



**AGENDA
REGULAR MEETING
COUNCIL OF SAN BENITO COUNTY GOVERNMENTS**

DATE: Thursday, July 17, 2014
3:00 p.m.

LOCATION: **Board of Supervisors Chambers
481 Fourth St., Hollister, CA 95023**

DIRECTORS: Chair Victor Gomez, Directors Anthony Botelho, Tony Boch, Jerry Muenzer, and Robert Scattini
Alternates: San Benito County: Jaime De La Cruz;
City of Hollister: Pauline Valdivia; San Juan Bautista: Andy Moore

*Persons who wish to address the Board of Directors must complete a Speaker Card and give it to the Clerk prior to addressing the Board. Those who wish to address the Board on an agenda item will be heard when the Chairperson calls for comments from the audience. Following recognition, persons desiring to speak are requested to advance to the podium and state their name and address. After hearing audience comments, the Public Comment portion of the agenda item will be closed. **The Opportunity to address the Board of Directors on items of interest not appearing on the agenda will be provided during Section C. Public Comment.***

3:00 P.M. CALL TO ORDER

- A. Pledge of Allegiance**
- B. Verification of Certificate of Posting**
- C. Public Comment** (Opportunity to address the Board on items of interest on a subject matter within the jurisdiction of the Council of Governments and not appearing on the agendas. No action may be taken unless provided by Govt. Code Sec. 54954.2 Speakers are limited to 3 minutes.)
- D. Executive Director's Report**
- E. Caltrans Report – Gubbins/Loe**
- F. Board of Director's Reports**

CLOSED SESSION:

Matters discussed during Closed Session include existing and pending litigation, personnel matters and real property negotiations. Reportable actions taken by the Board during Closed Session will be announced during open session. (Gov. Code Section 54957.1(a) & (b), Ralph M. Brown Act.)

- 1. Conference with Real Property Negotiators** - Pursuant to Government Code Section 54956.8
Property: 600 Del Monte Drive, Hollister
Agency Negotiators: Shirley Murphy, Deputy County Counsel, Lisa Rheinheimer, Executive Director, and Mary Gilbert, Transportation Planning Manager
Negotiating Parties: Leslie Marie Clark Trust
Under Negotiation: Price and Terms of Payment

- 2. Public Employee Appointment – Pursuant to Governments Code Section 54957(b)**
Title: Council of Governments Interim Executive Director

CONSENT AGENDA:

(These matters shall be considered as a whole and without discussion unless a particular item is removed from the Consent Agenda. Members of the public who wish to speak on a Consent Agenda item must submit a Speaker Card to the Clerk and wait for recognition from the Chairperson. Approval of a consent item means approval as recommended on the Staff Report.)

- 3. APPROVE** Council of Governments Draft Meeting Minutes Dated June 19, 2014 – Gomez

- 4. APPROVE** Council of Governments Transaction Report (Financial Claims) Dated June 2014 – Postigo

- 5. RECEIVE** Construction Projects Report – Caltrans District 5

- 6. APPROVE** Apportionments of Regional Surface Transportation Program Funds for Bus Stop Improvements Projects – Gilbert

- 7. Council of Governments Office Facilities Lease** – Postigo
 - a. **APPROVE** Lease between Council of San Benito County Governments and the Pivetti Company for Office Space Located at 330 Tres Pinos Road, Suite C7/
 - b. **AUTHORIZE** Chair to Sign Lease Between Council of San Benito County Governments and The Pivetti Company.

- 8. RESCIND** the following COG Board Actions taken at the March 20, 2014 COG Board meeting under agenda item numbers 7 and 8:
 - a. **DIRECT** San Benito COG staff to use the updated 2010 San Benito Traffic Model for transportation planning purposes; and
 - b. **ADOPT** the San Benito County Population, Employment and Housing Projections for 2035 and direct San Benito COG Staff to Forward This Data to the Association of Monterey Bay Area Governments (AMBAG) for Transportation Planning Purposes and Inclusion in the 2014 Metropolitan Transportation Plan (MTP) and Sustainable Communities Strategy (SCS).

REGULAR AGENDA: TRANSPORTATION ITEMS

9. **HOLD** Public Hearing to **ADOPT** Resolution 2014-08 Adopting the Final Regional Housing Needs Allocation Plan Covering the period of 2014-2023 – Rheinheimer

10. **Highway 25 Widening Project** – Gilbert
 - a. **RECEIVE** Update on the Highway 25 Widening Project
 - b. **APPROVE** Cooperative Agreement between the Council of San Benito County Governments and Caltrans for Finalizing the Highway 25 Widening Environmental Document

11. **RECEIVE** Draft 2014 Unmet Transit Needs Report – Lezama

Adjourn to COG Meeting on August 21, 2014. Agenda Deadline is Tuesday, August 12, 2014 at 12:00 p.m.

In compliance with the Americans with Disabilities Act (ADA), if requested, the Agenda can be made available in appropriate alternative formats to persons with a disability. If an individual wishes to request an alternative agenda format, please contact the Clerk of the Council four (4) days prior to the meeting at (831) 637-7665. The Council of Governments Board of Directors meeting facility is accessible to persons with disabilities. If you need special assistance to participate in this meeting, please contact the Clerk of the Council's office at (831) 637-7665 at least 48 hours before the meeting to enable the Council of Governments to make reasonable arrangements to ensure accessibility.



