariff rates, it also hit Saint Pierre and Miquelon, a small group of French islands with about 6,000 French residents just south of Newfoundland with a 50 percent tariff, and levied a 10 percent tariff on the uninhabited Heard and McDonald Islands near Australia. Liberation day was then followed by the “on-again-off-again” tariffs on goods from Mexico, Canada, and other countries, which were ultimately set at lower levels compared to the initial announcement. Overall, it resulted in an average tariff rate of nearly 17

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<sup>1</sup> Keil: Chief Economist, Inland Empire Economic Partnership, Associate Director, Lowe Institute of Political Economy, Robert Day School of Economics and Finance, Claremont McKenna College; Kleinhenz, CEO, Kleinhenz Economics, Inland Empire Economic Council; Miller: Director, Rose Institute of State and Local Government, Government Department, Claremont McKenna College, Inland Empire Economic Council. We received valuable assistance from various research analysts, foremost from senior analysts Arlo Jay and Luke Young, and research analysts Charlie Bollwerk, Jiaxin Chen, Langcheng Zhou of the Lowe Institute and Quinten Carney of the Rose Institute.

percent, the highest since the 1930s but significantly lower than the initially announced rates. Importantly, higher tariffs in 2025 had only a modest effect on consumer prices.

More uncertainty was caused by the Administration’s efforts to restructure the federal government, cuts to research and development, an increase in immigration actions, and in the fall, the 43-day Government shutdown. More recently, President Trump has threatened eight European countries with 10 percent additional tariff rates related to their oppositional view on Greenland, only to, once again, take that increase off the table.

Many observers of the economy anticipated significantly higher prices (inflation rates) and a slowdown of the economy in 2025. We disagreed with that view in last year’s State of the Region Report, and instead predicted that GDP growth for the year would be 2.0 percent, coupled with an inflation rate of 2.6 percent, and an unemployment rate of 4.3 percent.

Table 1 compares our forecast with the actual outcome.

**Table 1: Nation Economic Forecasts 2025, State of the Region 2025, and Outcomes**

United States	2025 forecast	2025 outcome
<b>Real GDP Growth</b>	<b>2.0</b>	<b>2.6</b>
<b>Inflation</b>	<b>2.6</b>	<b>2.6</b>
<b>Unemployment Rate</b>	<b>4.3</b>	<b>4.3</b>
<b>Employment Growth (CES)</b>	<b>1.0</b>	<b>0.5</b>

*Note:* to calculate the 2025 actual numbers we assumed a 3.0 percent growth rate of real GDP for 2025Q4; for the inflation rate, we used the consumer price index without less food and energy and assumed and assumed the same year-to-year increase in December as observed in November; for the unemployment rate, we assumed an increase to 4.5 percent for December; for non-farm employment growth, we used the same growth rate as for November 2025.

Real GDP growth exceeded our forecast by roughly half a percentage point because we overestimated the extent to which tariffs would be passed on to consumers. There are various reasons for this not to happen: (i) exporters may decide to lower prices in fear of losing

customers, (ii) importers may lower profit margins by not passing on the tariffs to consumers, and (iii) consumers may substitute domestic goods for imported goods. The combined effect of these adjustments in pricing and behavior was that price increases were less than those implied by the tariff rates themselves.

For both inflation and the unemployment rate we were spot on. We overestimated the growth rate of non-farm employment, mainly because there was no way of knowing the extent of changes to immigration policies and their impact on industries that rely heavily on immigrant workers.

Although it has been some time since the Federal government shutdown ended, there continue to be delays in releasing economic data. The forecasts and insights contained in the 2026 State of the Region are based on the data that was available as of the end of January 2026.

## **Economic Growth**

**Real GDP**, the most general measure of economic wellbeing, showed an erratic pattern initially, but then settled to display relatively **high growth rates during the second half of 2025**.

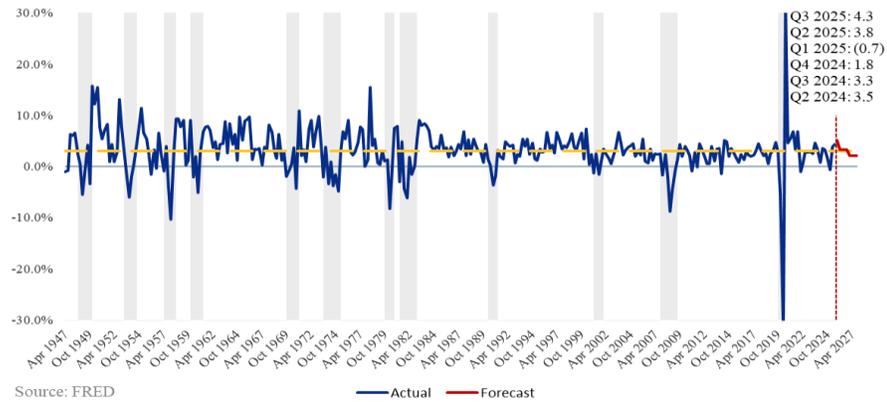
Numbers for the first half of the year were primarily driven by reactions to President Trump's tariff policies. During the second half of the year, the economy achieved strong quarterly growth rates exceeding four percent that were not anticipated by many forecasters. Stronger than expected consumer spending and heavy investment spending in artificial intelligence (AI) contributed to the impressive gains during the second half of the year.<sup>2</sup>

During 2025, the Federal Reserve lowered the Federal Funds Rate (FFR) by 75 basis points, putting it into a range of 3.50 percent to 3.75 percent in December 2025, and kept it unchanged in its January 2026 meeting. Chairman Powell has signaled that there will most likely be only one more cut during the first half of 2026. The Fed kept interest rates constant at their January meeting. Financial markets currently have put less than a 10 percent probability on a 25-basis point cut by March 2026.

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<sup>2</sup> While the GDP growth rate for the fourth quarter of 2025 was not available at the time of publication, we have incorporated the "GDPNow" forecast for that quarter from the Atlanta Fed.

**Figure 1: Quarterly Growth in Real GDP, 1947 Q1 - 2025 Q3 (Actual), Forecast 2025Q4-2027**



- 2025 Quarter 4 growth rate of 4.2 percent is taken from the GDP Now forecast model of the Federal Reserve Bank of Atlanta model.
- The third quarter GDP growth rate at 4.3 percent was a two-year high, and with the exception of one quarter in 2023 had not been seen since the recovery rates in 2021.
- The negative quarter of GDP growth in 2025 was due to import hoarding in anticipation of President Trump’s tariff policies and resulted in less impressive 2.5 percent annual growth.

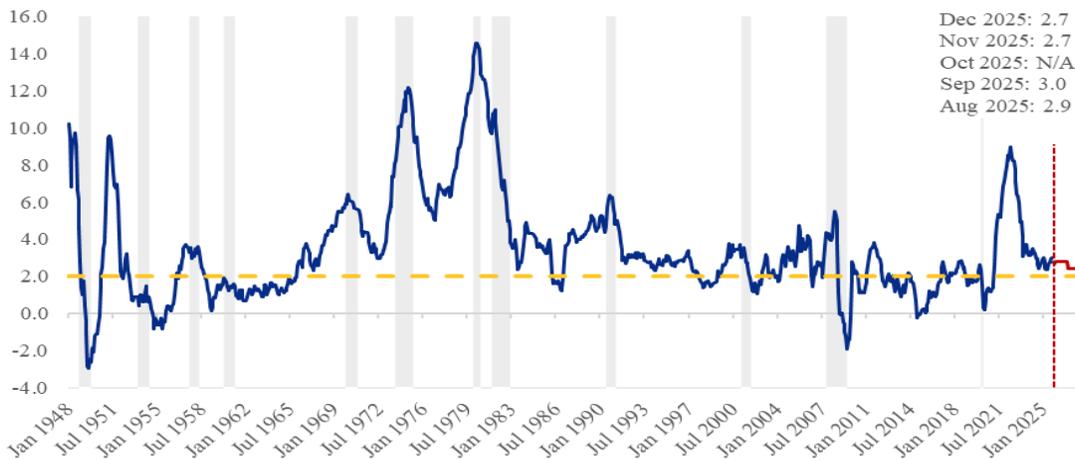
Newly appointed Chairman Kevin Warsh will take over in May, and the direction of interest rates through the balance of the year will become uncertain at this time. Interest rates are already at their lowest level in three years. Lower interest rates are supposed to stimulate interest rate sensitive expenditures by households and firms, e.g. housing starts, automobile purchases, and credit cards.

## Inflation

Inflation (measured as the growth in prices from a year ago) has missed the target inflation rate of 2 percent for over five years by now. The Consumer Price Index excluding food and energy stood at 2.5 percent in the last release (for January 2025), while the Fed’s preferred measure, the personal consumption expenditures price index excluding food and energy, rose at 2.8 percent (November 2025, the latest data point available). In fact, **the inflation rate is now over half a percentage point lower than it was a year ago**, meaning that inflation is moving towards the Fed’s 2 percent target. This has occurred at a time when the labor market has slowed significantly. The U.S. central bank has a dual mandate to manage the rate of inflation and undertake policies to reach and maintain full employment.

It is not clear what the Fed will do in the current situation, hence the “wait and see” attitude. We are forecasting cuts in the FFR this year by at least 50 basis points, if nothing else, due to political pressure. This may spur job growth but will not help to bring down inflation. We do not expect the inflation rate to come down from current levels due to the effects of the fiscal stimulus in the “Big, Beautiful” tax bill and certainly it will not approach 2 percent in 2026, although we forecast it to reach that level late in 2027.

**Figure 2: Inflation (CPI), U.S., January 1948 - January 2026, Forecast 2026-2027, Percentage Change from a Year ago, SA**



- Inflation, on average, has stayed stubbornly above its 2% target (yellow line); the inflation target of 2 percent has been missed for five years.
- We predict inflation rate to reach its target late in 2027
- The Federal Reserve’s favorite inflation measure “personal consumption expenditures index” rose by 2.9 percent in the third quarter, the last observation available to us. CPI inflation was 2.4 percent in January, 2.5 percent when excluding food and gasoline (“core inflation”).

## Labor Markets

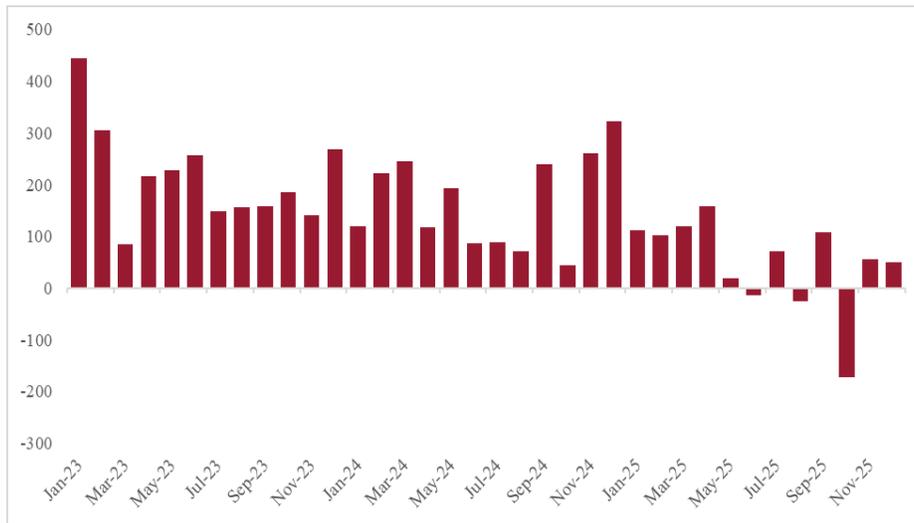
The unemployment rate increased by 0.3 percentage points to 4.4 percent in 2025, but remains low by historical standards. However, monthly hiring fell sharply over the second half of the year. The latest data (January 2026) shows an unemployment rate of 4.3 percent.

Several developments may be contributing to the decline in job growth. First, the growth rate of the U.S. labor force has been declining for some time, but recent immigration policies accelerated the trend. Second, firms in the tech and logistics industries ramped up hiring during the pandemic to retain their workforce at a time of great uncertainty, but have since cut jobs in order to reduce their bloated workforce. Third, industries such as manufacturing and financial activities have contributed little to job creation as their headcounts have followed a long run decline while other industries such as motion picture and recording have faced structural changes in recent years that have caused job cuts rather than hiring.

Given these developments, it is possible that job growth in 2026 will continue to be weak by historic standards. Over the last 25 years, monthly jobs in the U.S. have increased by an average of 92,000 positions. Over the next year, it is likely that job growth will average half that rate even as **real GDP shows higher than average growth rates (“jobless boom”)**: much fewer jobs are currently needed per month if the U.S. population is actually shrinking as a result of out-

migration of people. Several economic forecasters (e.g. J.P. Morgan, Goldman Sachs, Brookings Institute) have suggested that observing as few as 40,000 or even less new jobs created could be consistent with full employment. January 2026 data showed an unexpectedly positive 130,000 increase.

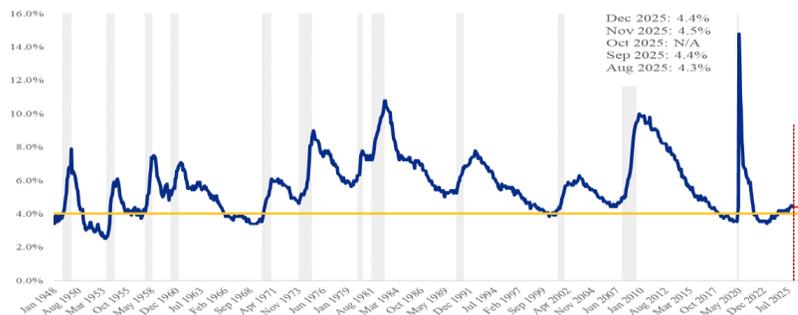
**Figure 3: Change in Nonfarm employment, Monthly, CES, January 2023- December 2025**



- Significant weakness in labor market signaled through low month to month changes in non-farm employment. In January 2026, job growth was unexpectedly better at 130,000 (not shown in graph).
- existing data will be adjusted downward in 2026
- 2015-2019 average was 200,000

Over the last year, nominal wages increased by approximately 3.5 percent, thereby barely outpacing the inflation rate. The real wage rate, which measures purchasing power of earnings, only rose by 0.8 percentage points, which is low by historical comparison. In a tight labor market, if there is fear of increased inflation, workers will demand higher nominal wages in order to see more significant real wage increases. If that happens and firms pass on the price increase, then inflation will increase.

**Figure 4: Unemployment Rate, SA, U.S., August 1949 - January 2026, Forecast 2026-2027**



- The national unemployment rate has fallen slightly to 4.3% in January, after being basically constant for some time prior to that
- The 4.3% unemployment rate is still low by historical standards
- The yellow line indicates the current unemployment rate at full employment (“natural rate”).

It is important to stress that even though the headline unemployment rate and GDP growth suggest that the economy is doing well, this may not be the case for all sectors of the economy. In particular, there has been talk about a “**Freight Recession**” over the last two years, meaning that the logistics sector is contracting. To clarify, this does not mean that there is a recession caused by the Logistics (Transportation, Warehousing, Wholesale) industry. Rather, the Transportation sector is in a downturn that has been marked by decreased employment and failures of companies within the sector.

Given that we live in the Inland Empire and have been classified as “The Warehouse Capital of the World” by *The Economist* news magazine, this development is relevant. Here is a summary of the ups and downs of employment in national truck transportation employment: (i) initial decline of 82,000 jobs during the last recession in 2020, (ii) steep increase of 157,000 jobs until mid-end 2022, (iii) 71,000 decline subsequently. We believe that basically the cyclical upswing in the industry is completed and the sector is back to earth where it was before. **Talk of a national Freight Recession is really misplaced.** It is more like a return to normalcy.

## Exchange Rate and Trade

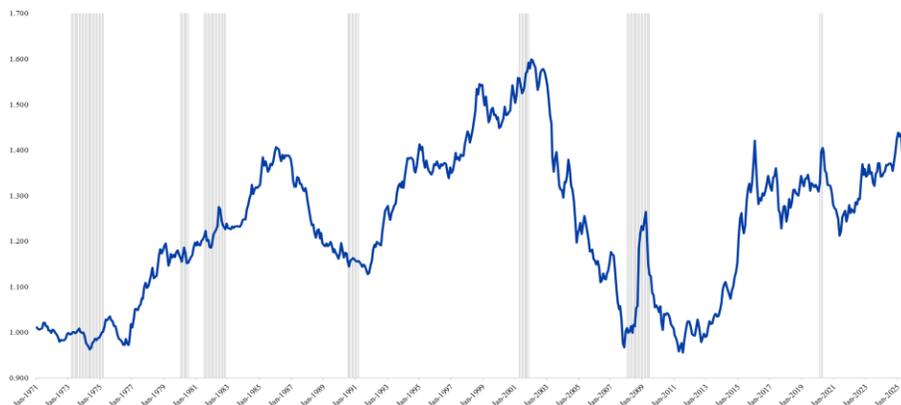
The U.S. **dollar has depreciated significantly over the last year** against many major currencies of trading partners. For example, it is 14 percent less expensive now for Europeans to come here for vacation. Against the Canadian Dollar, the U.S. Dollar has depreciated 5 percent from a year ago, and roughly the same against the Chinese Yuan. As a result, we would expect exports from European countries to be hit harder than those from Asia - and it is the latter that ships containers through the Ports of Los Angeles and Long Beach. Still, this makes it less expensive for the snowbirds to travel south, although we believe that other factors play a more important role in keeping them from coming in 2026. Another currency that has gained ground against the U.S. dollar is the Mexican Peso (by roughly 18 percent) although our currency has also remained roughly constant against some foreign exchange (Korean Won, Japanese Yen). A depreciating U.S. dollar has the same effect as a tariff: it makes foreign goods more expensive (it also makes U.S. goods cheaper abroad).

As for goods movements, the depreciating dollar coupled with increased tariffs has resulted in a smaller trade deficit compared to a year ago. However, the Ports of Los Angeles and Long Beach had a record-breaking year for container activity in 2025 and anticipate continued strength in

shipping activity in 2026. Lower imports from China have coincided with higher imports from other Asian countries.

Exchange rates play a role in the Inland Empire for two reasons: (i) they affect the relative price of domestic and foreign goods and hence trade movements, which, in turn, play a major role for the logistics industry; and (ii) the Canadian dollar, in particular, determines how expensive a vacation will be for Canadian tourists (“snow birds”) to spend time here during the colder months north of the border. This impacts the Leisure and Hospitality industry. In addition, there are Canadian property owners especially in the Coachella Valley (Riverside County).

**Figure 5: Canadian Dollar to U.S. Dollar Spot Exchange Rate, March 1971 - January 2026**



- C\$/US\$ has depreciated roughly by 4 percent from a year ago.
- Canadian dollar appreciated by roughly 40% from late 2007 to early 2016
- Regarding most other major currencies (Euro, Yen, Yuan, Won, etc.), the U.S. Dollar has depreciated over the last year, making imports slightly more expensive and exports abroad cheaper. Coupled with increased tariffs, the trade balance has become less negative.

## What you can expect

In the year ahead, GDP will continue to increase at an above average rate, but job growth will be challenging, and the unemployment rate will show minimal movement; hence the term “**jobless boom.**” GDP growth in 2026 will be driven by several developments: First, tax policies coming into effect early in 2026 will have a positive effect on both consumption and equipment purchases. We expect non-residential construction in the form of manufacturing plants and data centers to increase. We also anticipate more shipbuilding and increased production of Boeing aircraft. Second, residential construction will benefit somewhat from the lower interest rate policies of the Federal Reserve, although uncertainty about market fundamentals – specifically the strength of demand and the availability and cost of labor and material on the supply side – will cause the sector hesitation. President Trump has appointed a new Chairman of the Federal Reserve in 2026, and Kevin Marsh will certainly push for even lower interest rates. Regardless,

inflation will hold below three percent, showing some improvement and possibly approach the Fed's two percent target late in 2027.

Our forecasts also assume that there will be no major changes in geo-political events in Ukraine and Europe, the Middle East, China, or Latin America.