DISTRICT 5 DIRECTOR'S REPORT – SAN BENITO COUNTY

PREPARED FOR THE JULY 17, 2014 COUNCIL OF SAN BENITO COUNTY GOVERNMENTS' MEETING

NEWSWORTHY

- As the severe drought continues throughout California, Caltrans urges everyone to conserve water and has implemented the following actions toward that goal:
 - Evaluated all proposed planting projects for the next two years and delayed, until after the drought, 20 percent of the scheduled work.
 - All planting work currently under construction will remain on schedule to avoid negative impacts to the contracting industry.
 - Improved the department's efficient use of water and reduced maintenance costs over the long-term.
- The District 5 Maintenance team's annual mowing operation is under way along the state highway system on the Central Coast. The work, coordinated with the local fire Marshalls', is scheduled for completion before the peak summer fire season begins. Caltrans also reminds the public about the *Move Over* law, which requires motorists to move over to the next available lane when safe to do so, or slow down when passing Caltrans vehicles with flashing lights on.
- Caltrans is currently reviewing nearly 800 Active Transportation Program applications promoting bicycling, walking and a healthier California. A total of \$360 million is available in federal and state funding from this program. Fifty percent (\$180 million) is to be awarded anywhere in the state while another 10 percent (\$36 million) is designated specifically for small urban and rural areas. Caltrans' recent California Household Travel Survey showed that the percentage of trips taken by the state's households involving walking, bicycling or using public transportation has more than doubled since 2000. More information is available at:
<http://www.dot.ca.gov/hq/paffairs/news/pressrel/14pr056.htm>
- The National Highway Institute will host a free webinar on *Livability and Level of Service* from 11:30 a.m. to 1 p.m. Tuesday, July 22, 2014. This training is for state DOTs and other practitioners who are working to balance Level of Service performance measures with livability. It will focus in part on the alternative performance metrics already in use in numerous jurisdictions. More information is available at:
<http://www.nhi.fhwa.dot.gov/resources/webconference/viewconference.aspx?webconfid=27642>
- The Federal Highway Administration recently launched a new web site, *Saving Lives Together: The Highway Safety & EMS Connection*. This information is for both highway safety and emergency medical service professionals to promote awareness, understanding, collaboration and involvement in state Strategic Highway Safety Plans. The site features tips and suggestions for reaching out to these groups as well as case studies demonstrating how states have successfully implemented key safety strategies developed in collaboration. More information is available at:
<http://safety.fhwa.dot.gov/hsip/shsp/ems/connection/>

Please Submit Maintenance Service Requests at the Following Link: <http://www.dot.ca.gov/hq/maint/mrsrsubmit/>

**SAN BENITO COUNTY
COUNCIL OF GOVERNMENTS
REGULAR MEETING**

June 19, 2014, 3:00 P.M.

DRAFT MINUTES

MEMBERS PRESENT:

Chair Gomez, Director Boch, Director Botelho, Director Muenzer, and Director Scattini

STAFF PRESENT:

Deputy County Counsel, Barbara Thompson; Executive Director, Lisa Rheinheimer; Transportation Planning Manager, Mary Gilbert; Administrative Services Specialist, Kathy Postigo; Transportation Planner, Veronica Lezama; Transportation Planner, Betty LiOwen; Transportation Intern, Regina Valentine; Secretary, Monica Gomez

OTHERS PRESENT:

Brandy Rider, John Olejnik, Richard Rosales, Caltrans District 5; Maura Twomey, Association of Monterey Bay Area Governments (AMBAG), Richard Daulton, Rincon Consulting

CALL TO ORDER:

Chair Gomez called the meeting to order at 3:01 P.M.

A. PLEDGE OF ALLEGIANCE

B. CERTIFICATE OF POSTING

Upon a motion duly made by Director Botelho, and seconded by Director Scattini, the Directors acknowledged the Certificate of Posting. Vote: 5/0 motion passes.

C. PUBLIC COMMENT:

Bob Scales

Parsons Transportation Group

Mr. Scales stated that he wanted to make a correction in regards to a comment that he “supposedly” made under Closed Session Item 1. On April 17, 2014, a threat of litigation was made by Mr. Bob Scales of Parsons Transportation Group to the Council of Governments Board during a break in the meeting. Mr. Scales stated that if he said something, he had no intention of making any threat. He stated that what he did say was that if you do not follow the Regional Transportation Plan guidelines you are setting yourself up for the possibility of an unnecessary lawsuit.

Chair Gomez stated for the record that the COG Board received Joe Thompson’s public comment correspondence dated May 19, 2014. The correspondence was entered into the public record.

D. EXECUTIVE DIRECTOR’S REPORT: Rheinheimer

Ms. Rheinheimer reported that the Local Transportation Authority’s County Express service provided

free transit to the Hollister Air Show on Saturday and Sunday. Unfortunately, there were only twelve passenger trips (6 people). Of those six people, three of them were her husband, her son, and herself. She stated that this will be a discussion for the Board next year, as to whether or not they want to continue the service.

Ms. Rheinheimer reported that the Highway 25 Bypass is now in Caltrans control and ownership. Any questions or concerns about the Highway 25 Bypass will have to be directed to Caltrans from now on.

Ms. Rheinheimer reported that it was with both sadness and great joy to announce that it was Regina Valentine's last day at San Benito COG, as COG's Intern. Ms. Rheinheimer stated that Regina accomplished a great deal while at COG and she has accepted a higher level position in Modesto. Ms. Rheinheimer and COG staff wished her the best of luck.

Lastly, Ms. Rheinheimer announced that she submitted her letter of resignation as COG's Executive Director, effective August 10th. Ms. Rheinheimer thanked the Board for their support over the last 7 ½ years. She enjoyed working with the Board, Supervisors, City Council, other elected officials, community members, and COG staff. Ms. Rheinheimer stated that many things were accomplished during her time with COG such as the Highway 25 Bypass project, and the Highway 25 Safety project. She stated that she was very proud of the work that was done with the Transit Operations because it is absolutely vital to the community to have access to transit. She stated that she learned a great deal and had grown professionally over the last 7 ½ years with the Board's support. She stated that the COG Board has a very dedicated staff. She thanked COG staff for their professionalism and their commitment to high quality public service. Finally, she wished the Board the best of luck in the future.

Chair Gomez thanked Ms. Rheinheimer for all of her work and wished her the best of luck at her new job.

E. CALTRANS DISTRICT 5 REPORT: Gubbins

Brandy Rider reminded the Board about the California Freight Mobility Plan (CFMP) public workshop June 23, 2014 at the Marina Public Library from 4:00 P.M. – 7:00 P.M.