**Table 2: U.S. Economy, Present and Forecast, 2024 - 2027**

<b>United States</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Real GDP Growth</b>	<b>2.8</b>	<b>2.6</b>	<b>3.3</b>	<b>2.1</b>
<b>Inflation</b>	<b>3.4</b>	<b>2.6</b>	<b>2.9</b>	<b>2.4</b>
<b>Unemployment Rate</b>	<b>4.0</b>	<b>4.3</b>	<b>4.5</b>	<b>4.3</b>
<b>Employment Growth (CES)</b>	<b>1.3</b>	<b>0.5</b>	<b>0.1</b>	<b>0.6</b>

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## ECONOMIC UPDATE AND OUTLOOK

### THE CALIFORNIA ECONOMY

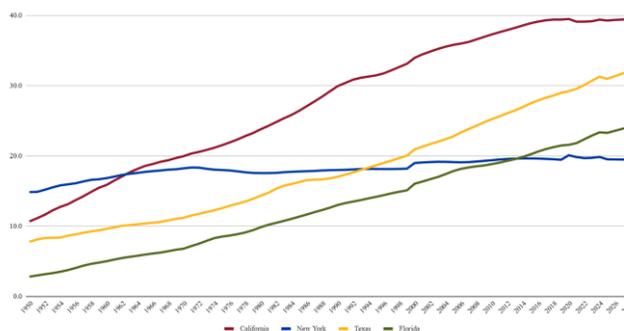
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To begin with, and on the positive side, California would have the fourth largest GDP in the world if it was a country. Ranked right behind Japan, it has a higher GDP than India and the U.K.

Neither the size of GDP nor of the population, however, is an indicator of how well a country is doing. The “Wealth of a Nation” is generally measured by per capita income or **per capita GDP**. And using that measure, **California ranks fourth in the U.S. behind New York, Massachusetts, and Washington**. It is far ahead of both **Texas (ranked 17th) and Florida (ranked 36th)**.

California has overcome its temporary population decline following COVID-19, which was unique in its 174 year history. This was followed by a period of slow growth, but growth stalled in 2024 and there was essentially no growth from July 2024 to July 2025 (an increase of less than 20,000 people). The state's total population is now slightly above 39.5 million people.

**Figure 6: Population in Millions, California, New York, Texas, and Florida, 1950 - 2028 (projection)**



- California is the most populous state in the U.S., followed by Texas, Florida, and New York.
- Rankings can change over time: New York used to be the biggest state until the early 1960s, but was passed by California, Texas, and Florida.
- Population growth in California has recovered from the COVID-19 episode.

California currently finds itself in a situation that is similar to that of the nation. The state’s GDP grew at a rapid pace last year, while job growth has been anemic at best. Different from the nation, the state unemployment rate is relatively high.

**Real GDP grew** at a strong rate of 4.3 percent in the third quarter of 2025. The U.S., during the same quarter, only grew at 3.8 percent. However, more than half of this growth came from just **two sectors**, which generated 2.5 percent of the 4.3 overall growth rate. They were (i) the **Information** sector (contribution to overall growth: +1.7 of the overall 4.3 percent growth of the state economy), and (ii) **Manufacturing** (+0.8/4.3 percent). Other sectors worth mentioning were Health and Private Education (primarily Health, 0.5/4.3 percent), and Professional and Business Services (also 0.5/4.3 percent). The biggest losers were the Government sector (-0.3/4.3 percent) and Retail Trade (-0.5/4.3 percent). Had these two sectors just stayed at their previous level, then the California economy would have grown at a rate of close to 5 percent.

To reiterate, we are talking about **growth in output of goods and services, not employment**. It was a positive surprise to see the Information and Manufacturing sectors rebounding, despite job losses over the past year. Information jobs fell by two percent and Manufacturing jobs declined by nearly three percent over the past year. On the other hand, Healthcare and Social Assistance jobs grew by more than five percent, yet the contribution to GDP growth was much less at 0.5 percent.

Historically, state real GDP growth rates are higher than national growth rates, sometimes substantially so, and the 4.3 percent growth is also an improvement over the more recent performance. For example, our state **experienced four quarters of negative growth in 2022**, implying that we avoided the national recession in that year, but not a regional decline.

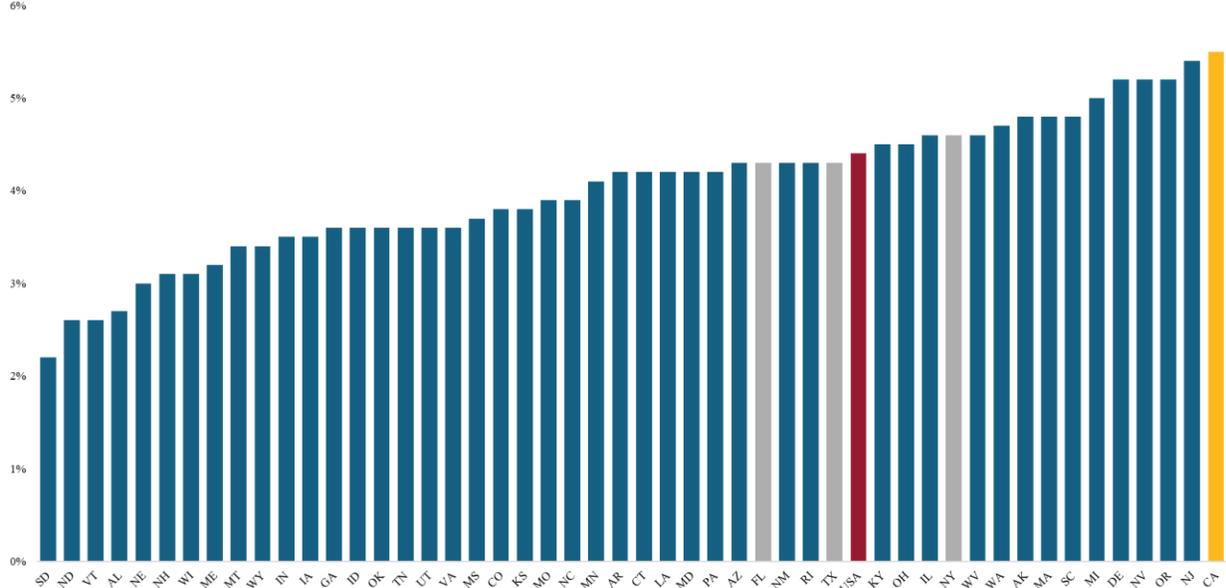
**Figure 7: Real GDP Growth, California and U.S., Quarterly Growth Rates Annualized, SAAR, Billions of Chained 2017 Dollars, 2005Q1-2025Q2**



- California shows a 4.3 percent growth in 2025Q2, which is higher than the national level.
- **There were four quarters of negative growth in 2022.**
- Compared to national growth rates, California typically displays higher growth rates.

As noted earlier, the performance of the California economy is not unlike the nation except that the negatives from the labor market are more amplified. **California currently (November 2025) has the highest unemployment rate among U.S. states.** To make matters worse, it continues to go up and by now has reached 5.6 percent, a full percentage point above the national level. While California typically has a higher state unemployment rate than the national rate due to the industry mix of the California economy, the gap is bigger than typically experienced (UCLA’s Anderson Forecast estimates the gap to be 0.3 percentage points during “normal” times). The current high reading is due to weakness in tech, entertainment, tourism, and manufacturing sectors, all of which are important to the state economy, but have experienced sustained job losses over the last few years. Note that some of this discrepancy between output and employment generation can be attributed to AI. On the positive side, the state unemployment rate only increased by 0.3 percentage points from a year ago.

**Figure 8: U.S. State Unemployment Rates, SA, December 2025**



- California has the highest state unemployment rate at 5.5 percent.
- California unemployment rate levels are significantly higher than the national average (4.3 percent).
- Higher state unemployment rate is not a recent phenomenon, but can typically be observed over time.

According to the establishment survey (CES), employment in 2025 was 51,400, the smallest annual job gain in the past five years (Table 3). To make matters worse, job gains were limited to five of 17 industries, with Health Care and Social Assistance contributing the largest increase by far at 149,700 jobs, followed by Local Government (public education) at 43,500, and Private Education Services at 8,000, Transportation and Warehousing, and Other Services had much smaller gains. The remaining 12 industries lost jobs, including large declines in Manufacturing,

Professional Scientific and Technical Services, Construction, and Information, the latter including both tech and Hollywood.

**Table 3: Labor Market, California, 2024-2025**

TITLE	Feb 2020	2024	2025	YTY	YTY %	Now vs. Feb 20
Health & Social Asst	2,482,400	2,867,700	3,017,400	149,700	5.2%	122%
<b>Total Nonfarm</b>	<b>17,663,900</b>	<b>17,952,300</b>	<b>18,003,700</b>	<b>51,400</b>	<b>0.3%</b>	<b>102%</b>
Government	2,618,800	2,662,600	2,706,100	43,500	1.6%	103%
Educ Services	392,300	418,300	426,300	8,000	1.9%	109%
Trans Warehousing	735,200	838,000	839,300	1,300	0.2%	114%
Other Services	594,100	594,700	595,500	800	0.1%	100%
Mining & Logging	22,600	19,000	18,700	-300	-1.6%	83%
Mgmt of Companies	296,000	287,200	285,700	-1,500	-0.5%	97%
Retail Trade	1,629,400	1,587,400	1,583,900	-3,500	-0.2%	97%
Leisure & Hospitality	2,059,200	2,015,100	2,011,100	-4,000	-0.2%	98%
Wholesale Trade	687,400	658,900	650,800	-8,100	-1.2%	95%
RE & Other Rental/Leasing	307,800	306,600	298,300	-8,300	-2.7%	97%
Finance & Insurance	541,200	496,100	485,800	-10,300	-2.1%	90%
Information	588,900	538,400	527,600	-10,800	-2.0%	90%
Construction	909,800	911,500	893,700	-17,800	-2.0%	98%
Admin Support	1,147,300	1,094,600	1,076,100	-18,500	-1.7%	94%
Manufacturing	1,290,700	1,248,800	1,214,400	-34,400	-2.8%	94%
Prof Sci & Tech Services	1,360,800	1,407,400	1,373,000	-34,400	-2.4%	101%

Source: EDD, KE

- Significant private sector job growth is concentrated in Health Care & Social Assistance, with much smaller gains in Private Education Services and Transportation and Warehousing
- In the public sector, Government added 43,500 positions, mostly in local government.
- Twelve of 17 major sectors experienced a decline in employment

The issue dominating the state’s labor market today is the pervasive adoption of AI systems in the workplace, principally in the industries of software development, web and computer design, professional services including legal, accounting, and architecture, and scientific and technical consulting. Financial services has also substituted AI processes for human positions as has both the durable and non-durable manufacturing sectors.

## The 2026 Outlook

Looking ahead, the state faces several economic challenges in 2026. First, labor force growth will be constrained over the foreseeable future, both because of long-term demographics and because of ongoing anti-immigration actions by the Administration. Second, the state’s leading industries such as tech, professional scientific and technical services, manufacturing, motion picture and sound recording, and tourism all continue to display weakness in job growth if not

economic activity. While Health Care and Government were the only sources of significant job growth last year, even their ability to add jobs is uncertain, given recent budget cuts and reallocation of resources at the federal level. The Health sector is largely saved from significant cuts by the fact that Governor Newsom's spending plan allocates a significant amount of money for Medi-Cal, California's version of the federal Medicaid program. Hence even federal cuts to Medicaid will not have a full impact on the Health industry. Still, there are some cuts that will affect the Health industry and prevent it from expanding to the extent that it has done in previous years.

The Information sector will be held back by the lack of H1B visas. We expect growth to slow down for the rest of 2025 and actually be barely above 1 percent for 2026 before rebounding for 2027 and 2028. Similar to the U.S. economy, **no recession is in the forecast for the California economy**. Positive growth due to higher worker productivity, ongoing new development of structures and infrastructure, and a busy international trade sector in terms of cargo volumes sent and received from the Ports of LA, Long Beach, and Oakland.

*AI* use is also making limited headway in manufacturing, transportation and warehousing, technology, healthcare diagnostics, professional research, digital entertainment, customer service, and human resources. Less than 50 percent of firms in the most *AI* adaptive sectors currently have these systems implemented. Consequently, the use of *AI* is still relatively new and unpredictable regarding its ultimate impact on the workforce.

Until there is proof that the implementation of *AI* will actually create more jobs than it is currently replacing, it is difficult to proclaim a rapid turnaround in the labor market next year. The unemployment rate peaks during the current cycle in 2026 before moving downward in 2027.

Overall, job growth will be limited this year, but as growth accelerates in 2027, more job opportunities will be created in services that directly interact with people, including personal services, amusement, recreation, the arts, alternative healthcare, and household and non-residential structure maintenance.

**Table 4: Major Economic Indicators, California, Current and Forecasts**

<b>California</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Real GDP Growth</b>	<b>2.8</b>	<b>3.2</b>	<b>0.9</b>	<b>2.5</b>
<b>Inflation</b>	<b>3.1</b>	<b>3.3</b>	<b>3.3</b>	<b>2.6</b>
<b>Unemployment Rate</b>	<b>5.3</b>	<b>5.5</b>	<b>5.5</b>	<b>4.6</b>
<b>Employment Growth (CES)</b>	<b>0.7</b>	<b>-0.0</b>	<b>0.1</b>	<b>1.9</b>
<b>Population</b>	<b>39.4</b>	<b>39.5</b>	<b>39.6</b>	<b>39.7</b>

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## **INLAND EMPIRE: POLITICAL TRENDS AND ECONOMIC OUTLOOK**

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### **INLAND EMPIRE POLITICAL TRENDS AND OUTLOOK**

The Inland Empire, along with the rest of the nation, has entered a high-stakes election year. What can we expect from these elections? California's successful 2025 redistricting gambit, the longstanding pattern of presidential losses in midterm elections, and a turn in public opinion against the Trump administration all suggest the president and his party will face an electoral reckoning this fall. At the same time, California's most unsettled governor's race in more than a half century will determine who will lead the nation's most populous state.

#### **The Turn Against Trump**

After shifting to the right in the 2024 General Election, voters in the Inland Empire and across California decisively aligned with Democrats in 2025. In last year's Special Election, voters endorsed Proposition 50, a measure designed to redraw California's congressional map mid-decade and flip five districts from Republican to Democratic control. Governor Newsom and other Democrats argued that Proposition 50 was needed to counter Texas' redrawing of congressional districts mid-decade to benefit Republicans. More pointedly, Prop 50's backers said the measure was a way for California to "stand up" to President Trump. Democratic leaders argued that Trump presents an existential threat to the nation, and a "Yes" vote on Proposition 50 was necessary to resist him. And, indeed, many came to view the measure as a referendum on the president one year into his second term. Voters in the region and across the state responded by issuing a sharp rebuke to Trump and the MAGA-aligned GOP. Statewide, voters approved Proposition 50 by nearly 30 points - 64.4 percent to 35.6 percent. In the Inland Empire, the margin was narrower, but still wide. Proposition 50 won by 12.6 points in Riverside County and 14.6 points in San Bernardino County.

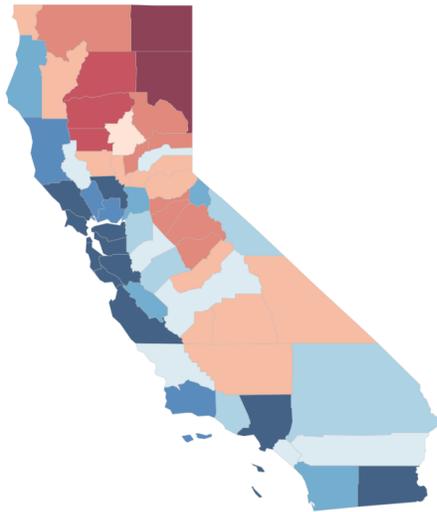
The outcome of the Special Election marked a distinct departure from 2024. That year, Democrat Kamala Harris defeated Donald Trump in California, but much more narrowly than Hillary Clinton had in 2016 or Joseph Biden had in 2020. Trump increased his vote share in 45 of California's 58 counties, and flipped nine, including three (San Bernardino County, Riverside County, and Imperial County) in Southern California. Notably, by defeating Harris in the Inland Empire, Trump became the first Republican presidential nominee to win the region since 2004. Inland Empire voters also supported Republican Steve Garvey in the U.S. Senate race against

Democrat Adam Schiff. Immediately after the 2024 election, Republicans hoped that growing support among racial and ethnic minorities, especially Hispanics, could make the party competitive in areas such as urban centers with large non-white populations, diversifying suburbs, and traditional non-white farming and rural communities. For their part, Democrats feared various voting blocks and regions were trending toward the Republicans. By all accounts, the GOP's prospects seemed bright.

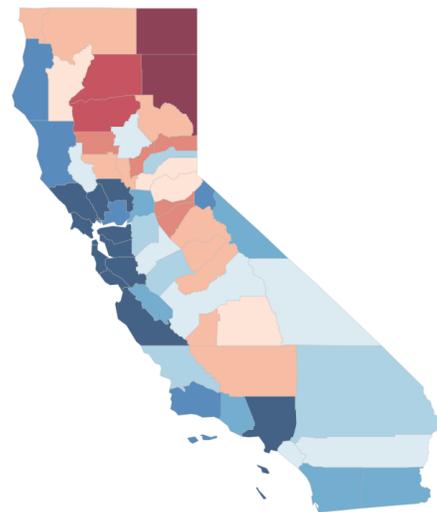
But just twelve months later, in the 2025 Special Election, voters in the region and most of the state turned against Trump and his party. Figure 9 presents by county the statewide vote in the presidential elections of 2016, 2020, and 2024, as well as the 2025 vote on Proposition 50.

**Figure 9: California Election Outcomes by County, 2016, 2020, 2024, 2025**

2016 Presidential

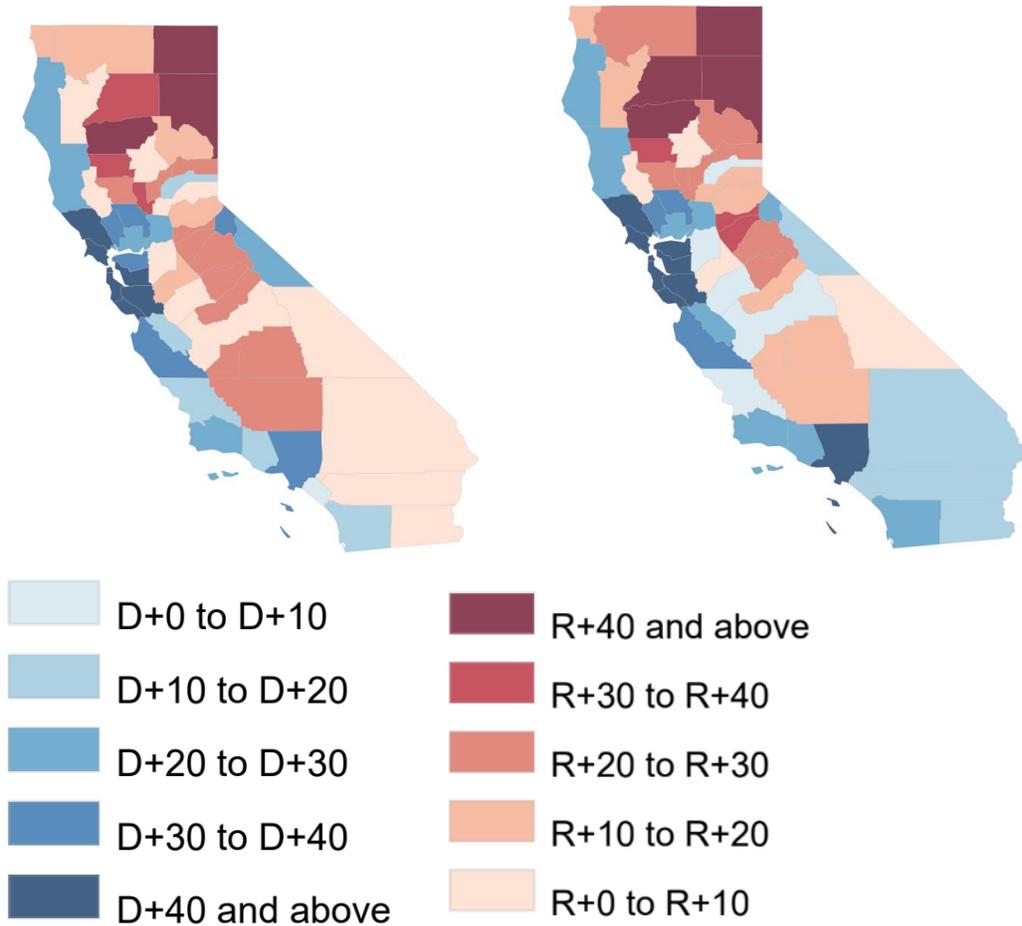


2020 Presidential



2024 Presidential

2025 Proposition 50



As these maps indicate, the Inland Empire is now a “swing” region embedded within a deep-blue state. Unlike California’s densely populated coastal counties which consistently align with the Democrats, and the state’s less populated interior regions (especially the northeastern counties and rural portions of the Central Valley) which more regularly vote Republican, the Inland Empire is closely divided and shifts back and forth between the two parties. In this sense, the Inland Empire is much like the nation as a whole, and can be seen as a national bellwether. For example, Trump and the GOP performed unusually well in the region in 2024, a year in which they won control of the White House and both houses of Congress. But in 2025, the outlook quickly changed.