Ms. Rider reported that Caltrans has installed new billboards along Highway 101 specifically there is one in Chualar and San Luis Obispo County. Essentially, the billboard says "be alert, my mom's at work, or my dad's at work" It is part of a new safety campaign to remind people to be conscious of Caltrans employees, contractors, and all of the workers that are out there on the roadway.

Ms. Rider stated that on behalf of Caltrans she wanted to thank Ms. Rheinheimer, who has been a wonderful partner with Caltrans. Ms. Rider stated that Ms. Rheinheimer, along with her staff, have been instrumental in achieving quite a bit in San Benito County. Ms. Rider stated that Caltrans wished her the best in her endeavors and they looked forward to working with her in a slightly different capacity.

F. BOARD OF DIRECTORS REPORTS:

Director Botelho stated that Ms. Rheinheimer's leadership at COG would certainly be missed. He stated that he appreciated her work and open mindedness on the Highway 156 project and her ability to bring the community together.

Director Muenzer reported that on June 11th AMBAG adopted the 2035 MTP Sustainable Communities Strategies for the Region. He also stated that he wanted to thank Ms. Rheinheimer for all of the work she had done for the County and the COG Board and that she would be missed.

Upon a motion duly made by Director Scattini, and seconded by Director Botelho, the Directors unanimously voted to convene into Closed Session. Vote: 5/0 motion passes.

CLOSED SESSION:

Deputy County Counsel, Barbara Thompson reported:

1. Conference with Legal Counsel-Anticipation of Litigation
Significant Exposure to litigation pursuant to subdivision (d) of Section 54956.9:
Closed session is authorized by Section 54956.9 (d) (2), (e) (2), (e) (3), and (e) (4)
On April 17, 2014, a threat of litigation was made by Mr. Bob Scales of Parsons Transportation Group to the Council of Governments Board during a break in the meeting.

On May 5, 2014, the Council of San Benito County Governments received correspondence from the law firm of L+G, LLP, alleging that action taken at the Council of San Benito County Governments Board meeting on April 17, 2014 on Item no.5 was in violation of the Brown Act.

Deputy County Counsel, Barbara Thompson requested that the Board remove Item 2 from the agenda because it was no longer needed. She also requested that the Board move Item 3 to the end of the agenda.

2. Conference with Real Property Negotiators – Pursuant to Government Code Section 54956.8
Property: 600 Del Monte Drive, Hollister
Agency Negotiators: Shirley Murphy, Deputy County Counsel, Lisa Rheinheimer, Executive Director, and Mary Gilbert, Transportation Planning Manager
Negotiating Parties: Leslie Marie Clark Trust
Under Negotiation: Price and Terms of Payment

Upon a motion duly made by Director Scattini, and seconded by Director Botelho, the Directors unanimously voted to convene into Closed Session. Vote: 5/0 motion passes.

The COG Board convened to Closed session at 3:15 p.m.

The COG Board reconvened from Closed session at 3:32 p.m.

Deputy County Counsel, Barbara Thompson stated that there was no reportable action taken under Item 1.

CONSENT AGENDA:

4. **APPROVE** Council of Governments, Local Transportation Authority Draft Special Joint Meeting Minutes Dated May 15, 2014 – Gomez
5. **APPROVE** Council of Governments Draft Meeting Minutes Dated May 15, 2014 – Gomez
6. **APPROVE** Council of Governments Draft Special Meeting Minutes Dated May 29, 2014 – Gomez
7. **APPROVE** Council of Governments Transaction Report (Financial Claims) Dated April through May 2014 – Postigo
8. **APPROVE** the Fiscal Year 2014/2015 Final Overall Work Program, Which Includes Planning Activities to be Performed by the Council of Governments and **AUTHORIZE** Executive Director to Sign Overall Work Program Agreement – Gilbert
9. **RECEIVE** Construction Projects Report – Caltrans District 5
10. **APPROVE** FY 2014/15 Council of Governments Final Budget – Postigo

Upon a motion duly made by Director Scattini, and seconded by Director Muenzer, the Directors unanimously approved Items 4-10 from the Consent Agenda. Vote: 5/0 motion passes.

REGULAR AGENDA

TRANSPORTATION ITEMS:

11. **Final On the Move: 2035 – San Benito Regional Transportation Plan** – Rheinheimer

- a. **ADOPT** Resolution 14-06, Adopting CEQA Findings, a Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Program Related to the Environmental Impact Report Certified by The Association of Monterey Bay Area Governments for the *On The Move:2035* – San Benito Regional Transportation Plan, as Lead Agency Under CEQA
- b. **REVIEW** Modifications to Draft *On the Move: 2035* - San Benito Regional Transportation Plan Proposed for Inclusion in the Final Document, and
- c. **ADOPT** Resolution 14-07 Adopting the Final *On the Move: 2035* – San Benito Regional Transportation Plan, With the Proposed Revisions Incorporated.

Ms. Rheinheimer stated that she wanted to express her gratitude to COG staff for all of their hard work over the last six months in putting this plan together. She stated that there were a lot of ups and downs with the plan. She stated that the Board will find that the plan reflects the needs of the region over the next 25 years. She asked that the Board keep in mind that this plan is updated every four years and amendments may occur in the meantime.

Ms. Gilbert echoed Ms. Rheinheimer's comments regarding COG staff, who worked tirelessly over the past months to get the final document to the Board.

Ms. Gilbert provided a Power-Point presentation to the Board.

Ms. Rheinheimer noted for the record that she provided a memo to the COG Board regarding some late comments that were received at the AMBAG Board meeting regarding the San Benito COG RTP and the constrained list.

There was no discussion from the Board.

PUBLIC COMMENT:

Brandy Rider Caltrans District 5

Ms. Rider thanked COG staff and the COG Board for working with Caltrans as they made comments to the RTP and for taking the time to incorporate and consider those comments. She stated that Caltrans is very supportive of this RTP and its consistency with the MTP in the Region.

Upon a motion duly made by Director Muenzer, and seconded by Director Boch, the Directors Adopted Item 11 A and 11 C per staff recommendation, with Chair Gomez and Director Scattini opposed. Vote: 3/2 motion passes.

12. APPROVE Caltrans Proposed Cost and Schedule to Complete the Highway 25 Route Adoption Environmental Document – Rheinheimer

Ms. Rheinheimer reported that staff submitted a request for a time extension to the Federal Highway Administration as a first step in moving this project forward. Staff had not received a response yet and until staff knows that the Federal Highway Administration is going to grant the extension, staff will not know if they will need the cost. However, Caltrans proposed a cost and schedule to ensure that the project can meet an extension deadline. She mentioned that Caltrans' Richard Rosales was present to answer any questions from the Board.

Ms. Rheinheimer provided an overview of the Hollister to Gilroy State route 25 Widening and Route Adoption Options Comparison Table – 05-484500 (attachment 2 of the staff report). She mentioned that in the past it appeared that the COG Board wanted to move forward with Option 4.

Chair Gomez thanked Mr. Rosales for taking the time and working with staff on this item.

Chair Gomez inquired about the funding that is currently available with regard to Option 4.

Ms. Rheinheimer stated that there is a balance of about \$750,000 left in the Highway 25 Safety Project, of which \$365,000 worth could be moved to the Highway 25 Route Adoption. This would meet the deadline and avoids paying back \$4.6 million back to the Federal Highway Administration.

Director Botelho inquired if the environmental work ever expires. He stated that he was concerned about how you are supposed to fund the construction of the project because he didn't want to approve spending the funds to do the environmental work and then have it expire.

Ms. Rheinheimer stated that environmental work does have a certain shelf-life. She stated that the purpose of the Route Adoption is mainly for planning purposes to ensure that future development has a clear line as to what areas to avoid. Ms. Rheinheimer stated that the biggest challenge for Highway 25 is finding the money to fund the project.

Chair Gomez stated that Highway 25 is a big concern for him and removing it from the Traffic Impact Fee Program years ago was a mistake. Developers are coming in and they are not paying their fair share of the Highway 25 project. He stated that the Board needs to keep their options open and understand that 60% of the population in and surrounding Hollister travels to the Bay area for work and the developers that are building those homes for the commuters should pay for the roads that they're going to use. He mentioned that he is one of those commuters who paid traffic impact fees for Highway 25 and now it is not on the constrained list because it has been removed from the list as of today. He stated that the Board needed to move forward with some type of plan for Highway 25. It would be detrimental if they did not move forward with completing this work and looking at viable options for the future of Highway 25. He stated that this is why he was in support of Option 4.

Director Scattini wanted to know when the environmental document would expire.

Deputy County Counsel, Barbara Thompson stated that she was not aware that there was a hard and fast expiration date, it becomes staler over time and it also depends on what type of development occurs in the meantime.

Richard Rosales stated that for the type of document that would be done for Option 4 Tier I, is specifically for the route adoption. The environmental document for that Environmental Impact Report Environmental Impact Statement would not allow you to go right to a build project. You would still have to do environmental studies for whatever build project that comes off of this route adoption. It is for the purposes of producing an Environmental Impact Report, Environmental Impact Statement that would be used to finalize the project report, project approval and then go to the CTC for the route adoption. Anything after that would be looked at separately. For this reason staff and Caltrans were proposing to do this option first and then work on what type of build segment could come next. Mr. Rosales stated that once you do a build project approval with the environmental document, it is good for 3 years.

Director Botelho asked if there was any possible state or federal funding available for this road if the Board moves forward with the environmental work. Since it is a state highway of significance importance going to the Pinnacles National Park.

Mr. Rosales stated that Highway 25 is not a focus route such as Highway 156. Highway 25 doesn't rate very high in terms of the pot of money for the interregional area. He stated that it doesn't hurt to ask for funds, it has been done elsewhere. Sometimes they received funding and sometimes the funding wasn't there. He stated that adding the significance of the Pinnacles National Park to the narrative may change the importance when submitting a request for funding.

There was no further discussion or public comment.

Ms. Rheinheimer stated that originally she had wanted the item approved, however without having the FHWA time extension approval, the Board could defer the item to another meeting when they know that information.

The item was deferred to a future COG meeting.

13. Regional Traffic Mitigation Fee Nexus Study Update – Gilbert

- a. **RECEIVE** Information about Timing of the San Benito County General Plan Update;
- b. **SELECT** an Option to Hire a Consulting Firm to Update the Study; and
- c. **CONSIDER** Appointment of COG Director to Interview Consultants to Update the San Benito County Transportation Impact Mitigation Fee Nexus Study.

Ms. Gilbert stated that this item was continued at the Board's direction at the May 15 Board meeting.

Ms. Gilbert reported that COG has prepared a traffic impact fee study for the City of Hollister and San Benito County since the mid-1990s, on a 4-5 year update schedule. The last comprehensive update was completed in 2011. Given new conditions in 2014, COG staff is proposing that the study be updated. Staff will pursue a contract with a consultant to complete the work.

Ms. Gilbert stated that the Board had the option to consider negotiating a contract with an On-Call Consultant from COG's approved list of qualified on-call consulting firms to complete the work. A second option would be to issue a Request for Proposals for the completion of the fee study, which would take approximately 3-4 months.

Ms. Gilbert stated that in order to facilitate Board involvement in the consultant selection, staff was requesting that the Board appoint a representative to interview consultants prior to contract negotiation.

After brief discussion, the COG Board directed staff to move forward with the On-Call Consultant list.

There was no public comment.

Upon a motion duly made by Director Botelho, and seconded by Director Scattini, the Directors unanimously approved Item 13 b as noted above. Vote: 5/0 motion passes.

Upon a motion duly made by Director Scattini, and seconded by Director Botelho, the Directors unanimously approved Item 13 c, appointing Chair Gomez to interview consultants. Vote: 5/0 motion passes.

14. CONSIDER Reaffirming Caltrans as Ex-Officio Member of COG and **RECOMMEND** that the Cities and County Approve an Amended Joint Powers Agreement – Rheinheimer

Ms. Rheinheimer stated that at the May 2014 meeting, the COG Board expressed interest in adding Caltrans as an ex-officio member. The benefit of adding Caltrans as an ex-officio member is that it strengthens the partnership between the two agencies on transportation projects and programs of mutual interest. This action would allow for a meaningful discussion of items of interest without the limitation of the 3-minute public comment period.