### The Latino Vote

What explains the Inland Empire’s recent electoral shifts? One important factor has been the increasing fluidity of Latino vote. In most parts of the country, Latinos have historically backed Democrats by large margins. However, in recent years their allegiance to the Democratic Party has weakened, and in 2024 Latino support for Trump spiked, especially among males. Exit polls

indicate that across the nation in 2024, Trump won the support of nearly half (46 percent) of Latino voters, and a majority (54 percent) of Latino men. This level of support was a dramatic increase over 2020, when Trump won only 32 percent of the national Latino vote, and 36 percent among Latino men. Trump won a larger share of the Latino vote in 2024 than any Republican presidential nominee in decades.

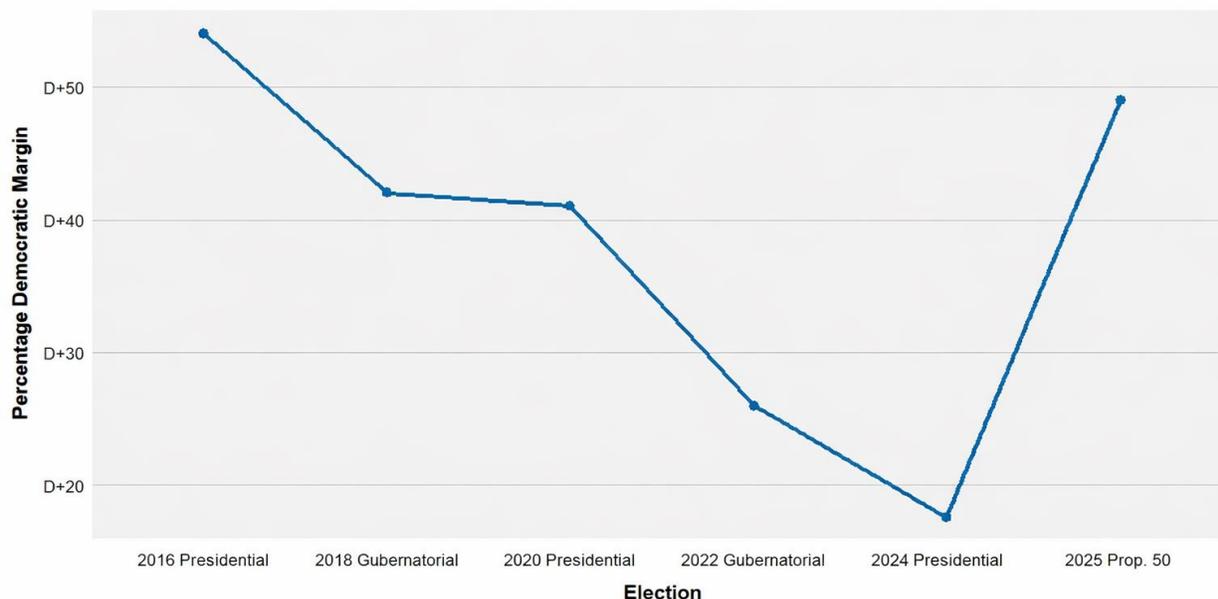
The surge in Latino support for Trump in 2024 was crucial in the Inland Empire, where according to the U.S. Census Bureau Hispanics constitute a majority of the population (52.5 percent of Riverside County and 69.6 percent of San Bernardino County), and a smaller but growing share of the electorate. Trump's gains were evident in Inland Empire communities with high percentages of Hispanic voters. We can see this rightward shift through precinct-level analysis of voting data in recent elections by focusing on precincts where the voting age population (VAP) is 70 percent or more Hispanic. About twenty percent of the Inland Empire's 2,667 precincts have 70 percent-plus Hispanic VAP. These precincts are concentrated in cities such as San Bernardino, Rialto, Fontana, Perris, and Jurupa Valley.

As Figure 10 indicates, in the 2016 presidential election, Hillary Clinton outpolled Trump in these heavily Latino Inland Empire precincts by a whopping 54 points in the two-party vote (77 percent to 23 percent). In subsequent elections, however, the Democratic Party's dominance in these communities began to erode. The party increasingly struggled to hold younger, less politically engaged Latino voters and more socially conservative Latinos, whose policy preferences often align with the GOP. Moreover, in 2024, polls showed that many Latinos, like other Americans, were angry about inflation and other threats to their economic well-being and tended to blame the Biden administration. That year's Democratic presidential nominee, Kamala Harris, managed to defeat Trump in these highly Hispanic Inland Empire precincts by 18 points - still a substantial win, but only one-third of Hillary Clinton's margin in 2016. Trump's gains among Latinos, replicated across the country, helped him recapture the White House. Yet, within 12 months of the 2024 election, Latino voters across the nation turned decisively against Trump. In the Inland Empire, precincts with the highest Latino concentrations "stood up to Trump" by backing Proposition 50 by a wide 49 percent margin (74.5 percent to 25.5 percent), far exceeding their support for Harris over Trump in 2024.

## Figure 10: Democrats' Winning Margins in Heavily Hispanic Precincts, Inland Empire, 2016-2025

### Democrats' Winning Margins in Heavily Hispanic IE Precincts, 2016-2025

70% Hispanic Voting Age Precincts in Inland Empire Counties



Sources: Josh Metcalf of [votehub.com](https://votehub.com), [davesredistricting.org](https://davesredistricting.org). Note: This graph shows the Democratic Party's winning margin in selected elections between 2016 and 2025 in Inland Empire precincts where Hispanics constitute more than 70% of the voting age population. The margin is based on the Democratic Party's percentage of the two-party vote. Proposition 50 of 2025 is coded as a Democratic measure.

Why have many Latino voters so quickly soured on Donald Trump? In 2024, Trump had the advantage of challenging an unpopular Democratic administration and could credibly argue that Latinos were better off under his leadership than under Biden's. By contrast, a year later, Latinos were able to judge Trump's recent record in office - and most found it wanting.

In November 2025, the Pew Research Center released a national poll of nearly 5,000 Latino Americans that surveyed their views of the second Trump administration. Among other results, the poll found that 70 percent of respondents disapproved of Trump's job performance; 65 percent disapproved of Trump's approach to immigration; and 61 percent concluded that Trump's policies had made economic conditions worse. More than two-thirds (68 percent) said the situation of U.S. Hispanics was now worse than a year ago, while about 80 percent said Trump's policies had been harmful to Hispanics.

After the 2024 election, the president and his party could have worked to broaden this critical voting group's alignment with the GOP fold and to make the shift more permanent. Instead, over the ensuing year, they squandered their opportunity. The Latino backlash against Trump in the Inland Empire and elsewhere helps explain why the state's anti-Trump Proposition 50 ballot measure exceeded expectations in 2025, and why Republicans may well face a larger electoral reckoning later this year.

### **More Challenges for the GOP**

Other factors also portend Republican losses at the polls this year. First, as is well known, the party that controls the White House nearly always loses seats in the midterm congressional elections. Over the past 80 years, the nation has held 20 midterm elections and the party that controlled the White House has lost congressional seats in 18 of them. Moreover, the president's party has lost seats every time that the president's approval rating is below 50%. With Trump's approval ratings stuck around 40%, the historical pattern clearly suggests that Republicans will lose House seats this year. This expectation, coupled with the GOP's razor-thin House majority (currently 218-214 with three vacancies), motivated Trump's decision to spur Texas and other red states to create new Republican-leaning districts through mid-decade partisan gerrymanders. California, however, effectively countered Trump's move by adopting Proposition 50. Even as other states (both blue and red) tinker with congressional district lines, it is unlikely the net effect will overcome the longstanding pattern of the president's party losing House seats at midterm, especially considering the added drag of Trump's unpopularity.

Recent events further underscore Republican vulnerability in 2026. In January, Texas held a special election for a vacant state senate seat in the Dallas-Fort Worth area. The district was long considered reliably Republican. In 2024, it backed Trump by 17 points and the Republican incumbent state senator by 20 points. Moreover, in this year's special election to fill the seat, the Republican candidate's \$2.5 million war chest dwarfed her Democratic opponent's \$380,000 campaign fund. The election should have been an easy Republican win. But, in a shocker, the Democrat won by 14 points, thus shining a big, bright, flashing warning light at the GOP as it approaches November's elections.

### **Proposition 50's District-Level Effects**

While the redistricting tit-for-tat between Texas and California was part of a national partisan fight for control of Congress, it has also directly affected the Inland Empire. Most notably, the Proposition 50 map obliterated Riverside County's Republican-leaning 41st Congressional District, represented by 17-term Republican Congressman Ken Calvert, and divided it up among surrounding Democratic-leaning districts and, to the west, the 40th Congressional District represented by Republican Rep. Young Kim. After voters approved the new map, Calvert

decided to challenge Kim in a head-to-head contest for the new 40th Congressional District. Meanwhile, Proposition 50 also redrew 12-term Republican Congressman Darrell Issa's Republican-leaning 48th Congressional District, which includes parts of Riverside and San Diego Counties, to make it lean Democratic. Facing a difficult reelection in the new 48th District, Issa briefly considered moving to Texas to run for Congress in the Lone Star State, before rejecting that option.

Statewide, the Proposition 50 map is designed to switch five seats from Republican to Democratic, increasing the Democrats' margin in the state's congressional delegation from 43-9 to 48-4. This outcome would give Democrats control of 92 percent of the state's congressional seats in a state where they typically win about 60 percent of the vote in statewide elections. Democrats are able to achieve this outsized advantage in part because the party's voters have spread out efficiently across the state's geographic areas. More specifically, Democrats have established working (if narrow) majorities in many parts of the state that used to vote Republican, and no longer are as heavily concentrated in core areas of historic Democratic strength. While losing some of their massive advantage in longtime strongholds such as downtown Los Angeles, Democrats have made gains in suburban areas across the state. Consider Proposition 50's new 48th Congressional District, designed to elect a Democrat in 2026. Ten years ago, that district, located in Riverside County and San Diego County, would likely have elected a Republican candidate to Congress. As evidence, in 2016, Donald Trump narrowly defeated Hillary Clinton within these lines, 47.3 percent to 46.9 percent, even as Clinton was winning the largest landslide victory of any presidential candidate in the state since 1936. But over the past decade Democrats have increased their strength in this region to the point where the 48th District is a likely (narrow) Democratic pick-up. The same story of increased Democratic electoral efficiency is evident in many parts of California.

In combination, these factors suggest that Democrats will increase their electoral dominance at the congressional level in the Inland Empire and throughout California in 2026, thus contributing to a likely Democratic takeover of the U.S. House of Representatives in the midterm elections.

### **A Wide-Open Election for Governor**

In addition to its much-anticipated congressional elections, this year will mark a critical transition in California as voters select a replacement to two-term governor Gavin Newsom. Newsom is barred from reelection by term limits and the contest to succeed him is more unsettled than any governor's race in decades. Key dates are March 6, the deadline for filing to run, and June 2, the date of California's Primary Election.

This governor's election has been defined by the absence of a clear front-runner, as two of the state's leading political figures, former Vice President Kamala Harris and U.S. Senator Alex

Padilla, have opted out of the race. Their decisions have opened the contest to a crowded field of serious but less compelling contenders, all of whom have failed to distinguish themselves from the pack.

On the Democratic side, the current candidates include:

- Eric Swalwell, a Member of Congress from the East Bay
- Katie Porter, a former Member of Congress from Orange County and former candidate for U.S. Senate
- Tom Steyer, a billionaire financier and progressive activist
- Xavier Becerra, a former Attorney General of California and Secretary of the U.S. Department of Health and Human Services
- Antonio Villaraigosa, a former Speaker of the California Assembly and Mayor of Los Angeles and a former candidate for governor
- Matt Mahan, the current Mayor of San Jose
- Betty Yee: a former Controller of California
- Tony Thurmond, the current State Superintendent of Public Instruction
- Ian Calderon, a former Member of the California Assembly

The leading Republican candidates are:

- Steve Hilton, a former Fox News host, tech entrepreneur, and political analyst
- Chad Bianco, the current Sheriff of Riverside County

To date, this contest has largely failed to capture the public's attention. Early polls indicate that several candidates are tightly bunched between 5 and 15 percent in the polls, with many respondents remaining undecided.

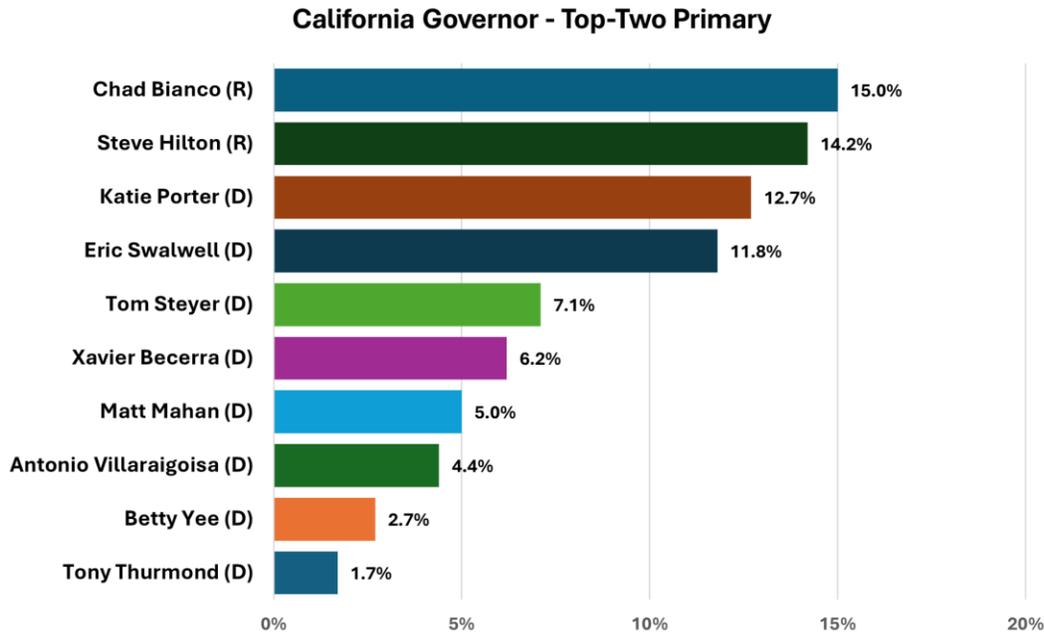
The governor's race is further complicated by California's decision in 2010 to adopt a non-partisan "Top Two" primary. Under this system, all candidates compete on the same primary ballot and the top two finishers, regardless of party, advance to the General Election.

Accordingly, all candidates for governor--Democrat, Republican, and third party--are now competing in the same primary contest to finish in the top two.

In statewide races, the Top Two system usually yields a General Election match-up between a Democrat and a Republican, which the Democrat then easily wins. Occasionally, two Democrats outpoll all Republicans in the primary and go head-to-head in November. Finally, the system can, in theory, send two candidates from the minority party to the General Election. This possibility is real but remote--it has never happened in a California statewide election. For it to occur in this case, only two Republican candidates, presumably Hilton and Bianco, would need to win a near-equal share of the vote (presumably totaling about 35 percent of the overall vote--or about 17.5 percent each), and four or more Democratic candidates would need to divide the

remaining 65 percent of the vote so closely so that none reaches that 17.5 percent level. It is plausible that the (so far) close contest between Hilton and Bianco and the large, tightly packed Democratic field could in fact freeze Democrats out of the November election for the state’s highest elected office. As Figure 11 indicates, a recent PPP poll commissioned by Katie Porter demonstrates this possibility, showing that Republicans Bianco and Hilton are currently in the top two positions, with the Democratic field bunched up below them.

**Figure 11: California Governor’s Race PPP Poll, January 2026**



Source: Public Policy Polling, January 20-21, 2026. 1,001 registered voters. Sponsor: Katie Porter.  
[www.nytimes.com/interactive/polls/california-governor-election-polls-2026.html](https://www.nytimes.com/interactive/polls/california-governor-election-polls-2026.html)

A more likely scenario, however, is that at least one Democratic candidate will gain enough support between now and June to advance to the General Election. At present, it is unclear which Democrat that will be.

### **Inland Empire Focus**

Riverside County Sheriff Chad Bianco is seeking to become the first resident of the Inland Empire to be elected governor of California. Most of the state’s governors have come from California’s coastal areas, typically from the San Francisco Bay Area or Metropolitan Los Angeles. The Inland Empire’s only resident to serve in the office, Robert Waterman, was elected lieutenant governor in 1886 and became governor in 1887 upon his predecessor’s death.

Waterman served only one partial term as governor, from 1887-1891. (He is memorialized in San Bernardino County place names including Waterman Avenue and Waterman Canyon.) The Inland Empire's longstanding failure to produce leaders at the state's highest level helps explain why the state's political class too often neglects the region and other parts of the state's interior. Bianco's presence in the race provides a voice for a region (and a segment of the electorate) that is often marginalized in California. That said, the odds against his success in the race are long, since no Republican has won statewide office since 2006, and 2026 is shaping up as a strong Democratic year. But even if Bianco's campaign does not succeed, the Inland Empire's large population, partisan balance, and electoral clout will likely cause other candidates to give the region their attention during this consequential political year.

## **The Inland Empire in 2025: Economic Conditions**

2025 was a decent year for the Riverside-San Bernardino-Ontario MSA. The overall (seasonally adjusted) **unemployment rate** increased by only 0.2 percentage points from a year ago, and stands now at **5.5 percent**. This is the same as the state unemployment rate, but 1.1 percentage points higher than the national rate. Digging deeper, we did see the **same positive growth in the labor force as in employment**, with labor force growth at 1.4 percent marginally outpacing employment growth (1.2 percent). Hence the unemployment rate went up by a small amount because more workers were looking for a job than employment increased. The bottom line, in 2025 we observed a healthy combination of both the labor force and employment growing. The same cannot be said for other counties in Southern California.

These observations are from the household survey and therefore contain numbers including commuters (mostly) into the coastal areas. When looking at the establishment survey, which reports on wage and salary workers who are employed within the Inland Empire, then employment also grew, but the increase was considerably less (by some 3,200 workers or 0.2 percent).

Below, we will give a more detailed analysis, and in particular, we will point out how **uneven** these **aggregate changes** are across **sectors** of the economy. That analysis will stress that whatever positive performance (**employment growth**) there was within the Inland Empire, it was **limited to a few sectors** (Health, Public Education). Given President Trump's national policies, these sectors are not expected to perform as well in the near future as they did in the past. Moreover, the **Logistics sector**, which is by now the third largest employer in the Inland Empire (largest in San Bernardino County, fourth largest in Riverside County) **continues to contract** but more so in San Bernardino County than in Riverside County.

## Current Conditions

### *General: Population, Commuting, Housing, Education Levels*

We first focus on the four most important attributes of the Inland Empire before going into a more detailed analysis. Further below, we also present differences in economic performance for the two counties of the Inland Empire.

To gain a big picture of the area, you have to start by realizing the importance and interaction of

- **Population:** the Inland Empire is big (by area, but more importantly, by population)
- **Employment:** there are a lot of commuters into the more coastal regions,
- **Housing market:** housing prices look more affordable in the Inland Empire when compared to coastal areas
- **Human Capital of Workers:** average education levels of residents are relatively low.

It is the mix of these four factors that produces clogged freeways with rush hour parking lots on the I-10, I-15, CA-91, and I-210, and commuting times of over 2 hours for the 37 miles drive from Upland to downtown LA (for example) during some peak commuting times. More affordable housing within the Inland Empire will not cure the situation unless they are coupled with higher paying jobs in the area - which, in turn, requires a better educated labor force. It also explains the relatively low level of output per person (per capita GDP), which puts the Metropolitan Statistical Area (MSA) on a shockingly low level. Economic policy in the area must keep this in mind if it wants to contribute to a better living environment for the year 2045 (20 years from now).