Ms. Rheinheimer stated that should the Board desire to add Caltrans as an ex-officio member, staff prepared an Amended Joint Exercise of Powers Agreement that would be brought before the county Board of Supervisors and the city Councils of Hollister and San Juan Bautista for approval.

Director Botelho stated that although he was apprehensive about this idea at first, he believed that in an effort of possibly improving communications and relationships with Caltrans it would be a positive step forward at this time.

Director Scattini and Chair Gomez concurred with Director Botelho's comments.

Brandy Rider with Caltrans stated that Caltrans would be honored to be a part of the COG Board. She stated that it would be a good first step in strengthening the partnership between the two agencies and finding collaborative and consensus building ways to move forward with a variety of projects including Highway 156 and Highway 25 and a lot of the issues that are near and dear to all of their hearts.

There was no public comment.

Ms. Rheinheimer noted that a correction was made to page 249 of the agenda packet, article 3.2.3, regarding the first COG meeting in January. It used to say July, but staff corrected it to say January.

Upon a motion duly made by Director Scattini, and seconded by Director Boch, the Directors unanimously approved Item 14 per staff recommendation. Vote: 5/0 motion passes.

15. RECEIVE Information about Highway 25 Bypass Operations at Santa Ana And Meridian-Rheinheimer

Ms. Rheinheimer reported that at the COG meeting in May, the Board requested an agenda item on the subject of Highway 25 Bypass operations at Santa Ana and Meridian. The Board received correspondence from a concerned resident about the safety of the intersections.

Ms. Rheinheimer stated that as she mentioned in her opening remarks, the Bypass has been transferred to Caltrans and the correspondence has been forwarded to Caltrans for their consideration.

Ms. Rheinheimer stated that Chair Gomez asked for accident data for the two intersections which was requested from Hollister Police Department. However, the information was not available in time for this meeting.

Caltrans has indicated that their traffic operations team will make a site visit, collect relevant data including accident history and traffic volumes, and analyze the possibility of a protective left turn phase.

Chair Gomez thanked Ms. Rheinheimer for bringing this item back. He stated that he hadn't received any information from the Hollister Police Department either. Once they do receive the information they can share it with Caltrans. He stated that he appreciated Caltrans for taking the time to look into this and looking at any viable options for improvements at those intersections.

16. DIRECT Staff to Negotiate a New Five Year Lease with Cost Savings Between the Council of Governments and The Pivetti Company for Office Space Located at 330 Tres Pinos Road, Suite C7 – Postigo

Ms. Postigo reported that the lease for COG's office facilities is set to expire on July 31, 2014. Because the current office space location and size meets the needs of both customers and employees, staff recommended that a new lease be negotiated for a five year term for a cost savings of \$2,412.

Ms. Postigo stated that a total cost savings for a new five year lease is \$2,412 compared to paying the current amount for another five years.

Director Scattini asked if there was a penalty for getting out of the contract before the lease is up.

Deputy County Counsel, Barbara Thompson stated that it would depend on how the contract is drafted.

Ms. Postigo stated that she would have to look into it, because it was not part of the lease agreement currently.

There was no further discussion or public comment.

Upon a motion duly made by Director Muenzer, and seconded by Chair Gomez, the Directors approved Item 16 per staff recommendation. Vote: 5/0 motion passes.

Chair Gomez moved to the LTA, MEA, and SAFE meetings at 4:36 p.m.

The COG Board convened to Closed session at 4:38 p.m.

Closed Session

Item 3. Public Employee Performance Evaluation

Title: COG Executive Director

The COG Board reconvened from Closed session at 4:52 p.m.

Deputy County Counsel, Barbara Thompson stated that there was no reportable action taken under Item 3.

Upon a motion duly made by Director Boch, and seconded by Director Muenzer, the Directors unanimously adjourned the COG meeting at 4:52 p.m. Vote: 5/0 motion passes.

ADJOURN TO COG MEETING JULY 17, 2014.

07/10/14

Council of San Benito County Governments
COG Transaction Report
 June 2014

Agenda Item: 4

Date	Name	Class	Amount
Administration			
6/13/2014	AT&T Cal Net 2	Administration	105.69
6/13/2014	AT&T Cal Net 2	Administration	16.66
6/18/2014	Pacific Gas and Electric	Administration	301.95
6/2/2014	The Pivetti Company - Hidalgo	Administration	3,009.34
6/2/2014	Palace Art & Office Supply	Administration	71.45
6/30/2014	San Benito County County Coun...	Administration	12.00
6/30/2014	San Benito County County Coun...	Administration	2,676.00
6/30/2014	Public Works	Administration	39.23
6/30/2014	San Benito County County Coun...	Administration	888.00
6/30/2014	San Benito County County Coun...	Administration	666.00
6/30/2014	San Benito County County Coun...	Administration	1,692.00
6/30/2014	San Benito County County Coun...	Administration	3,684.00
6/18/2014	Staples	Administration	14.09
6/18/2014	US Bancorp	Administration	180.26
Total Administration			13,356.67
PTMISEA			
6/9/2014	Johnson Lumber Company/ACE	PTMISEA	30.36
6/9/2014	Johnson Lumber Company/ACE	PTMISEA	7.46
6/13/2014	Rx-TEX	PTMISEA	240.00
6/13/2014	Rx-TEX	PTMISEA	240.00
6/18/2014	Hollister Auto Parts	PTMISEA	14.65
Total PTMISEA			532.47
Rideshare			
6/18/2014	Harris & Associates, Inc.	Rideshare	3,276.50
6/2/2014	Nob Hill	Rideshare	63.99
6/2/2014	Nob Hill	Rideshare	69.70
Total Rideshare			3,410.19
State Subvention			
6/18/2014	Ben Caputo Printing	State Subven...	563.86
Total State Subvention			563.86
Van Pool			
6/18/2014	Hollister Auto Parts	Van Pool	-78.10
Total Van Pool			-78.10
TOTAL			17,785.09



PROJECT UPDATE – SAN BENITO COUNTY

PREPARED FOR JULY 17, 2014 COUNCIL OF SAN BENITO COUNTY GOVERNMENTS MEETING

Project	Location	Description	Construction Timeline	Construction Cost	Funding Source	Implementing Agency	Project Manager (Resident Engineer)	Contractor	Comments
1. Hwy. 101/San Juan Road Interchange (31580)	On Route 101 near Prunedale, 4 mile south of Dumbarton Road in Mon. Co. (PM 100.0-101.3)	Construct new interchange at San Juan Road and US 101	Dec. 3, 2012-Winter 2016 (Timeframe includes Plant Establishment Work)	\$46.2 Million	STIP/ CMAA/ ARRA	Caltrans	David Silberberger (JW)	Granite Construction /MCM	The barrier and approach slabs on the new bridge and the major retaining walls are almost complete. Work is focused on constructing the frontage roads and ramps.
2. Hwy. 156 Improvement Project (34490)	On SR 156 in and near San Juan Bautista from The Alameda to 0.2 mi east of 4th St. near Hollister (PM 3.0/R8.2)	Widen 2 to 4 Lanes	Summer 2017 to Summer 2019	\$48.5 Million	STIP, IIP, RIP, Local	Caltrans	Richard Rosales	PS&E	Project design on-going. Right of Way appraisals in progress.



Staff Report

To: Council of San Benito County Governments
From: Mary Gilbert, Transportation Planning Manager **Telephone:** (831) 637-7665
Date: July 17, 2014
Subject: Regional Surface Transportation Program Allocation

Recommendation:

APPROVE Apportionments for Regional Surface Transportation Program Funding for Bus Stop Improvements Project.

Background:

The Council of Governments annually apportions Regional Surface Transportation Funds to local jurisdictions for roadway, bicycle/pedestrian, and transit projects. In 2011, COG apportioned funds to the Local Transportation Authority for a Bus Stop Improvements project. Staff is recommending a supplemental apportionment of funding to close out the project.

Financial Impacts:

COG staff is recommending that the 2013/2014 RSTP apportionment be amended to include an additional allocation of \$7,125 to the Local Transportation Authority (LTA) for costs related to construction of two new bus stop shelters in Hollister. The fund will be reduced from apportionments previously made to the City of Hollister, the County, and San Juan Bautista based on the formula distribution used by the Board. The table below shows the reduction in apportionments:

	City of Hollister (60%)	San Benito County (30%)	San Juan Bautista (10%)	Local Transportation Authority	Total
2013/2014 Approved	\$312,905.20	\$156,492.60	\$52,164	\$0	\$521,561.80
2013/2014 Recommended	\$308,630.20	\$154,355.10	\$51,451.50	\$7,125	\$521,561.80

Staff Analysis:

States and regions receive federal Regional Surface Transportation Program (RSTP) funds for highways, streets and roads, transit capital, and bikeways projects. The State of California has authorized smaller regions, under an urbanized population of 200,000, to exchange their federal Regional Surface Transportation Program funds for state cash, providing smaller regions more flexibility in which types of projects may be constructed. The provision also allowed the implementing agency to avoid preparing a federal environmental document under the National Environmental Policy Act (NEPA), provided that no other federal funds are authorized for the project.

In San Benito County, COG has apportioned these RSTP funds to the Cities of Hollister and San Juan Bautista and the County by formula using road miles and population. This formula distribution allows each jurisdiction to estimate road funds on a fairly consistent basis. The majority of the projects identified by the jurisdiction are for street and road maintenance.

Construction of the bus stop shelter improvements project was completed in March 2014. Actual costs for property acquisition and construction exceeded the total budget of federal American Recover and Reinvestment Act and Regional Surface Transportation Funds for this project. The Local Transportation Authority completed the following improvements:

- Bus stop shelters at four locations (Central/Graf Road, San Benito Health Foundation, R.O. Hardin School, and Sunnyslope School)
- Bus Stop Waiting Bench at Central & Miller Roads

The additional apportionment will fully fund these improvements and allow the Local Transportation Authority to close out the project.

Executive Director Review: _____

Counsel Review: N/A



Agenda Item: _____

Staff Report

To: Council of Governments Board of Directors
From: Kathy Postigo, Administrative Services Specialist **Telephone:** (831) 637-7665
Date: July 17, 2014
Subject: Council of Governments Office Facilities Lease

Recommendation:

- a. **APPROVE** lease between Council of San Benito County Governments and The Pivetti Company for office space located at 330 Tres Pinos Road, Suite C7.
- b. **AUTHORIZE** Chair to Sign lease between Council of San Benito County Governments and The Pivetti Company.

Summary:

The lease for COG's office facilities is set to expire on July 31, 2014. At the June meeting, the COG Board directed staff to negotiate a new five year lease at the current location.

Financial Considerations:

The new lease includes no Common Area Maintenance fees (CAM) or Triple Net fees (NNN). Below is the cost of the lease for the next five years.

PERIOD	MONTHLY RENT	SQUARE FOOT COST
08/01/2014 - 07/31/2015	\$2,593.30	\$1.38
08/01/2015 - 07/31/2016	\$2,781.22	\$1.48
08/01/2016 - 07/13/2017	\$2,969.14	\$1.58
08/01/2017 - 07/31/2018	\$3,157.05	\$1.68
08/01/2018 - 07/31/2019	\$3,157.05	\$1.68

Total cost savings for this new five year lease is \$4,646.85 compared to paying the current amount of \$3,009 per month for another five years.

*Council of San Benito County Governments ■ Measure A Authority
Airport Land Use Commission ■ Service Authority for Freeways and Expressways*

330 Tres Pinos Road, Suite C7 ■ Hollister, CA 95023 ■ Phone: 831-637-7665 ■ Fax: 831-636-4160
www.sanbenitocog.org

Background:

The Council of Governments moved to 330 Tres Pinos Road, Suite C7 in November 2007 and bought out the lease from Kasavan & Pope for nine months. Starting with August 1, 2008 the rent went to \$2,950.24 per month with a two percent increase each year. In August of 2011, staff requested a reduction and Hidalgo, Inc. (now The Pivetti Company) agreed to the current amount of \$3,009.34.