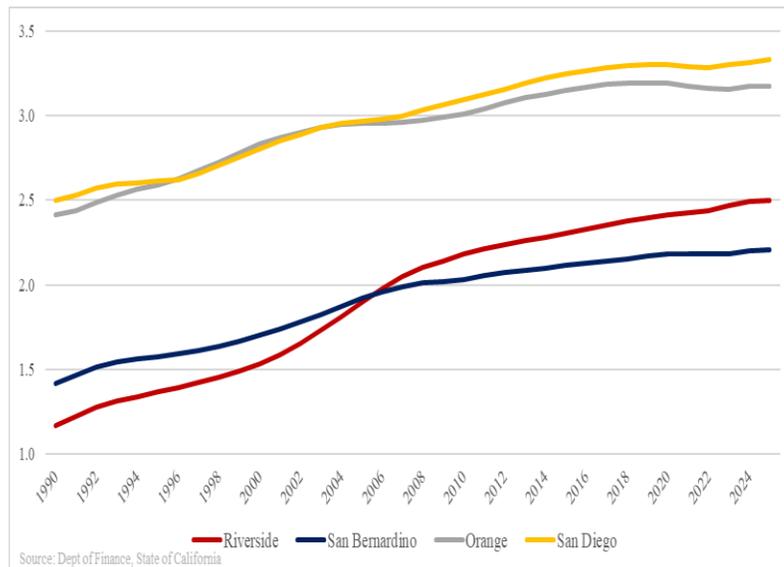
In what follows, we will look at these four factors in more detail.

Population: Regardless of whether we compare the Riverside-San Bernardino-Ontario MSA to other MSAs in Southern California, the state, or the nation, the fact is that the Inland Empire is quite large when measured by residents. Riverside County has slightly more residents (2.5 million) compared to San Bernardino County (2.2 million). The combined total of 4.7 million makes the two-county population 2nd largest in the state and the 12th largest in the nation. Separately Riverside County is the fourth largest county in the state and San Bernardino County is the fifth largest in the state. Neither county gained much population during the post-COVID19 period, but growth is at least marginally positive now (Riverside County's population actually declined by a small amount during the pandemic).

As for the national comparison, the Inland Empire has risen to the 12th most populous MSA after passing the San Francisco MSA. The Boston-Cambridge MSA is one position ahead with

250,000 more residents, and in 10th place you find Phoenix-Mesa. There are roughly 380 MSAs in the U.S., with the New York-Jersey City-Newark MSA in 1st place, followed by the Los Angeles-Long Beach Anaheim MSA. For certain purposes in terms of regional economic planning, it is sometimes beneficial to combine adjacent MSAs. These areas are called “Combined Statistical Areas” (CSA) and the Inland Empire forms such a unit with the Greater Los Angeles MSA, which consists of Los Angeles County and Orange County.

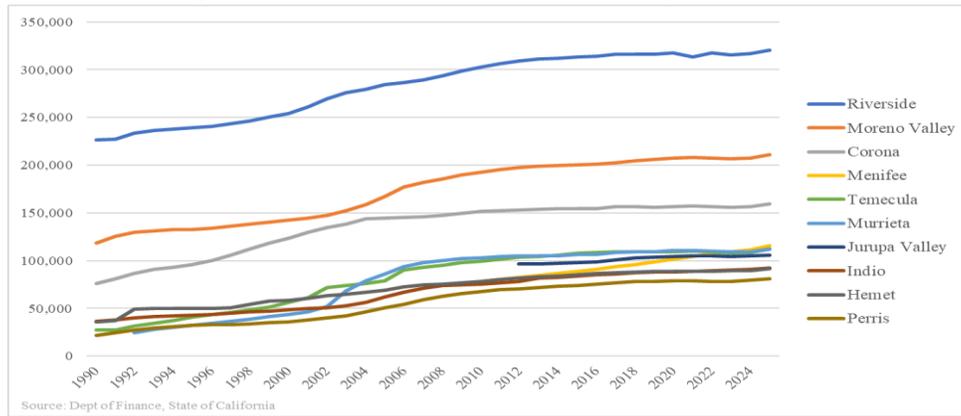
**Figure 12: Population, Riverside County, San Bernardino County, Orange County, San Diego County, Annual, Millions of People, 1990 - 2025 (Actual), 2026-2027 Forecast**



- The two Inland Empire counties have seen significant population growth over the last 35 years. Riverside County has more than doubled its population.
- Both counties are growing but not at the steep rates seen at the beginning of the century.
- Riverside County has more residents now and continues to grow at a faster pace.

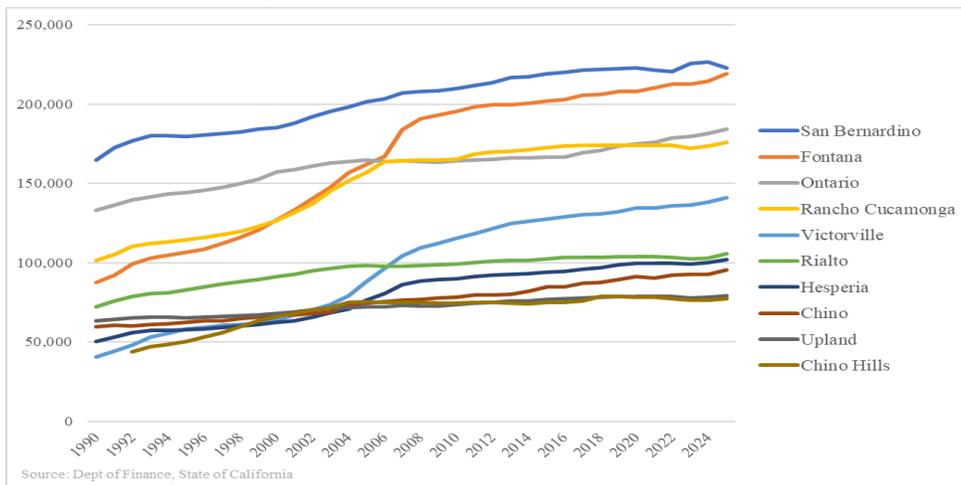
The City of Riverside is clearly the largest city in the county followed by Moreno Valley and Corona. However, if you add the population of Menifee, Murrieta and Temecula, which are separated by less than a 10-minute drive on the I-15, then these three cities together would be in second place, with Menifee coming in third place (by itself). The City of San Bernardino is about to be taken over by Fontana in terms of residents. Ontario’s growth continues to outperform Rancho Cucamonga’s.

**Figure 13a: Ten Largest Cities in Riverside County, 1990 - 2025**



- The three largest cities continue to grow but at a slower pace than at the beginning of the century
- Corona’s growth has been quite flat since the beginning of the Great Recession
- Menifee comes in at a surprising fourth largest

**Figure 13b: Ten Largest Cities in San Bernardino County, 1990 - 2025**



- The City of San Bernardino is losing residents and is about to be taken over by Fontana in terms of number of residents
- Ontario continues to grow at a faster pace among the top four, while Rancho Cucamonga is stagnating.
- Victorville, in the High Desert, continues to show high population growth rates

Commuters: The **second most important socio-economic characteristic** that helps in understanding the Inland Empire relates to the **number of commuters** who travel daily into the coastal area and back. Here Riverside County is at par with San Bernardino County, although significantly more commuters from Riverside County travel into Orange County, while San Bernardino commuters end up more frequently in Los Angeles County.

The numbers are large relative to the overall labor force, and explain why the I-10/CA-60/I-210 and the CA-91 experience such slow moving traffic during rush hour. While Riverside County

has more commuters leaving the county than San Bernardino County, the number of commuters into the coastal areas is almost identical: Riverside County has 176,000, while San Bernardino County has 173,000. To put this into perspective, the number of commuters is the equivalent of roughly the population of the Coachella Valley being on the road (and on trains). Note that a larger number of commuters travel from Riverside County into San Bernardino County than the reverse.<sup>3</sup>

**Table 5: Commuters, Riverside County and San Bernardino County, Origin and Destination, 2022**

	INTO San Bernardino	FROM San Bernardino	INTO Riverside	FROM Riverside
San Bernardino	---	---	78,500	114,000
Riverside	114,000	78,500	---	---
LA County	61,000	133,000	17,000	53,000
Orange	13,000	37,000	16,000	76,000
San Diego	1,000	3,000	7,000	47,000
<b>Total</b>	<b>189,000</b>	<b>251,500</b>	<b>118,500</b>	<b>290,000</b>
<b>Share of Total Empl</b>	<b>23%</b>	<b>30%</b>	<b>14%</b>	<b>34%</b>

**Housing:** The third most important characteristic to help you understand the dynamics of the Inland Empire is related to its **housing market**. In the recent past, the Inland Empire housing market has experienced some challenges, and these will continue in 2026.

The **housing market** faced yet another **challenging year in 2025** nationally and locally. With a national economy that grew faster than expected during the second half of the year and inflation at higher than desirable levels, the Federal Reserve Board was reluctant to cut policy rates more significantly, even as job creation slowed. As a result, mortgage rates remained relatively high compared to recent years when rates were ultra-low. When combined with a limited supply of homes for sale and weak construction activity, housing affordability remained low. The year ahead promises more of the same, unless the FFR is lowered more significantly than forecasted.

For the third year in a row, housing activity in the Inland Empire has been held back by a combination of low inventory levels of homes for sale and elevated mortgage rates. Inventory

<sup>3</sup> The distance from Moreno Valley to Anaheim is 47 miles. Driving at 60 mph, the round trip would take roughly 1 hour and 40 minutes. Leaving Moreno Valley on a Thursday at 7am and returning from Anaheim at 4pm., the trip will take 3 hours and 20 minutes.

levels have been below the 20-year average of 5.0 months for most of the last three years. Inventory levels finished the year unchanged from the prior year at 3.9 months in December 2025.

**Table 6: Supply of Homes Low and Unchanged from a Year Ago**

<b>Unsold Inventory Index (Months)</b>			
<b>Region</b>	<b>Dec. 24</b>	<b>Nov. 25</b>	<b>Dec. 25</b>
Imperial	2.9	3.8	3.5
Los Angeles	2.7	3.8	2.8
Orange	2.1	2.9	2.1
Riverside	3.6	4.6	3.6
San Bernardino	3.9	4.9	3.9
San Diego	2.3	3.2	2.5
Ventura	2.3	3.5	2.7

Source: California Association of Realtors, KE

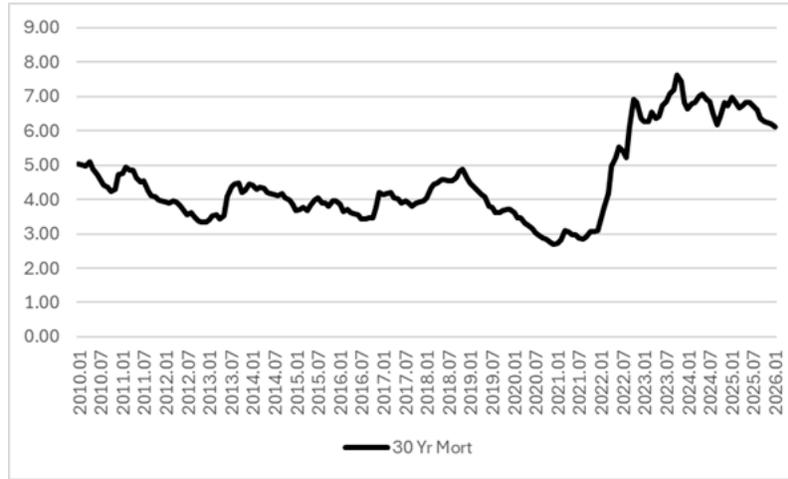
- Supply of homes for sale is below long run average, maintaining upward pressure on prices
- Unsold inventory index unchanged in Riverside County compared to a year ago at 3.6 months
- Unsold inventory index unchanged in San Bernardino County compared to a year ago at 3.9 months

At the same time, mortgage rates remained high despite a downward trend in the last two and a half years. The rate on a 30-year mortgage was just over six percent in December, down from 6.72 percent a year earlier, but was nearly double what they were from late 2020 through the end of 2022, and the highest in more than 15 years.

The rate differential has a couple of implications. First, the purchasing power of would-be buyers eroded significantly. Second, homeowners who purchased or refinanced when rates were near three percent, an unprecedented low, have no incentive to move as long as rates stay near their current levels.

Given these conditions, it is not surprising that the housing market showed little forward momentum last year. Home sales for the IE barely budged, increasing from 42,500 in 2024 to 42,700 last year, making it the third slowest sales pace in the last 10 years, behind 2024 and 2023 (41,600). Meanwhile, the IE median home price in the region increased by just 1.8 percent, well below the 5.1 percent gain of 2024.

**Figure 14: 30-Year Mortgage Elevated Rate, 2010-2026**



- The thirty-year mortgage rate finished the year just above six percent.
- While the rate was lower than a year earlier, it was double that of the period from late 2020 through 2022.
- Rate cuts in 2026 depend on performance of overall economy

In Riverside County, the median price finished the year at \$635,000, up 1.6 percent from a year earlier, while sales increased just 0.2 percent. The median price in San Bernardino County ended the year at \$500,970, gaining 2.0 percent over the prior year, while sales increased by 6.1 percent. For the state as a whole, the median price increased 1.2 percent over the year, and sales increased by 2.0 percent.

**Table 7: Median Price Changes in Southern California**

Region	Dec. 24	Nov. 25	Dec. 25	Price MTM% Chg	Price YTY% Chg	Sales YTY% Chg
Imperial	\$381,000	\$432,500	\$462,950	7.0%	21.5%	9.5%
Los Angeles	\$912,370	\$942,610	\$890,910	-5.5%	-2.4%	0.9%
Orange	\$1,362,000	\$1,400,000	\$1,390,000	-0.7%	2.1%	2.4%
Riverside	\$624,790	\$629,950	\$635,000	0.8%	1.6%	0.2%
San Bernardino	\$490,950	\$497,160	\$500,970	0.8%	2.0%	6.1%
San Diego	\$975,000	\$990,000	\$1,000,000	1.0%	2.6%	-0.6%
Ventura	\$895,000	\$955,000	\$913,000	-4.4%	2.0%	1.4%
California	\$861,020	\$853,780	\$850,680	-0.4%	-1.2%	2.0%

Source: California Association of Realtors, KE

- The median price in Riverside County finished the year at \$635,000, up 1.6 percent from a year ago
- The median price in San Bernardino County finished the year at \$500,970, up 2.0 percent from a year ago.
- Sales increased marginally in Riverside County but rose 6.1 percent in San Bernardino County.

With limited supplies of homes for sale and rates at or above six percent, housing affordability in 2024 was virtually unchanged from a year earlier. In the third quarter of 2025, the housing affordability index in Riverside County stood at 23, meaning that 23 percent of households had incomes that were sufficiently high (at least \$164,400) to afford the monthly payment on the

county’s median priced home. While affordability in Riverside County was slightly higher than a year earlier, it was unchanged at 29 percent in San Bernardino County where the median price in the third quarter was approximately \$125,000 lower. By comparison, affordability statewide was just 17 percent, less than half that of the U.S. at 36 percent.

**Table 8: Share of Households that can Afford Median Priced Home by County**

Region	2024-Q3	2025-Q2	2025-Q3	Median Home Price	Monthly Payment Including Taxes & Insurance	Minimum Qualifying Income
Los Angeles	11	13	12	\$954,130	\$6,010	\$226,000
Orange	12	12	13	\$1,400,000	\$8,820	\$367,600
Riverside	21	21	23	\$625,000	\$3,940	\$164,400
San Bernardino	29	29	29	\$497,800	\$3,130	\$126,000
San Diego	12	13	13	\$1,009,500	\$6,360	\$263,200
Ventura	13	14	16	\$926,000	\$5,830	\$248,000
CA SFH (SAAR)	16	15	17	\$887,380	\$5,590	\$223,600
US	35	35	36	\$426,800	\$2,690	\$107,600

Source: C.A.R., KE

The rental market was also competitive in 2025. The average rent was \$2,470 in December, up 1.9 percent from a year earlier, while the vacancy rate fell from 3.6 percent in the third quarter of 2024 to 2.8 percent a year later.

New home construction has provided scant relief. In year-to-date terms through October of last year, there were permits for 13,560 units in the Inland Empire. While this was an 8.5 percent increase over the previous year, permit activity was 20.0 percent lower than 2023, when there were nearly 17,000 permits across the region year-to-date through October and 20,300 units annually. Most of the permitted units in the region were for single-family houses. By comparison, permits rose nearly five percent statewide over the same period.

**Table 9: Permitted Housing Units by Selected MSA (Year-to-Date, October)**

MSA	2024	2025	Change	% Change
Houston	55,935	55,613	-322	-0.6%
Inland Empire	12,499	13,560	1,061	8.5%
LA-OC	20,187	21,833	1,646	8.2%
Phoenix	38,818	31,156	-7,662	-19.7%
San Diego	9,616	9,762	146	1.5%

Source: Census Bureau, KE

- Residential building permits increased 8.5 percent year-to-date in October 2025 compared to the same period a year earlier.
- Permits in 2025 were lower than in 2023 by 20 percent
- In general, California’s regions have seen lower levels of home construction compared to other parts of the country.

Looking ahead to 2026, market conditions will show little improvement. Mortgage rates are an important element to market relief but are unlikely to fall by much in 2026. The supply of existing homes (unsold inventory) is expected to be tight, remaining below long run levels. Meanwhile the supply of new homes (permitted units) faces a number of hurdles, not the least of which are increased costs and potential shortages of labor and materials.

Finally, while much of the current dialogue on “affordability” and the cost of living has focused on health care costs, it must be noted that housing and housing-related expenditures account for a much larger share of household expenditures at just over one-third, while health care expenses account for just under eight percent nationally. Clearly, housing solutions must be a part of addressing the cost of living in the region, the state, and the nation.

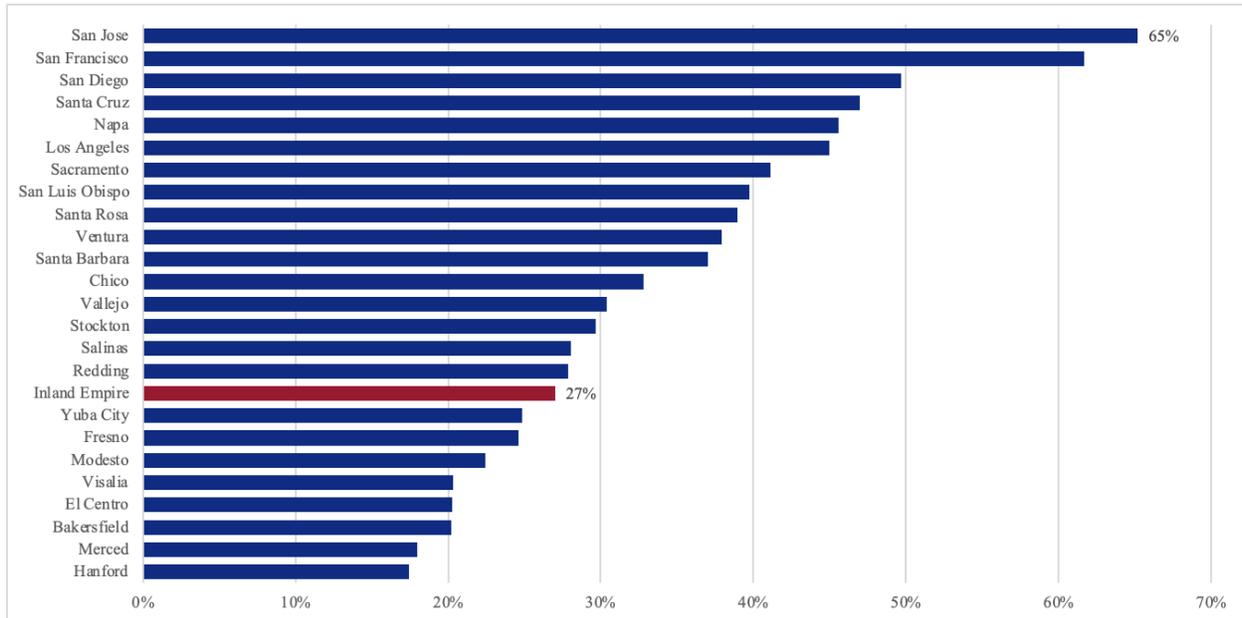
Human Capital: So far, we have explained why rush hour traffic is such a problem for the Inland Empire, but we have not looked for potential solutions. We know that a lot of Inland Empire residents commute to the coastal areas because they can find better paying jobs there, and they do not reside closer to their work because they cannot afford housing prices there. However, they clearly would prefer to live and work in the Inland Empire if they had the opportunity to do so (since it is safe to assume that people do not get pleasure, or “utility,” out of commuting). The question is why, on average, they cannot find better paying jobs in the area. The clear answer must be: because firms that could offer the better paying jobs have opted not to locate in the Inland Empire.

There are a variety of reasons for firms to choose a location. One of the main determinants is whether or not they can find workers who qualify to work for the firm. To give a dramatic example: there are many coal miners in West Virginia who are getting laid off. Given the large amount of labor supply, why do high tech firms not move from their current location (Silicon Valley, Austin, North Carolina, etc.) to West Virginia? Obviously because coal miners cannot (easily) be trained to become coders. A less dramatic, but still relevant, analogy applies to the Inland Empire: many firms with higher paying jobs do not move here because they are concerned about the average level of human capital that they find here.

Figure 16 shows the percent of 25- to 45-year-old residents in the 10 largest MSAs that have at least a Bachelor’s Degree. The shocking news is that in the Inland Empire, that number is approximately 27 percent. While the area cannot aim to achieve the 65 percent of Silicon Valley, we would hope to eventually reach 38 percent, which is the California average, and also the level of human capital that the Phoenix-Mesa MSA has (ranked slightly ahead of us in terms of population size). Our area is approximately at the same level as the Fresno MSA, and slightly ahead of the Inland Empire North (Stockton-Lodi MSA). While our MSA is improving over time, the process is quite slow (the number was below 20 percent in 2014; similarly workers with

less than a high-school diploma has declined to just about 15 percent, down from 20 percent in 2014).

**Figure 15: Percent of 25–45-year-old Workers with at least a Bachelor’s Degree California MSAs, 2024**



The insights regarding education levels/human capital also help explain why the popular press has labeled the cyclical behavior of the Inland Empire economy “**First In, Last Out.**” The reason is that Inland Empire commuters who work in the coastal areas must have, on average, lower human capital levels than employees who work in the coastal areas and can afford to live there. As a result, and following a negative economic shock to the Greater Los Angeles area, there will be layoffs affecting commuters first, since firms will want to hold on to employees with higher human capital. Unemployment is measured by residency, and we therefore expect unemployment rates in the Inland Empire to go up first before they increase in the coastal areas. We expect the reverse in an economic recovery. It resembles a lake freezing from the periphery first, and thawing last.

Given the number of junior colleges in the area in addition to the University of California at Riverside, California State University San Bernardino, University of Redlands, etc. who graduate a large number of students every year, the question is why the number of workers with a bachelor’s degree (or more) does not improve more dramatically. The answer must be because 20–29-year-olds do not find it sufficiently attractive to remain in the area. Automatic Data Processing (ADP) investigated this question recently among 55 MSAs with more than 1,000,000 residents, and came to some striking conclusions regarding the Inland Empire.<sup>4</sup>

<sup>4</sup> The ADP report was published here <https://www.adpresearch.com/youve-graduated-now-what-2/>

ADP looked at attractiveness for 20–29-year-olds to work in an area based on three dimensions: (i) wages, (ii) job availability, and (iii) affordability. Raleigh, NC, in North Carolina’s Research Triangle, scores the highest in this list. Some of the MSAs that you would have guessed were ranked at the very top, such as Austin or San Jose (Silicon Valley), show a mixed picture, because hiring and affordability drags them down while they have high wages (still, Austin ranks at number 4).

The Inland Empire comes in third from the bottom or at 53 out of 55 MSAs. As we pointed out before, affordability does not work in favor of the region because it is more expensive to live in the area than the average cost is in the largest MSAs in the United States. Affordability adjusted wages result in a drop of \$42,640 to \$39,507; the second lowest among the 55 MSAs (we beat Virginia Beach). Having a relatively high “hiring rate” could not make up for that. The MSA we try to catch up to, Phoenix-Mesa, by comparison, is ranked number 8, with an even higher hiring rate and an affordability adjusted wage rate of \$46,674. On the other hand, both the Greater Los Angeles area and San Diego are only marginally ahead of us, since affordability there is quite low even though they have higher wages.

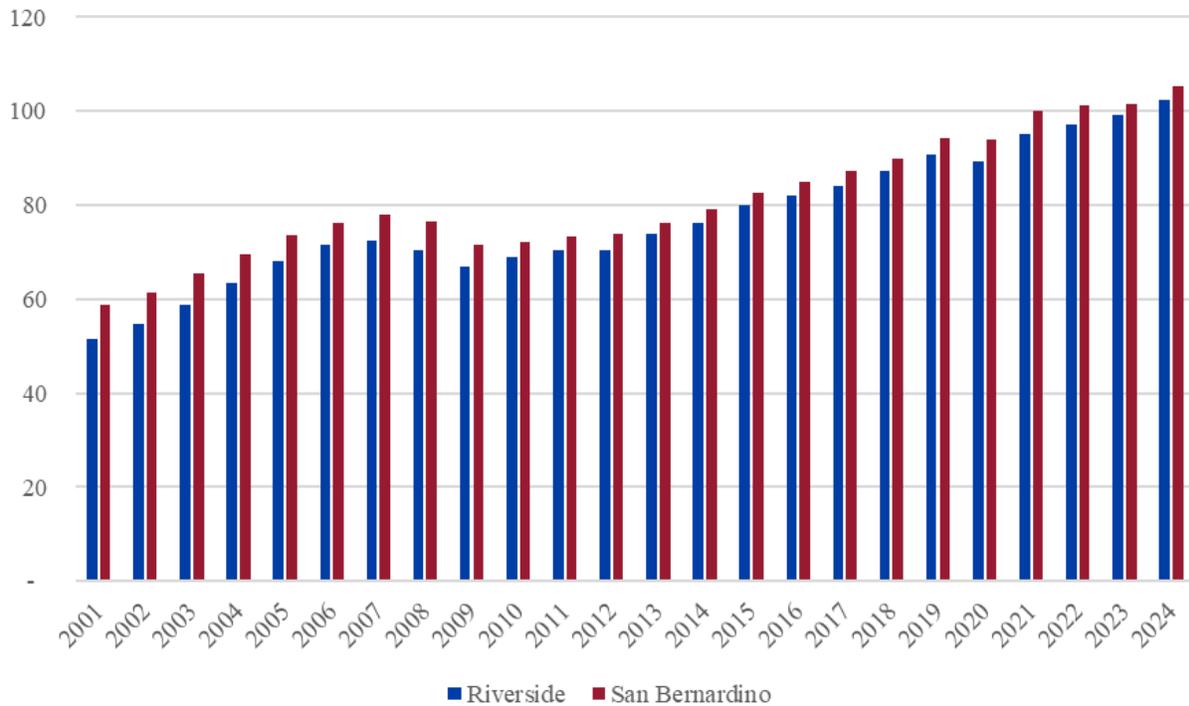
For the rest of the report we want to focus on a more detailed analysis of output and employment in the Inland Empire, including differences between the two counties.

#### *Economic Conditions: Gross Regional Product*

In 2023, Riverside County saw growth of a remarkable 3.3 percent, and San Bernardino growth of 3.5 percent. This translated into 3.4 percent growth for the MSA.

Figure 17 shows real GDP levels for the two counties. Note that GDP only measures goods and services produced within the area, and hence does not take into account the amount produced by commuters. It therefore does not come as a surprise that real GDP is higher for San Bernardino County, despite the fact that by now it has a smaller population.

**Figure 16: Gross County Product, \$ billions of 2017 dollars, Riverside County, San Bernardino County, 2001 - 2024**



- Despite having a larger population, Riverside County has a smaller GDP, which must be the result of more of its resident commuting into the coastal area
- Both counties recovered from the COVID-19 setback within a year
- Both counties saw relatively high growth rates from 2023 to 2024 of the order of 3.4 percent

The COVID-19 downturn was more severe for Riverside County than for San Bernardino County. Regardless, both counties recovered GDP within a year. This is different from the Great Recession, where it took roughly until 2014 to get back to pre-recession levels. This should not be surprising, since the Inland Empire was one of the epicenters of the burst of the housing bubble. Riverside County was more significantly affected than San Bernardino County. It is worth mentioning that the GDP recovery for the Inland Empire took much longer than for the nation (2010) and the state (2011).

Compared to other U.S. MSAs, the **Inland Empire ranks 20th** by size of GDP. Note that this is a decline from being the 12th largest MSA by population. It means that there are **quite a few MSAs that are less populous but produce higher valued goods and services**. Still, given the sheer size of the population/employment, the drop in ranking is not very dramatic. Within California, Greater Los Angeles, San Francisco, and San Diego now rank ahead of the Inland Empire.

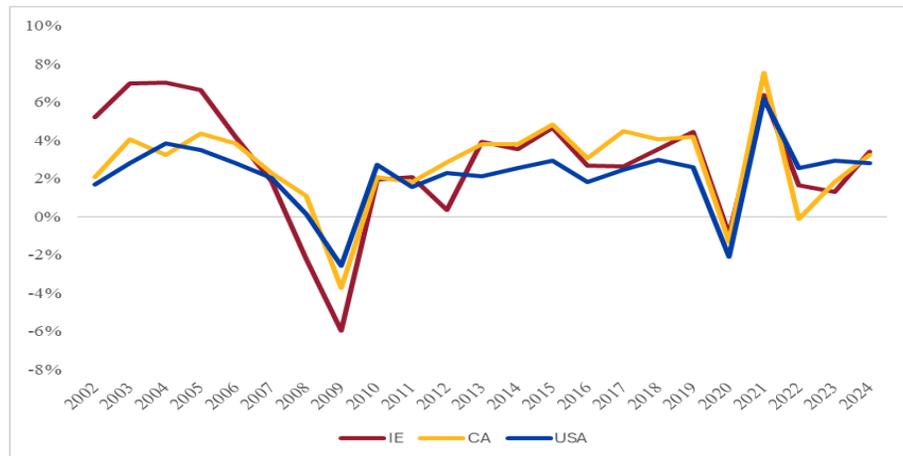
It is when you control for population size (**per capita GDP**) that an **eye-opening picture emerges**: the **Inland Empire now ranks 302** (this is not a typo!) among the U.S. MSAs in 2021, even behind Stockton (rank 293) and next to Joplin, MO or Waco, TX. Per capita GDP is a standard measure of wealth among countries.<sup>5</sup> It is this measure that rings alarm bells in terms of longer-term development (say 2045). County planners should think about ways to attract more value-added production. This insight leads us back to the discussion of why better paying jobs are not generated to a desirable level in the Inland Empire.

Keeping the short run (business cycle) picture in mind, we need to look at the growth rates of real GDP and compare them to the state and national numbers.<sup>6</sup>

In the early part of the century, real GDP growth rates in the Inland Empire were eye-catching: for a short while they reached close to 7 percent in Riverside County and 4.5 percent in San Bernardino County (long term averages for nation real GDP growth are 3 percent, and slightly below that recently). If an economy grows at 7 percent per year, then it would double its GDP within 10 years. This seems hard to maintain over longer periods.

The Great Recession was the turning point: it started earlier in the Inland Empire (2006) and was more severe (see 2008). From 2013 until the COVID-19 downturn, growth in California and the Inland Empire was higher than in the nation. Since the pandemic, the growth rates are very similar.

**Figure 17: Real GDP Growth Rates, Inland Empire, California, and the United States, 2001 - 2024**



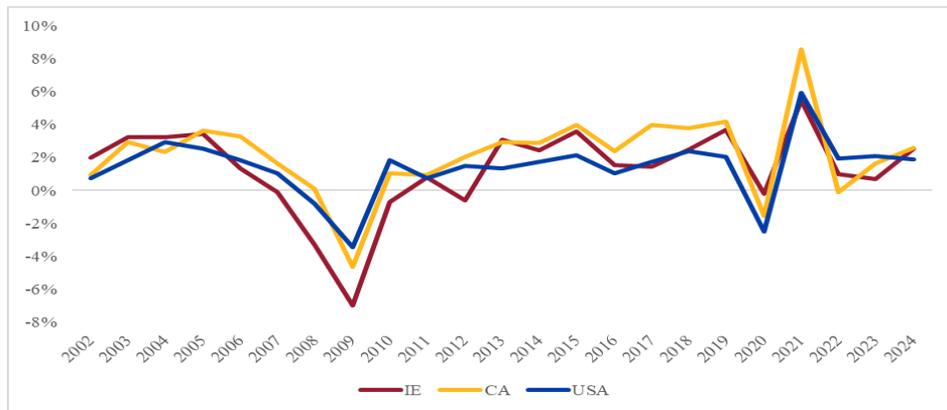
<sup>5</sup> Note that the U.S. has the highest GDP in the world and China has the second highest. This means that when China passes the U.S. in GDP, which there is little doubt that it will soon, then China's standard measure of wealth, per capita GDP, places it at 25 percent of the standard of living in the U.S.

<sup>6</sup> GDP by MSA is not available prior to 2000.

- Growth rates in real GDP were abnormally high prior to the Great Recession
- GDP recovery from the Great Recession was slow in the Inland Empire
- Last year's growth rate was encouragingly high

The picture changes once you control for population growth by analyzing per capita growth rate numbers. The Inland Empire numbers look very similar to state and national growth at the beginning of the century, only to show the early onset of the recession and the severity in 2008 again. The additional length of time for the recovery from the Great Recession still stands out, and the similarity of growth rates since 2013 remains - if nothing else, the Inland Empire's performance recently is less impressive.

**Figure 18: Real GDP Per Capita Growth Rates, Inland Empire, California, and the United States, 2001 - 2024**



- Per Capita GDP growth in the Inland Empire was less impressive, suggesting that high GDP growth was driven by immigration of people
- per capita GDP growth reflects the fact that the Inland Empire was one of the epicenters of the housing bust
- The post COVID-19 performance is below the state performance

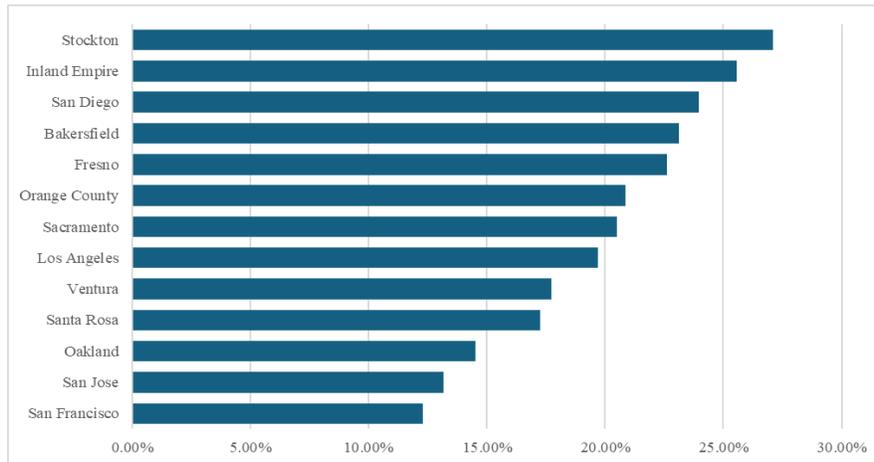
### *Inland Empire Labor Market*

**Labor market** data at the county level is available until December 2024 - or even until December 2025 if we look at the MSA level.

One way to assess the relative performance of the Inland Empire labor market is to compare the amount of hiring that has taken place within the region since the end of the COVID-19 downturn. Figure 19 displays the result for the ten largest MSAs in California. Both inland areas (Inland Empire, Stockton) have outperformed the other MSAs and have increased employment

by roughly 25 percent. The San Diego MSA has performed almost as well. Silicon Valley and the Bay Area have seen the smallest increases.

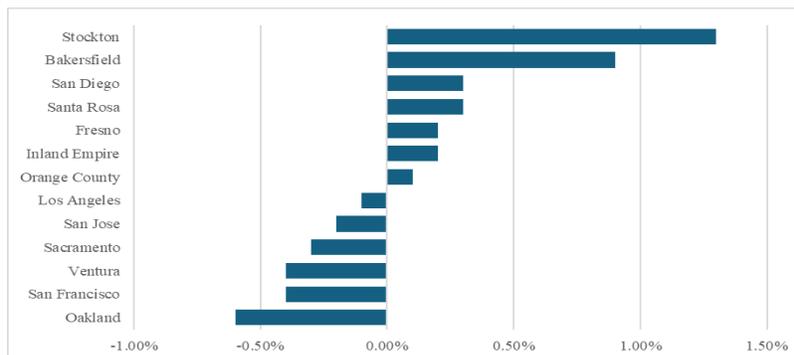
**Figure 19: Post Covid Job Gains, CES, 10 largest MSAs in CA, May 2020 to December 2025**



- The Inland Empire has seen large employment increases since the end of the COVID-19 downturn
- The Bay area, including Silicon Valley, are lagging behind in employment gains
- The Inland Empire North (Stockton-Lodi) has even outperformed the Riverside-San Bernardino-Ontario

Conducting the same type of analysis from a year ago (Figure 20), we find the inland area up north (Stockton) again adding the most jobs. The Inland Empire has not fared that well, coming in in the middle of the pack at a job growth of 0.2 percent, and experiencing the same growth as Los Angeles County and Orange County. Again, the San Diego MSA is close to the top. Still, it has avoided the job losses displayed by five of the other MSAs, and especially the losses seen in Silicon Valley and the Bay Area.

**Figure 20: Change of Employment from a year ago, CES, 10 largest MSAs in CA, Seasonally Adjusted, Dec 2024 to Dec 2025**

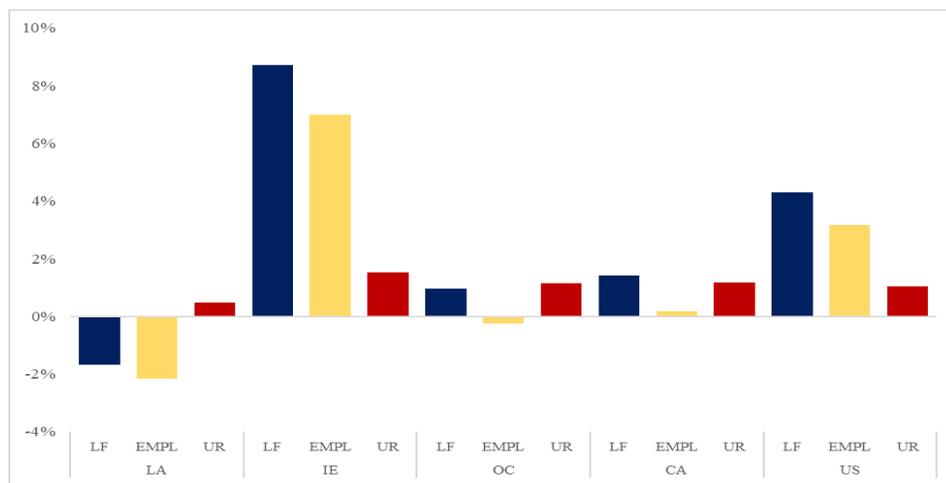


- The Bay Area MSAs continue to see a decline in employment from a year ago
- The Inland Empire employment growth from a year ago ranks in the middle of the larger MSAs in California
- The Greater Los Angeles area has seen employment growth of the same magnitude from a year ago

Figure 21 looks at the labor market development from a different angle. In general, the change in the unemployment rate is approximately equal to the difference in the growth rate of the labor force and employment. Hence the unemployment rate does not have to fall if employment grows (in case if the labor force grows at the same rate) or it can even increase (if the labor force grows by more than employment).

Compared to the last month prior to the COVID-19 downturn, the unemployment rate in the Inland Empire has increased more than the national, state, and Greater Los Angeles unemployment rate. At face value, that is not good news. However, looking at this in more detail, we see that the Inland Empire has also experienced, by far, the highest employment growth. At the same time, the labor force has almost grown at 9 percent. Hence the increase in the unemployment rate - however, this is a relatively “healthy” scenario. It would be worse, for example, if the unemployment rate increased while employment fell, as it did for the Greater Los Angeles Area. Had Los Angeles County and Orange County seen a similar increase in the labor force as the Inland Empire did, then the unemployment rate in that coastal area would have gone up by 10 percentage points!

**Figure 21: Change in Unemployment Rate (red), Growth Rates of Employment (yellow) and Labor Force (blue), SA, CPS, Feb 2020 and Nov 2025**



- Unemployment rates are higher now compared to pre COVID-19 numbers.
- Reasons for the increase vary, but with LA County exception, they were caused by labor force growth outpacing employment growth
- Employment growth was negative in the Greater Los Angeles area.

Table 10 below lists both labor market data for the calculation of the unemployment rate (household survey data) and sectoral employment (establishment survey data) using non-seasonally adjusted data for the Inland Empire. We use the establishment survey to identify sectors that have performed well or poorly.