Last year, the COG Board extended the current lease for one year, in order to look for less expensive rent and to evaluate the possibility of moving to the old courthouse when renovations occur. The Courts completed their move to the new location. However, the old courthouse space is not anticipated to be available for at least two years.

At the June meeting, the COG Board directed staff to negotiate a new lease with The Pivetti Company and bring it for approval at the July meeting.

Staff Analysis:

The current space is convenient and meets the needs for both customers and employees. It has adequate parking, adequate office space and is close to bus stops.

Staff recommends that the Board approve the five year lease between Council of San Benito County Governments and The Pivetti Company for office space located at 330 Tres Pinos Road, Suite 7 and authorize the Chair to sign the lease.

Executive Director Review:_____

Counsel Review:_____

ADDENDUM #3 TO LEASE AGREEMENT

This agreement is entered into this 7th day of July, 2014, by and between **HIDALGO, INC.**, (Landlord) and **COUNCIL OF SAN BENITO COUNTY GOVERNMENTS (COG)**, (Tenant), and is a part of that original Lease dated September 6, 2007, amended July 8, 2011, and further amended July 18, 2013 by and between Landlord and **SAN BENITO COUNTY COUNCIL OF GOVERNMENTS**, as Tenant, for the leased property commonly referred to as **330 Tres Pinos Road, Suite C7, Hollister, California**.

It is agreed between the parties hereto as follows:

1. **TERM:** Lease is to be extended for a period of five (5) year commencing 8/01/14.
2. **RENT:** Rental Schedule shall be as follows:

YEAR	MINIMUM MONTHLY RENT
08/01/14 – 07/31/15	\$2,593.30 per month
08/01/15 – 07/31/16	\$2,781.22 per month
08/01/16 – 07/31/17	\$2,969.14 per month
08/01/17 – 07/31/18	\$3,157.05 per month
08/01/18 – 07/31/19	\$3,157.05 per month

3. **RENEWAL OPTIONS:** Notwithstanding the provisions of paragraph 5, provided that Lessee is not in default under this lease at the time of exercise of the hereinafter described option, Lessee shall have the option to extend the term of the lease for a period of five (5) years upon giving Lessor written notice of exercise of option sixty (60) days prior to the termination of the term of this lease, or the initial option period then in effect. Said option shall be on the same terms and conditions as set forth in this Lease except for minimum monthly rent and Adjustments (CAM) fees, which shall be agreed upon by Lessor and Lessee.
4. **COMMON AREA MAINTENANCE FEES:** Common Area Maintenance Fees for the duration of this extension are included in the minimum monthly rent.

All other terms and conditions of that original Lease, dated September 6, 2007, by and between the Landlord and Tenant, are to remain in effect.

LESSOR: HIDALGO, INC.

**LESSEE: COUNCIL OF SAN BENITO
COUNTY GOVERNMENTS (COG)**

Hidalgo, Inc.

Approved by COG:

By: _____

Date: _____

Date: _____

Approved as to Legal Form:
San Benito County Counsel's Office

By: Shirley L. Murphy
Shirley L. Murphy, Deputy County Council

Date: July 9, 2014

ADDENDUM #2 TO LEASE AGREEMENT

This agreement is entered into this 18th day of July, 2013, by and between HIDALGO, INC., (Landlord) and COUNCIL OF SAN BENITO COUNTY GOVERNMENTS (COG), (Tenant), and is a part of that original Lease dated September 6, 2007, and amended July 8, 2011, by and between Landlord and SAN BENITO COUNTY COUNCIL OF GOVERNMENTS, as Tenant, for the leased property commonly referred to as 330 Tres Pinos Road, Suite C7, Hollister, California.

It is agreed between the parties hereto as follows:

1. **TERM:** Lease is to be extended for a period of one (1) year commencing 8/01/13.

2. **RENT:** Rental Schedule shall be as follows:

YEAR	MINIMUM MONTHLY RENT
08/01/13 - 07/31/14	\$3009.34 per month

3. **RENEWAL OPTIONS:** Notwithstanding the provisions of paragraph 5, provided that Lessee is not in default under this lease at the time of exercise of the hereinafter described option, Lessee shall have the option to extend the term of the lease for a period of three (3) years upon giving Lessor written notice of exercise of option sixty (60) days prior to the termination of the term of this lease, or the initial option period then in effect. Said option shall be on the same terms and conditions as set forth in this Lease except for minimum monthly rent and Adjustments (CAM) fees, which shall be agreed upon by Lessor and Lessee.

4. **COMMON AREA MAINTENANCE FEES:** Common Area Maintenance Fees for this one year extension are included in the minimum monthly rent.

All other terms and conditions of that original Lease, dated September 6, 2007, by and between the Landlord and Tenant, are to remain in effect.

LESSOR: HIDALGO, INC.

Edward A. Bull, Pass
Hidalgo, Inc.

Date:

7/30/13

LESSEE: COUNCIL OF SAN BENITO COUNTY GOVERNMENTS (COG)

Approved by COG:

By:

Date: 07/18/2013

Approved as to Legal Form:

San Benito County Counsel's Office

By:

Shirley L. Murphy
Shirley L. Murphy, Deputy County Council

Date:

July 12, 2013

ADDENDUM TO LEASE AGREEMENT

This agreement is entered into this 8th day of July, 2011, by and between **HIDALGO, INC.**, (Landlord) and **SAN BENITO COUNTY COUNCIL OF GOVERNMENTS.**, (Tenant), and is a part of that original Lease dated September 6, 2007, by and between Landlord and Tenant, for the leased property commonly referred to as 330 Tres Pinos Road, Suite C7, Hollister, California.

It is agreed between the parties hereto as follows:

2. **RENT:** Rental Schedule shall be modified as follows:

YEAR	MINIMUM MONTHLY RENT
08/01/11 – 07/31/12	\$3009.34 per month
08/10/12 – 07/31/13	\$3009.34 per month

All other terms and conditions of that original Lease, dated September 6, 2007, by and between the Landlord and Tenant, are to remain in effect.