For **year-to-year growth** (relative to December 2024), only 4 of the 12 major sectors showed positive employment growth. Worse yet, neither the growth in Leisure and Hospitality nor in Other Services was big enough to generate the aggregate increase in employment. Note also that both changes in Federal and State employment were negative, and it is only Local Government (basically Public Education) that resulted in the relatively large employment increase in Government. Bottom line, it is **Health and Public Education that keeps the Inland Empire afloat at this point**. The sectors with the most visible decline were Construction (-8,200), Logistics (-6,100), and Manufacturing (-3,500).

**Table 10: Labor Market Data, NSA, CPS and CES, Inland Empire, December 2025**

January 23, 2026

Employment Development Department  
Labor Market Information Division  
[Contact: LMID RESEARCHERS](#)

**Riverside San Bernardino Ontario MSA**  
(Riverside and San Bernardino Counties)  
Industry Employment & Labor Force  
March 2024 Benchmark

Data Not Seasonally Adjusted

	Dec 24	Oct 25	Nov 25 Revised	Dec 25 Prelim	Percent Change	
					Month	Year
Civilian Labor Force (1)	2,235,400		2,280,300	2,265,900	-0.6%	1.4%
Civilian Employment	2,125,000		2,155,900	2,149,800	-0.3%	1.2%
Civilian Unemployment	110,400		124,400	116,100	-6.7%	5.2%
Civilian Unemployment Rate	4.9%		5.5%	5.1%		
(CA Unemployment Rate)	5.2%		5.4%	5.1%		
(U.S. Unemployment Rate)	3.8%		4.3%	4.1%		
<b>Total Nonfarm</b>	<b>1,741,300</b>	<b>1,723,500</b>	<b>1,743,500</b>	<b>1,744,500</b>		<b>0.2%</b>
Mining and Logging	1,500	1,600	1,500	1,500		0.0%
Construction	113,800	109,200	106,800	105,600		-7.2%
Manufacturing	94,000	91,400	90,500	90,500		-3.7%
Wholesale Trade	69,500	67,800	68,100	68,400		-1.6%
Transportation & Warehousing	218,800	202,000	212,100	213,800		-2.3%
Logistics	288,300	269,800	280,200	282,200		-2.1%
Information	13,100	12,600	12,500	12,600		-3.8%
Financial Activities	44,000	42,800	42,900	42,800		-2.7%
Professional and Business Services	163,800	162,300	163,400	163,600		-0.1%
Private Education and Health Services	315,700	329,200	330,900	331,100		4.9%
Leisure and Hospitality	182,200	182,300	184,000	183,500		0.7%
Other Services	50,400	51,800	52,100	51,100		1.4%
Government	278,100	282,800	284,800	284,700		2.4%
Federal Government	21,400	19,900	19,800	19,900		-7.0%
State Government	27,700	26,900	27,200	26,800		-3.2%
Local Government	229,000	236,000	237,800	238,000		3.9%

Note that there is also weakness in high value-added sectors, such as **Professional and Business Services, Financial Services, and Information, that are shrinking in employment**. Such industries are the major reason for Inland Empire residents to commute to the coastal areas.

**Instead of gaining jobs in these sectors, the area is losing them.** In addition, two sectors with the highest job gains seem vulnerable to President Trump’s cutbacks in national expenditures on health and education. In addition, public education is facing declining student numbers simply due to demographics. While Public Education may temporarily be safe due to Proposition 98 and budget reallocations drawing from reserves, it seems to us that given the current budget deficit and the demographics (smaller number of young people, larger number of older people), at some point that policy will have to be revisited.<sup>7</sup>

We alluded to the “**all eggs in one basket**” story at our last State of the Region conference in February 2025. The description remains relevant. **What made the Inland Empire successful in the past, or what got us here, may be our downfall in the future.** We saw this happening in the ‘90s when the region relied on military expenditures and the aerospace industry, and in the early years of the millennium, when the housing boom was centered here. Recognizing the potential problem is the first step towards finding a solution. All that we can do here is to alert decision makers to the problem.

**Table 11: Logistics Employment, 2020-2025**

Logistics Employment By Year						
Month	Yr20	Yr21	Yr22	Yr23	Yr24	Yr25
January	223,300	257,100	276,200	276,900	272,700	273,400
February	221,600	257,400	285,200	269,800	264,800	266,700
March	220,200	255,400	282,000	266,300	261,500	262,500
April	209,000	249,700	276,500	265,800	260,100	261,500
May	217,900	250,800	274,200	266,100	259,600	262,200
June	226,800	251,600	274,000	264,600	260,500	261,600
July	224,200	254,100	276,900	264,800	263,700	264,700
August	233,400	257,100	274,900	263,000	264,300	264,300
September	239,000	260,500	275,100	263,200	265,200	263,900
October	252,500	272,000	275,900	267,400	270,000	269,800
November	264,000	280,900	285,500	282,000	286,900	280,200
December	264,900	286,800	286,100	281,400	288,300	282,200
<b>Average</b>	<b>233,100</b>	<b>261,100</b>	<b>278,500</b>	<b>269,300</b>	<b>268,100</b>	<b>267,800</b>

<sup>7</sup> Proposition 98 funding is complex. Jerry Nickelsburg of UCLA’s Anderson Forecast points out to us: “There is a formula which can be adjusted or suspended by the legislature. The funding has, as a component, student enrollment and student attendance numbers. So, the starting point is 40% but not the ending point. Also, the Prop 98 funding can be allocated between K-12, the 127 community colleges, the state department of education, and education capital expenditures. In terms of employment, since large urban school districts have shrunk much more than smaller suburban ones, expect Pasadena, San Marino, Calabasas etc. to get a larger share of whatever is allocated and LAUSD, Oakland and the like less. The former will use the money for capital expenditures and the latter will end up with reductions in staffing -- hence the sector should not be growing in employment over the next few years.”

## *Riverside County vs. San Bernardino County Analysis*

The final section will look at **differences in employment patterns between Riverside County and San Bernardino County**. We will also look in more detail at the **monthly movements in certain industries** to see if we can extract changes in underlying trends. County sectoral data is now available until December 2024, that is one year less than for the Inland Empire.

Starting with **Riverside County**, we see that it took the county 22 months after the COVID-19 downturn to recover the jobs lost during the pandemic. Since October 21, roughly 68,000 (nonfarm) jobs have been added. In December 2024, according to the establishment survey, there were over 855,500 workers employed within the county (excluding commuters).<sup>8</sup> At the end of December 2023, there were 838,500 workers who held jobs inside Riverside County (CES). The three largest sectors together employ almost half of all workers in the county (48 percent). The largest employer is Private Education and Health (19 percent), Government (16 percent), and Logistics (13 percent). The degree of concentration has increased slightly from a year ago, and there is clearly a lack of diversification.

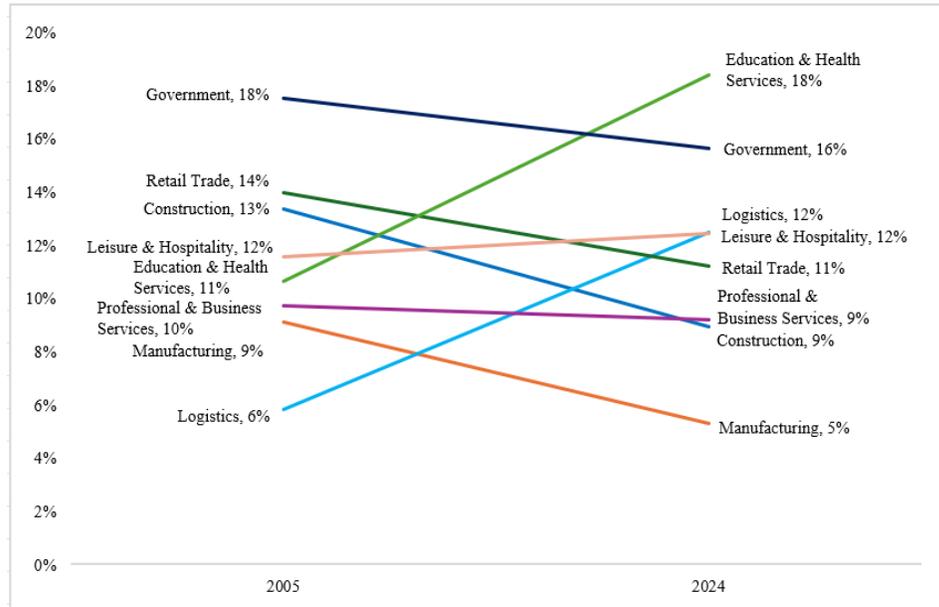
Compare the current situation to that 20 years ago (in 2005), and these three sectors only employed 35 percent of the total: Riverside County is more and more putting all eggs in a basket. Sectoral employment comparisons are given in Figure 22a. Note the severe decline in manufacturing and construction.

Recovery from the COVID-19 downturn was faster for **San Bernardino County**. It was completed by July 2021. Since then, the county has added almost 75,000 more jobs according to the establishment survey. This is more than in Riverside County, but we must remember that there are more commuters from Riverside County. For the last observation available to us, there were roughly 886,000 workers employed in San Bernardino County, roughly 30,500 more than within Riverside County. Over half of all jobs (54 percent) come from the top three employment sectors: Logistics (20 percent), Education and Health Services (18 percent), and Government (16 percent) (see Figure 22b). Just as in Riverside County, the degree of concentration is worrisome: the region has been successful since it concentrated on winners, but all the eggs are in one basket. The lack of diversification continued in 2024 and actually went up slightly. Manufacturing and Construction has suffered similar losses since 2005.

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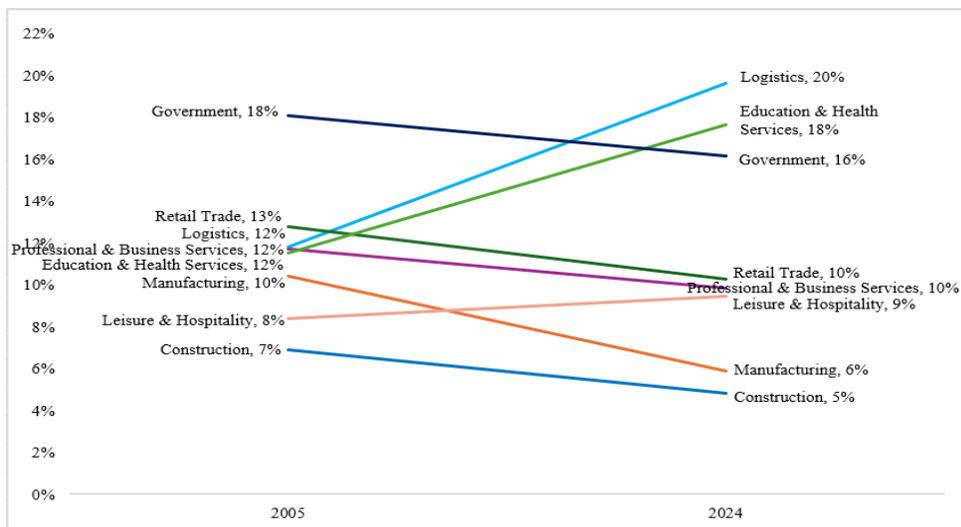
<sup>8</sup> The household survey puts that number at 1.130,200, and hence about 280,000 more. It is tempting to attribute that number to commuters, but there are other factors that contribute to the difference between the two surveys, such as the number of self-employed, new businesses, etc.

**Figure 22a: Change in Industrial Share of Employment, Riverside County, 2005 and 2024**



- Health Services and Logistics have seen the largest employment share increases over time.
- Manufacturing and Construction are the biggest losers, followed by Retail Trade.
- The three largest employment sectors are now Health Services, Government, and Logistics.

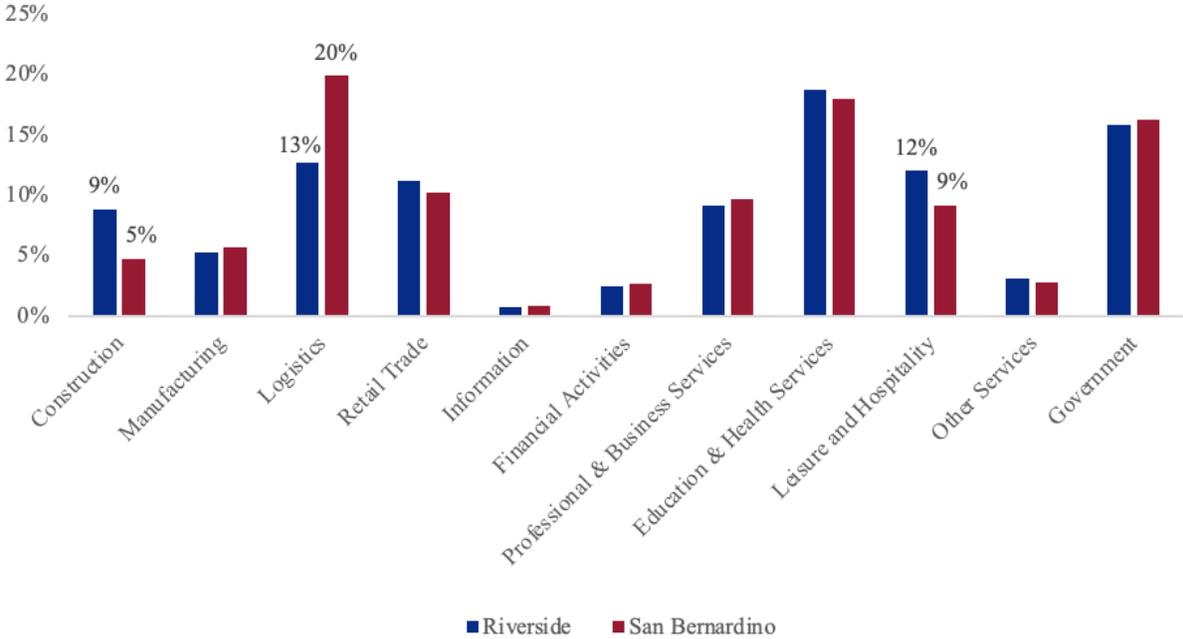
**Figure 22b: Change in Industrial Share of Employment, San Bernardino County, 2005 and 2024**



- The Logistics sector experienced the most significant increases in employment share from 2005 to 2024.
- Manufacturing and Construction see the largest decreases in employment share, followed closely by Retail Trade.
- The top three employment sectors are now Logistics, Private Education & Health Services, and Government.

A bar chart of the sectoral composition for the two counties makes it easier to identify the bigger differences in employment shares. San Bernardino County has a significantly higher share in Logistics, while Riverside County has a visibly larger share in Leisure and Hospitality employment and in Construction. The other sectors look remarkably similar.

**Figure 23: Share of Employment by Industry, Riverside County and San Bernardino County, 2024**



Source: Employment Development Department

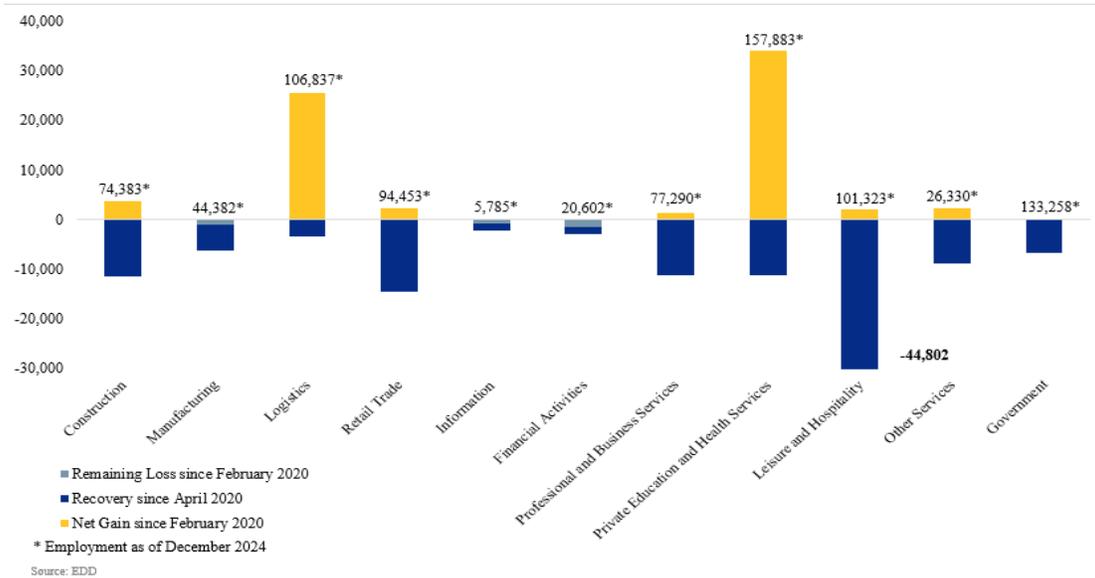
- Riverside County has a relatively higher share of employment in Construction and Leisure and Hospitality.
- San Bernardino County has a relatively higher share in Logistics.
- The employment share differences in the other sectors are negligible.

Next, we will check the performance of the different sectors in the two counties (Figures 23a and 23b) since February 2020, the last month before the beginning of the Coronavirus downturn.

Starting with **Riverside County**, the biggest initial decline in jobs lost came in Leisure and Hospitality (no surprise there), Private Education and Health (surprising to some), and Retail Trade. Health Services saw steep declines because all services that were not COVID-19 related declined - remember how you did not even want to go to the dentist. The decline in Retail Trade is also not surprising given that you were not able to go shopping in many stores in the initial phase of the pandemic. Other Services (health clubs, hair dressers, etc.) also suffered massive

layoffs, but the sector is relatively small and hence does not show a large decline (if we changed the graph to indicate percent declines, it would be more obvious).

**Figure 24a: Change in Employment by Sector, Riverside County, Seasonally Adjusted, February 2020 and December 2024**



- The five most affected sectors (in percentage change in employment) were Leisure and Hospitality, Education and Health, Retail Trade, Other Services (smaller number of employees), and (Local) Government
- Leisure and Hospitality now has more employees than before the COVID-19 downturn
- There are several sectors that to this day have not reached pre-pandemic employment levels

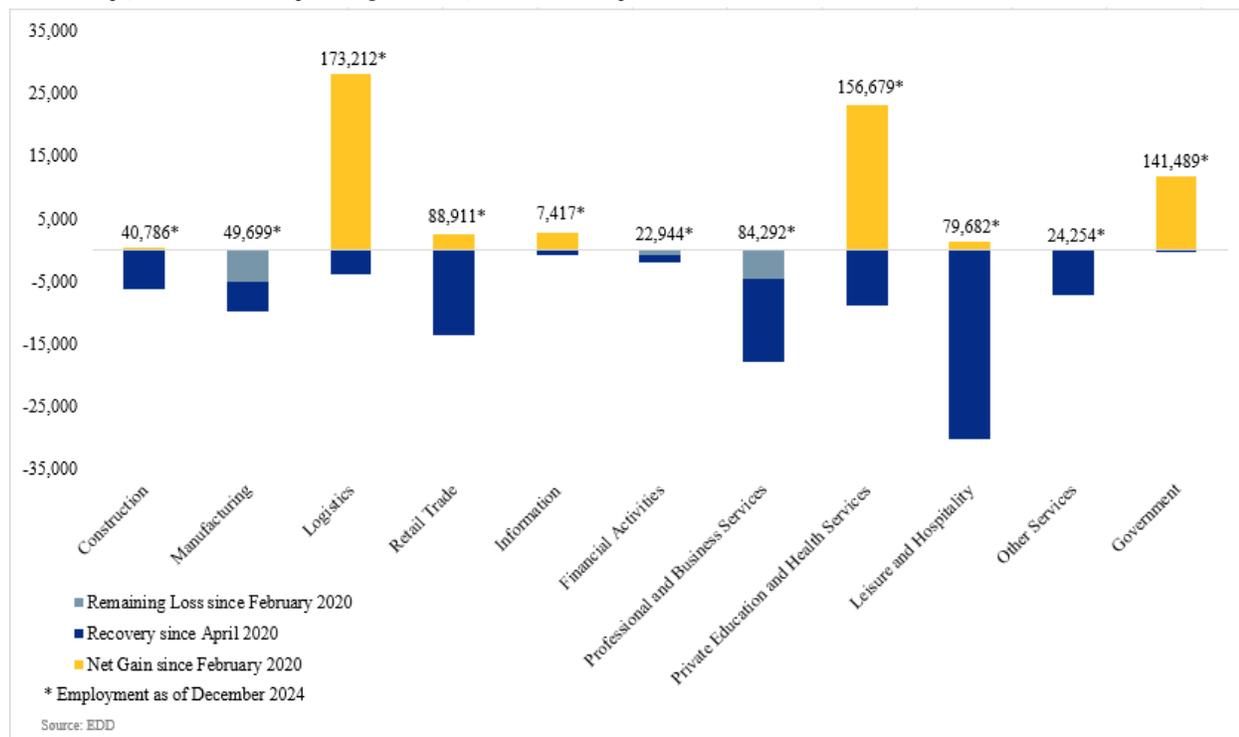
The decline in Government is more complicated. Federal Government employment hardly changed initially (in December 2022, employment in this sector was the same as in February 2020). It was the layoffs in State Government that generated the biggest decline: even in December 2024, there are over 3,000 fewer state government jobs than before the COVID-19 event. By April 2020, Local Government had lost over 16,000 jobs (not a typo). Clearly this is where the initial job losses in Government were centered. As of today, there are 1,700 more jobs in Local Government (primarily Education) that have been generated. Clearly this sector has seen some of the biggest fluctuations and as of today, despite the relatively large gains in Local Government employment, has not reached February 2020 employment levels. Note that Manufacturing, Information, and Financial Activities also have never recovered to pre-Coronavirus levels in terms of employment.

The picture looks similar for **San Bernardino County** but there are also some significant differences. Perhaps most importantly, Government (Local Government/Education) never saw a significant decline in employment and has since added jobs. Logistics and Health also produced the largest increases in employment, but the order is reversed here. Note also that in San

Bernardino County there is still a substantial deficit in both Manufacturing and Professional and Business Services.

If we classify Manufacturing, Financial Activities, Professional and Business Services, and Information as “**high wage sectors**,” then only one of the four industries (Information) is where employment levels were in pre-COVID-19. Instead, employment gains have come in “**low wage sectors**” (Construction, Government, Logistics, Private Education and Health Services, Leisure and Hospitality, Other Services).

**Figure 24b: Change in Employment by Sector, San Bernardino County, Seasonally Adjusted, February 2020 and December 2024**

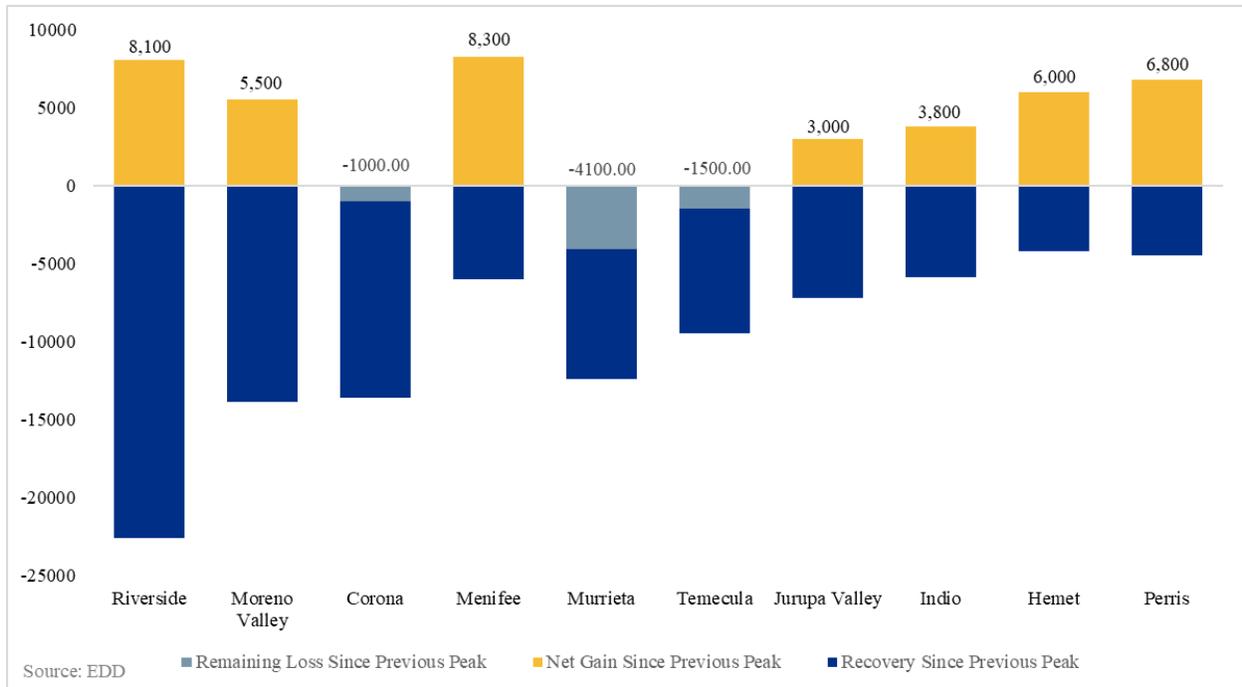


- Most negatively impacted industries: Leisure & Hospitality, Retail Trade, Professional & Business Services.
- Logistics initially lost jobs, then largest gains: most important employer in San Bernardino County
- Both Professional & Business Services, and Manufacturing still have fewer jobs than pre-pandemic.

The previous graphs established that different sectors were affected in a non-uniform way by the Coronavirus downturn and the subsequent recovery. Since cities in the Inland Empire have different sectoral compositions and population sizes, we would expect that to be reflected in employment changes as well.

In **Riverside County**, the City of Riverside experienced the largest employment losses, but also saw all jobs return and then added some.<sup>9</sup> However, and to put matters into perspective, Menifee, which is much smaller in size, has grown faster. What is even more remarkable there is that the neighboring cities of Temecula and Murrieta have not. Corona is the only other major city that has not fully recovered by the end of the sample period.<sup>10</sup>

**Figure 25a: Change in Employment, Top 10 Cities in Riverside County, Non-Seasonally Adjusted, February 2020 & November 2025**



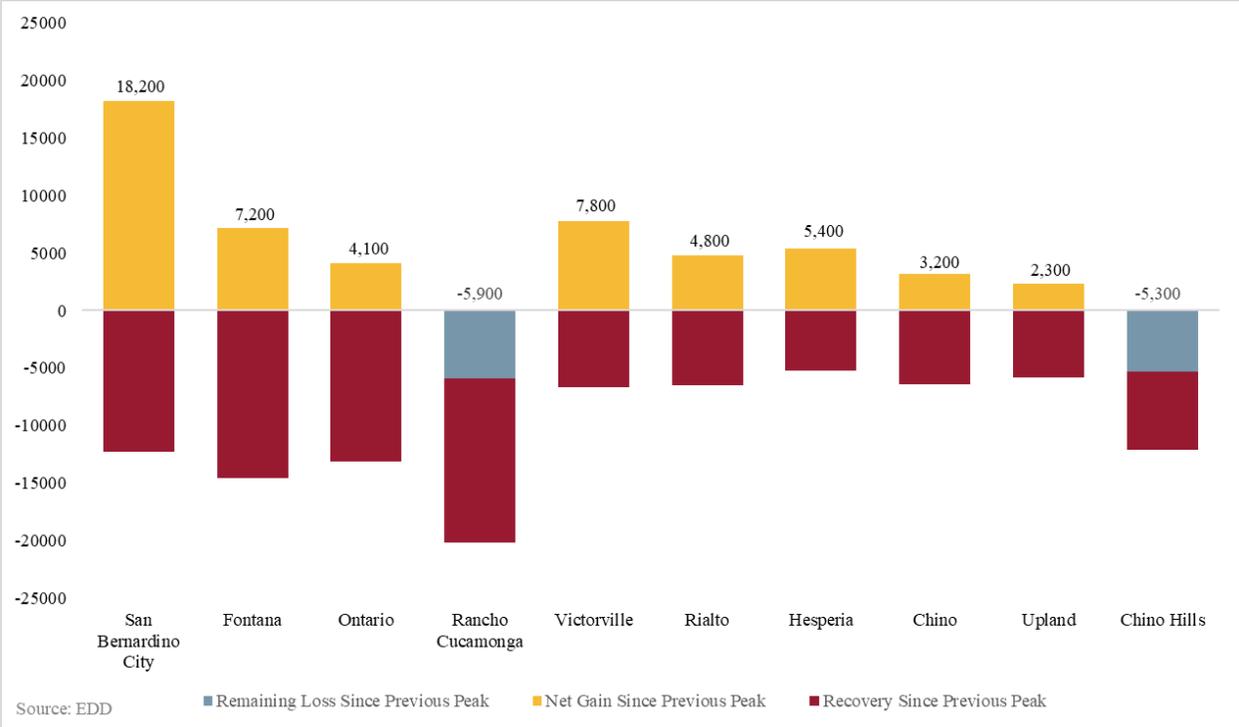
- The largest city in Riverside County, the City of Riverside, lost the most jobs and comes in a close second in gaining jobs beyond the pre-pandemic level
- Menifee, which is considerably smaller (although it is the fourth largest city in the county) gained the most jobs since the pre-COVID-19 level
- Corona, Murrieta, and Temecula, to this day, have not fully recovered the jobs lost.

In **San Bernardino County**, the largest city saw significant job losses initially, although percentage wise they were not as damaging as they appear in the graph. Remarkably neither Rancho Cucamonga nor Chino Hills have recovered fully. The Victor Valley cities (Victorville and Hesperia) have seen good sized recoveries, especially if you consider them as adjacent towns.

<sup>9</sup> Strictly speaking, we should have used seasonally adjusted data now, or compare February 2020 with February 2025. However, the resulting changes in the figures will be of second order.

<sup>10</sup> It is relatively easy to calculate percentage changes given that we provide the total employment in the graph.

**Figure 25b: Change in Employment, Top 10 Cities in San Bernardino County, Non-Seasonally Adjusted, February 2020 & November 2025**



- The four largest cities in the county lost the most jobs.
- The two cities in the Victor Valley, Victorville and Hesperia, did remarkably well in job gains.
- Rancho Cucamonga and Chino Hills have not yet recovered the jobs lost

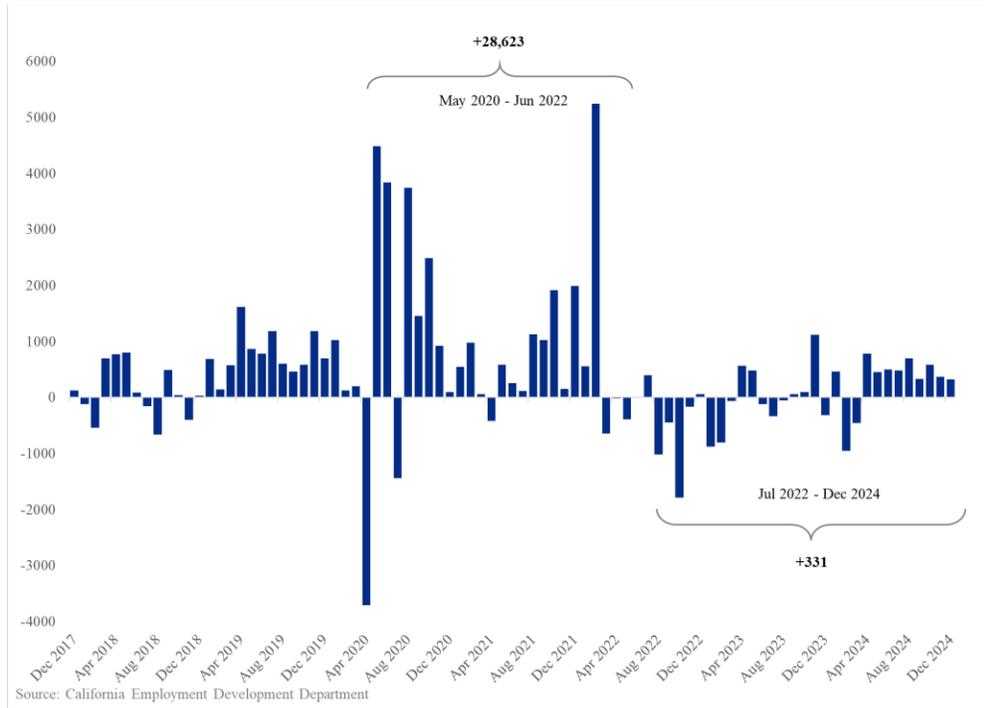
Turning now towards **industries in the Inland Empire.**

Given its size in terms of employment and share of generating real GDP in the Inland Empire, the **Logistics Industry** deserves a closer look (Figures 26a and 26b). Data for 2024 are not yet available at the county level. However, employment data for the Inland Empire show that the adjustment process is not over yet and that the Logistics industry has seen continued job losses in 2025. The correct image is a large expansion, followed by a smaller downward correction.

Note that almost 282,000 employees work in the Logistics Industry in the Inland Empire. With hindsight, it seems that the Logistics industry had an overly optimistic outlook, perhaps extrapolating the employment gains since the pandemic into the future, and being worried about finding sufficient workers for the increased demand. Employers did not correctly predict the shift back of consumption from durable goods to services (restaurants, hotels, etc.). This has resulted in major layoffs in the Logistics industry and a coinciding decline in value added.

While the **Logistics industry clearly has expanded in Riverside County compared to February 2020** (the last month of the previous expansion), it has **roughly remained constant since reaching its peak in mid-2022**.

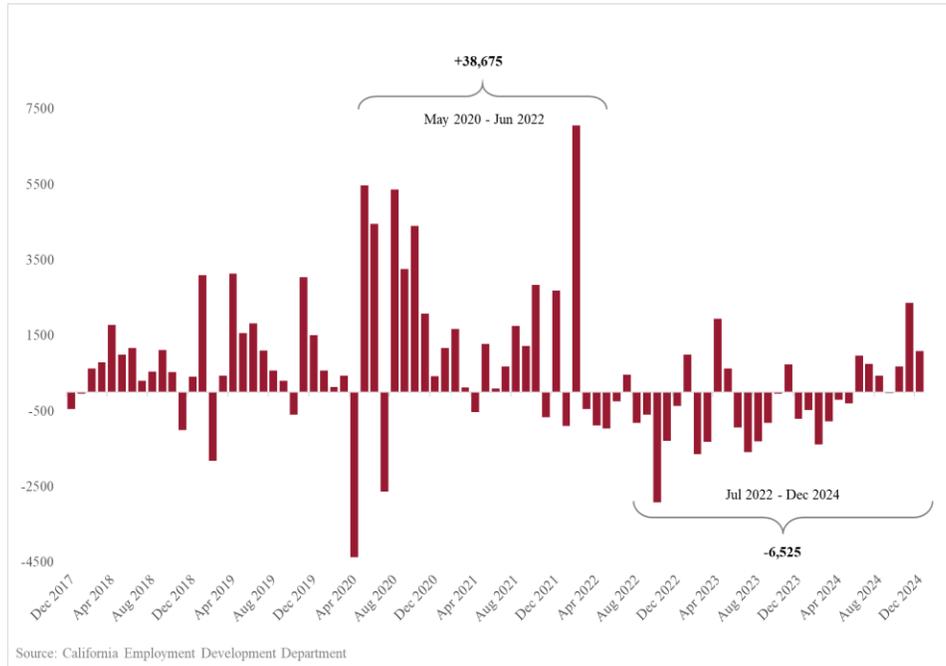
**Figure 26a: Change in Employment, Logistics, Seasonally Adjusted, Riverside County, Sep 2017 - Dec 2024**



- The Logistics industry saw a massive expansion starting in 2018 prior to the COVID-19 event and is at roughly 100,000 employees currently.
- The hiring boom intensified with the Coronavirus downturn and the initial recovery.
- Since mid-2022, the Logistics industry has contracted.

The employment picture for **San Bernardino County** looks very similar. However, movements in Logistics employment are amplified here, perhaps not too surprising given how much more dominant the Logistics industry is here. A large post Corona-virus downturn expansion has been followed by a smaller contraction for the sector. This contraction does not change the fact that the Logistics Industry has become the top employer in San Bernardino County.

**Figure 26b: Change in Employment, Logistics, Seasonally Adjusted, San Bernardino County, Sep 2017 - Dec 2024**



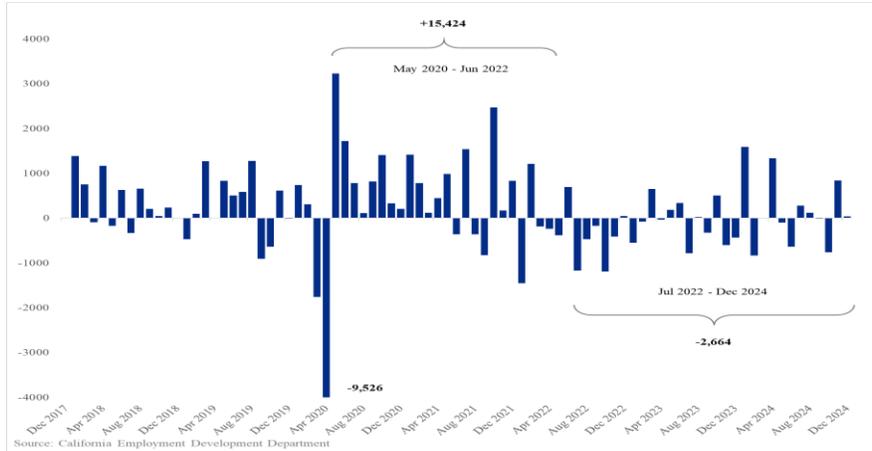
- The logistics industry in San Bernardino had a hiring boom during the initial recovery from Covid.
- However, since mid-2022, growth has slowed down and the industry has contracted.
- The post 2022 contraction is more severe in San Bernardino County than in Riverside County.

While, in principle, we could display graphs for the major industrial sectors here (two-digit industries, North American Industrial Classification System - NAICS), we just want to focus on two more sectors that we consider important for the Inland Empire, its past history, and its future. They are the two high-wage sectors of Professional and Business Services, and Manufacturing.

Professional and Business Services has marginally lost importance over time in the Inland Empire (see Figures 27a and 27b above). Yet it is this sector that attracts the better educated commuters from the Inland Empire to make the daily trip to the coastal regions. The aggravating commute during rush hour could be avoided if the Inland Empire was able to attract more firms in this sector to settle here.

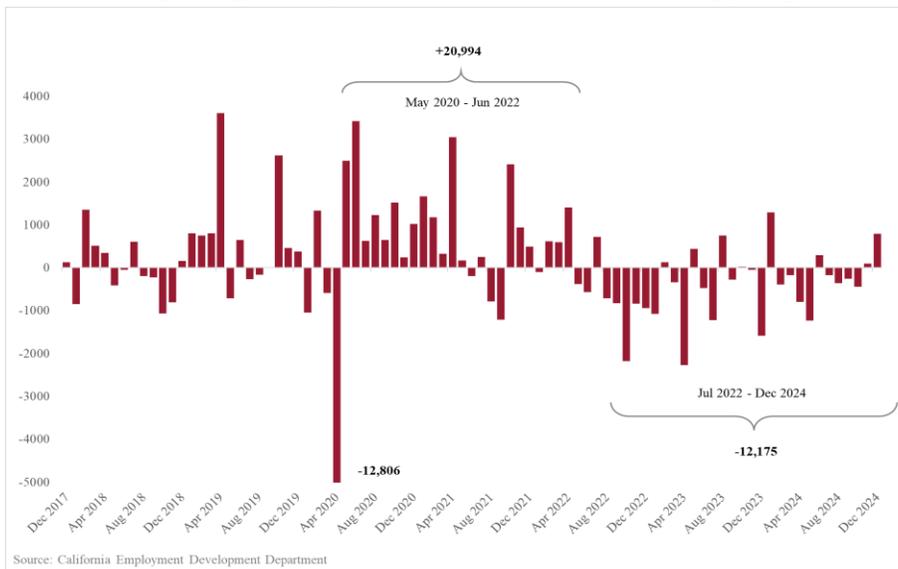
The data for **Riverside County** show that there was some expansion initially over the last five years, although it was not close in magnitude to the expansion in Logistics jobs. A quarter of the jobs gained have subsequently been lost. The picture for San Bernardino County is similar, although magnified in terms of job gains and losses.

**Figure 27a: Change in Employment, Professional and Business Services, Seasonally Adjusted, in thousands of jobs, Riverside County, Sep 2017 - Dec 2024**



- Professional and Business Services have seen the second most year-to-year job losses recently.
- While the sector is not among the top three top employment sectors, there are roughly 80,000 positions here.
- Given the profile of commuters, you would hope to see continuous employment expansion in this sector.

**Figure 27b: Change in Employment, Professional and Business Services, Seasonally Adjusted, San Bernardino County, Sep 2017 - Dec 2024**

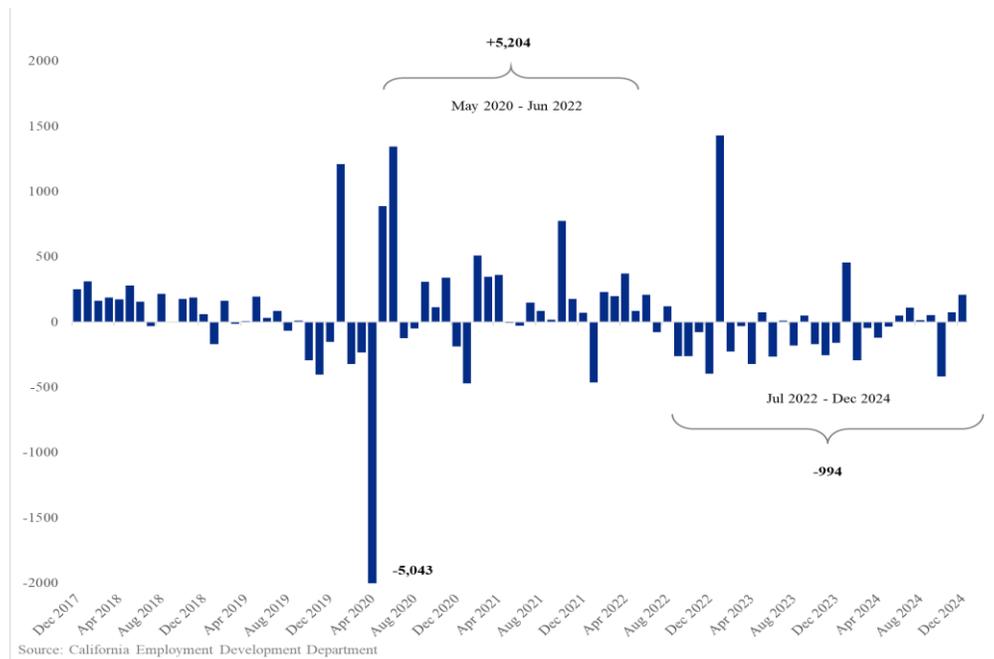


- The professional and business services sector was hit especially hard in the beginning of the pandemic, dropping to -12,766 change in March of 2020.
- Like in the logistics industry, the professional and business services sector saw a mild hiring boom during the initial post-Covid recovery.

Another high-wage sector is Manufacturing. Together with Construction, employment in this sector has declined since the Great Recession (see Figures 22a and 22b). Neither sector is even close to the employment share it had prior to 2007. Figures 28a and 28b show that the decline did not reverse itself in the more recent past. **Perhaps Riverside County has fared marginally better here than San Bernardino County.** A good description would be that the sector continues to show weakness without contracting significantly.

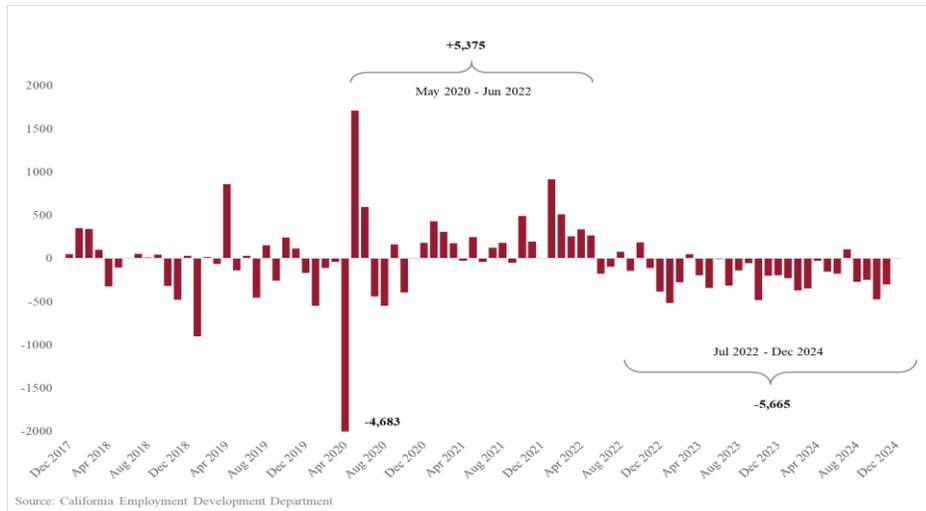
Manufacturing and Real Estate were weak, but not contracting. Note that while manufacturing is a relatively high value-added sector, only 1 out of 20 workers in **Riverside County** are employed here. The sector has lost importance over time, similar to the Construction sector: only slightly more than one out of 20 workers in the Inland Empire is employed in Manufacturing.

**Figure 28a: Change in Employment, Manufacturing, Seasonally Adjusted, in thousands of jobs, Riverside County, Sep 2017 - Dec 2024**



- Manufacturing recently is consistently shedding a small number of jobs, with the exception of one relatively large hiring spike.
- The relative decline in this sector is a reflection of manufacturing shrinking both at the national and state level.
- Only 6% of all jobs in Riverside County are in Manufacturing.

**Figure 28b: Change in Employment, Manufacturing, Seasonally Adjusted, in thousands of jobs, San Bernardino County, Sep 2017 - Dec 2024**

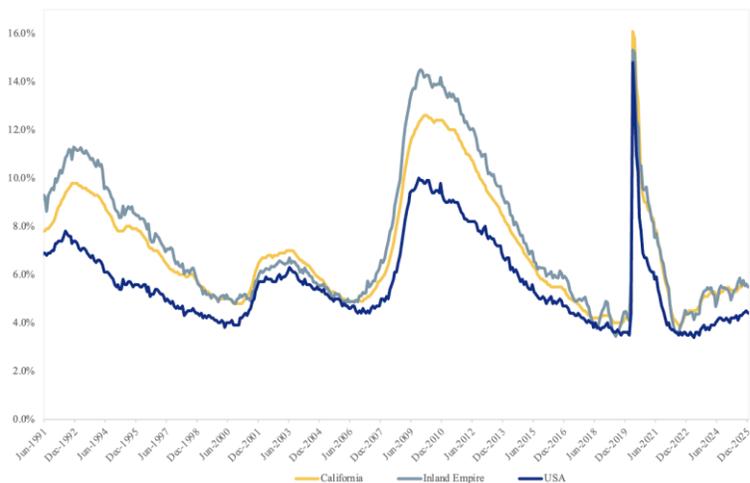


- Similar to Riverside County, manufacturing comprises 6% of total employment in San Bernardino County.
- The manufacturing sector in both counties demonstrated strong growth, with steady monthly job gains throughout 2021, while this upward momentum reversed in 2022.
- Since April 2022, this sector has experienced minor job losses on a monthly basis, with occasional periods of hiring.

### *Unemployment*

Shifting from employment to unemployment, we note that the unemployment rate in the Inland Empire increased from 3.9% to 5.1% from mid-2022 until now (December 2025), which is a significant jump. The unemployment rate is still low by historical standards (see Figure 29), but not particularly low if we look at business cycle peaks (unemployment rates just to the left of the gray shaded areas).

**Figure 29: Unemployment Rate, Inland Empire, January 1990 - December 2025**



Source: Federal Reserve Bank of St. Louis, Employment Development Department

- Unemployment rates in the Inland Empire tend to be higher than for the state the nation.
- Exception is the dot.com recession at turn of the millennium when contraction was centered in Bay area.
- Following Coronavirus downturn, unemployment rates in the Inland Empire mirrored those for state

## The 2026 Outlook

Economic growth for the Riverside-San Bernardino-Ontario MSA is expected to remain high in 2026. Last year, in our outlook, we were concerned about two major headwinds related to the uncertainty surrounding policy decisions of the new administration following the 2025 presidential election. This caused problems for both consumer and business spending decisions and future plans. These uncertainties are not as severe as they were a year ago, but the region will have to deal with the consequences of the decisions made by President Trump regarding (i) tariffs, (ii) deportation, (iii) fiscal policy (especially taxes), and (iv) regulation. Even the Federal Reserve is unwilling to make forecasts into the near future exceeding a few months ahead without more clarity on these issues. This makes forecasting beyond 2025 extremely difficult. For example, the Federal Reserve is likely to hold off with further cuts in interest rates until the summer of 2026, although President Trump has “demanded” the Federal Reserve to cut interest rates further.

Regardless, the beginning of an expansive consumer credit policy has begun with the previous interest cuts in 2025, and it is expected to continue. This will generate positive impulses for the Inland Empire economy. Still, we expect the MSA economy to outperform the state economy but not the national economy.

Our outlook for 2026 is based on the assumption that President Trump's proposed policies on tariffs and deportation will not have an immediate effect on trade and construction. Part of this is the larger role that the Logistics industry plays in the MSA. Transportation, Warehousing, and Whole Sale have moved into third place in terms of overall employment share; they are actually the largest employer in San Bernardino County (third largest in Riverside County). The opening of new facilities in 2026 will require new workers, and the continuation of imported goods consumption by U.S. consumers will drive goods transportation and distribution upwards this year, unless President Trump decides in March to follow through with his initial tariffs on Mexico and Canada.

There are some clouds on the horizon for the Logistics sector in addition to the potential tariffs: Governor Newsome signed AB 98 which focuses on siting and design standards in this industry. Starting in 2026, new and expanding distribution centers can only be built if certain new standards are being met. These include restrictions on the distance from so-called sensitive sites, and requires that new developments are limited to roads that serve commercial uses. Much of the currently allocated space is already in the entitlement process and therefore will be exempt. However, these regulations will play a role regarding future investment plans for this industry.

The two sectors with the highest employment share in the Inland Empire, (Private Education and Health, and Government (Local Government; Public Education), will not contribute much to employment growth in 2026. A large share of expenditures on health comes from public sources. Given the budget problems that the state faces, expect public expenditures to be curtailed for the next year.

Construction and the housing sector will benefit from the lowering of interest rates started by the Federal Reserve in September. The Federal Funds Rate will fall by an additional 25 to 50 basis points between now and December 2025. This will stimulate housing sales and housing starts. In addition, there is pent-up demand from two sources: (i) many workers will continue to work from home (despite some companies, such as Amazon, demanding for their employees to now work five days at the office), and (ii) households who were holding on to their low-interest mortgage rates rather than moving into higher valued houses, will finally be enticed to trade-up from their old properties. In addition, there is a large chunk of households with members in their early 30s who are looking for their first home to buy. Both effects will stimulate the housing sector and the construction industry. More home sales and at current or higher selling values will drive property transfer tax receipts, augment assessed valuations, and result in higher property tax collections.

Given the ADP report regarding attractiveness of the Inland Empire to 20–29-year-olds, we must find ways to attract firms with better paying jobs. Being more affordable in housing relative to other Southern California areas does not help much if average housing prices are higher than in the rest of the U.S. MSAs - the current situation simply lowers already relatively low wages to

even less attractive affordability adjusted wages. Building more affordable houses may help a little, but attracting more hire value adding firms must be the number one priority.

**Table 12: Major Economic Indicators, Inland Empire, Current and Forecasts**

<b>Riverside County</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Inflation</b>	<b>3.0</b>	<b>2.4</b>	<b>3.0</b>	<b>3.1</b>
<b>Unemployment Rate</b>	<b>5.7</b>	<b>5.1</b>	<b>4.9</b>	<b>4.7</b>
<b>Employment Growth</b>	<b>1.5</b>	<b>1.8</b>	<b>0.8</b>	<b>0.7</b>
<b>Population (millions)</b>	<b>4.7</b>	<b>4.7</b>	<b>4.7</b>	<b>4.7</b>

To end on a positive note, we attach a **2025 Year in Review** piece that was published by the Southern California News Group on the weekend before the end of the year. Enjoy!

## **25 Good Things That Happened in 2025 Around Here**

by

J. Chen and M. Keil

1. According to Census numbers, the Riverside-San Bernardino-Ontario Metropolitan area (MSA) became the 12th most populous MSA out of 390 in the U.S. with 4.7 million residents after passing the San Francisco MSA. There are some sources, which claim that we have passed the next in line already, Boston-Cambridge. We will keep the champagne on ice until Census confirms. And then? Phoenix-Mesa.
2. Strong hiring in Health Care and Public Education (Local Government) prevented the Inland Empire and Southern California from falling into an employment recession. An example of the expanding local health sector is America's first all-electric acute care hospital, which opened on the UC Irvine medical campus on December 10. The hiring in these two sectors offset the particularly poor showing of the Logistics sector ("Freight Recession") toward the end of the year.
3. The Los Angeles Dodgers won the National League pennant and the World Series in November, beating Toronto in a seven-game series. Attendance during 2025 pushed past the 4 million mark for the 82 home games at Dodger Stadium, an all-time record high. A Japanese pitcher was named the World Series MVP, and his name is not Ohtani. The Los Angeles Rams, now with an 11-5 record, are in the NFL playoffs again and could advance to the Super Bowl in February 2026; and the Chargers beat the two teams from last year's Super Bowl in back-to-back games.
4. Increases in American tourism to SoCal offset the decline in Canadian visitors to the region, which is estimated to have fallen by a third. Palm Springs International Airport (PSP) saw a 4.3 percent increase in passenger traffic during the first six months of the year, resulting in more than 2 million visitors. We can only hope that the Canadian snowbirds are reconsidering cancelled travel plans to SoCal after couples like Trevor McKinsey and his French-Canadian wife, Nadine Fortin, see daily highs of 20 degrees in Calgary (with a wind-chill factor of -100). Daughter Arielle-Marie refuses to go to the ice rink for curling on Saturday nights. We would love to have you here and hope that some arctic vortex ice storm does not keep Calgary International Airport (YYC) closed.

5. The government shutdown ended after a historical record setting 43 days. We will never get the October unemployment rate numbers, which is good news because they most likely would have shown an increase in the unemployment rate.
6. In the Year of the Snake, not only did snakes find their home in *Zootopia 2*, but the Inland Empire leaders could also benefit from considering ancient Chinese characteristics associated with the snake: careful planning, strategic patience, and embrace change. Keep these in mind when developing a strategic plan for the Inland Empire 2045.
7. Despite initial fears generated by news on Liberation Day, the Ports of Los Angeles and Long Beach have seen a record number of container imports for the year. The various versions of tariff policies have not yet shown the dreaded impact on the economy of Southern California. Decreased imports from China, and Asia in general, would significantly hurt Southern California's logistics industry.
8. There were some refreshing dramas to watch on various entertainment services. *The White Lotus* third season showed us that Black Pink member Lisa can also act, *Severance* gives us new ideas on how to separate our private life from work experience, and the success of *Slow Horses* indicates that we are still willing to get into clever English non-traditional plots.
9. Given the rise in popularity of weight loss drugs, some Inland Empire residents will see their life expectancy go up, and the labor force will be healthier.
10. Only one more year to go to the Football (soccer) World Cup. The U.S. national men's team will open in SoFi Stadium against Paraguay. We don't have to worry about Canadian tourists not coming to SoCal since Canada will most likely not make it to the Round of 32 knockout match on June 28, which is their only scheduled game in SoCal. Still, we would love to have you here to watch some higher quality teams play, especially if you are willing to pay those SoFi Stadium ticket prices. For those of you who don't understand soccer, here is what famous Tottenham and England forward Gary Lineker once said in an interview: "Football is a simple game: 22 men chase a ball for 90 minutes and at the end, the Germans always win."
11. Green Day got back together and performed at Coachella in front of 124,999 people last April. We can now feel again like "American Idiot" and "Basket Case".
12. Ontario International Airport celebrated a theme "Reclaimed. Revived. Ready." to commemorate the decade-long independence from Los Angeles World Airports. Also good news is that we still only have to find Terminals 2 and 4 when we go there and not have to search for Terminals 1, 3, and 5. Hawaiian Airlines has a daily flight from ONT to Honolulu if January/February temperatures get too chilly for you here, with Southwest announcing the same for next year.
13. The high-speed rail, Brightline West, is making progress (outside of the Inland Empire). Still working on the projection that we can go from Rancho Cucamonga to Vegas when the Olympics start in 2028. The trip is supposed to take two hours with top speeds of 200

mph (although we doubt that it reaches that speed between the Hesperia and Apple Valley stops - coming to think about it, why would there be two stops? Is it to check on the breaks before you go down the hill next to the I-15? Can't you just turn off the train engine and have all passengers hold their arms in the air?).

14. Artificial Intelligence (AI) has boosted productivity growth in California and the Inland Empire this year, generating quarterly estimates of up to 4.0 percent increases in output amid virtually no job creation. It has also maintained California as the epicenter of AI innovation and adoption.
15. There were some ups and downs in the stock market, but generally speaking, stocks had a great year, which is good for our retirement accounts and California's budget. The Dow Jones and the S&P 500 have posted annual gains of over 16 percent, which is an extraordinarily high return even if you take into account the 3 percent inflation rate. Gold prices even had a better performance.
16. Being about "Good Things," we don't have to report about the fires and immigration raids nor their impacts on our regional economy. Perhaps we can mention the continued possibility of decent tax and mortgage relief programs being provided to those who lost their homes in the Altadena and Palisades fires.
17. Only 500 more years that we "may find" something in the year 2525, "if man is still alive, if woman can survive" according to Zager and Evans.
18. The Long Beach Tattoo Arts Festival, SoCal's largest, was held July 18-20 at the Long Beach Convention Center. The seriously good news for the city of Long Beach is that the city had 5.5 million tourists this year, who contributed almost \$2 billion to the local economy. A slowing economy, we might add, since the city reduced the speed limit by 5 mph across all roads, and, remarkably, without a cost-benefit analysis.
19. No more need to ask the driver in your taxi/Uber/Lyft ride "how are you today" or "how is business going" or "how many hours have you been working" since Waymo has arrived in SoCal. No worries about the number of "stars" the driver gives you.
20. Jesus Christ Superstar played to three sold out performances at the Hollywood Bowl. Brought back childhood memories for one of the two authors (the other was not born yet...). Jesus transcends gender (Cynthia Erivo), and prior perceptions of Judas (Adam Lambert) can change.
21. Despite annoying prices at the gas pump, hotel rates, parking tickets, and traffic nightmares, California welcomed 271.6 million visitors in 2025, up roughly 0.8 percent from last year, and is expected to see another 1.7 percent increase in 2026. Also, we are no longer the nation's 8th most congested city, just the 10th most congested.
22. After a ceremonial groundbreaking in 2017 and official start of construction in July 2020, the *LA Metro A Line* finally opened its 9-mile extension to Pomona, officially making it the world's longest light-rail line. We hope the repeatedly delayed opening of the LAX People Mover project will follow in step and begin its passenger service in 2026, getting

us closer to higher quality public transportation connections seen in other world class city airports such as London, Hong Kong, Shanghai, Seoul, Frankfurt, etc.

23. After years of playing the Dutch national anthem on loop, Lando Norris finally beat Max Verstappen in the 2025 season, reminding fans that Formula 1 is in fact a competition instead of a traveling tribute tour. And soon we can take the Brightline West to watch the Vegas F1 formula race live by going there and coming back the same day while relaxing in a comfortable place on the way.
24. Disneyland celebrated its 70th anniversary. Turns out Mickey and Pluto have survived 12 economic recessions, the COVID-19 shutdown, and many changes in culture/taste since the opening. Today, the Disneyland Resort supports 36,000 jobs and attracts around 17 million visitors annually, anchoring Anaheim's economy and reminding So Cal that nostalgia can be a growth industry. Sadly, the company sold the Anaheim Mighty Ducks in 2006 but the team remained in So Cal. At least the new owners did not change the name to "Los Angeles Ducks of Anaheim" as they did with their next-door neighbor, the Angels.
25. To stop productions from exiting to Georgia or Canada, California more than doubled its Film and TV Tax Credit Program from \$330 million to \$750 million, projected to generate \$1.2 billion in statewide economic activity, employ more than 5,000 cast and crew, and pay \$487 million in qualified wages. The current estimate of the total impact from the first two rounds of the expanded program has exceeded \$2.5 billion.

California has taken the sole lead when it comes to highest unemployment rates among U.S. states. Wait, coming to think of it, delete, this is not good news.

Look forward to 26 good news items next year, perhaps starting with "we experienced a return to low inflation and high growth, while keeping the unemployment rate from rising." In the words of the Everly Brothers, "Dream, Dream, Dream."