LESSOR: HIDALGO, INC.

**LESSEE: SAN BENITO COUNTY COUNCIL
OF GOVERNMENTS**

Edwards A. Bell, Pres.
Hidalgo, Inc.

Juan O. Pa S.

8/2/11
Date

7/26/11
Date

APPROVED AS TO LEGAL FORM:
San Benito County Counsel's Office

By: Shirley L. Murphy
Shirley L. Murphy, Deputy County Counsel

Dated: July 14, 2011

ADAM SQUARE

1. **PARTIES:** This Lease, dated as of this 6th day of September, 2007, is made by and between HIDALGO, INC., (herein called "Landlord") and SAN BENITO COUNTY COUNCIL OF GOVERNMENTS, (herein called "Tenant").
2. **PREMISES:** Landlord does hereby Lease to Tenant and Tenant hereby leases from Landlord that certain space (herein called "Premises"), containing approximately 1879.2 square feet of floor area. The location and dimensions of said Premises are delineated on Exhibit "A" attached hereto and incorporated by reference herein. Said Premises are located in the City of Hollister, County of San Benito, State of California. This Lease is subject to the terms, covenants and conditions herein set forth and the Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of said terms, covenants and conditions by it to be kept and performed.
3. **USE:** Tenant shall use the Premises for operation of San Benito County Council of Governments and related business, and shall not use or permit the Premises to be used for any other purpose without the prior written consent of Landlord.
4. **MINIMUM RENT:**

4A. Tenant agrees to pay to Landlord as Minimum Rent, without notice or demand, the monthly sum of - SEE ADDENDUM "A" TO LEASE AGREEMENT ATTACHED HERETO AND MADE A PART HEREOF - Dollars, in advance, on or before the first day of each and every successive calendar month during the term hereof, except the first's month's rent shall be paid upon execution hereof. The rental shall commence (*check applicable space*):

 X On the First (1st) day of November, 2007 the Premises being leased in its "as is" condition.

 Thirty days after substantial completion of Landlord's Work as set forth in Exhibit "B" attached hereto and incorporated herein by reference, or when the Tenant opens for business, whichever is sooner. Landlord agrees that it will, as its sole cost and expense as soon as is reasonably possible after the execution of this Lease, commence and pursue to completion the improvements to be erected by Landlord to the extent shown on the attached Exhibit "B" labeled "Description of Landlord's Work and Tenant's Work". The term "substantial completion of the Premises" is defined as the date on which Landlord or its Architect notifies Tenant in writing that the Premises are substantially complete to the extent of Landlord's Work specified in Exhibit "B" hereof, with the exception of such work as Landlord cannot complete until Tenant performs necessary portions of its work. Tenant shall commence the installation of fixtures, equipment, and any of Tenant's Work as set forth in said Exhibit "B", promptly upon substantial completion of Landlord's Work in the Premises and shall diligently prosecute such installation to completion, and shall open the Premises for business not later than the expiration of said thirty day period.

Rent for any period which is for less than one (1) month shall be a prorated portion of the monthly installment herein based upon a thirty-day month. Said rental shall be paid to the Landlord, without deduction or offset, in lawful money of the United States of America and at such place as Landlord may from time to time designate in writing.

4.B. The minimum rental as set forth in 4.A. above shall be increased in accordance with Addendum "A" attached hereto and made a part of the lease agreement.

5. **TERM:**

The lease term shall be five (5) years nine months. The parties hereto acknowledge that certain obligations under various articles hereof may commence prior to the lease term, i.e.: construction, hold harmless, liability insurance, etc. and the parties agree to be bound by these articles prior to commencement of the lease term.

6. **SECURITY DEPOSIT:**

Concurrently with Tenant's execution of this lease, Tenant has deposited with Landlord a sum equivalent to the first two months rent (\$2,000.00). Said sum shall be held by Landlord as security for the faithful performance by Tenant of all the terms, covenants, and conditions of this Lease to be kept and performed by Tenant during the term hereof. If Tenant defaults with respect to any provision of this Lease, including, but not limited to the provisions relating to the payment of rent, landlord may (but shall not be required to) use, apply or retain all or any part of this security deposit for the payment of any rent or any other sum in default, or for the payment of any amount which Landlord may spend or become obligated to spend by reason of Tenant's default, or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If any portion of said deposit is so used or applied Tenant shall, within five (5) days after written demand therefor, deposit cash with Landlord in an amount sufficient to restore the security deposit to its original amount and Tenant's failure to do so shall be a default under this Lease. Landlord shall not be required to keep this security deposit separate from its general funds, and Tenant shall not be entitled to interest on such deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit or any balance thereof shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interest hereunder) within ten (10) days following expiration of the Lease term. In the event of termination of Landlord's interest in this Lease, Landlord shall transfer said deposit to Landlord's successor in interest.

7. **ADJUSTMENTS:**

- I. In addition to the Minimum Rent provided in Article 4 hereinabove, and commencing at the same time as any rental commences under this Lease, Tenant shall pay to Landlord the following items, herein called Adjustments: **(A FIXED AMOUNT AS SET OUT IN ADDENDUM "A" TO LEASE ATTACHED)**
 - A. All real estate taxes and insurance premiums on the Premises, including land, building, and improvements thereon. Said real estate taxes shall include all real estate taxes and assessments that are levied upon and/or assessed against the Premises, including any taxes which may be levied on rents. Said insurance shall include all insurance premiums for fire, extended coverage, liability, and any other insurance that Landlord deems necessary on the premises. Said taxes and insurance premiums for purpose of this provision shall be reasonably apportioned in accordance with the total floor area of the premises as it relates to the total floor area of the Center, which is from time to time completed as of the first day of each calendar quarter, (provided, however, that if any tenants in said building or buildings pay taxes directly to any taxing authority or carry their own insurance, as may be provided in their leases, their square footage shall not be deemed a part of the floor area).
 - B. Notwithstanding the provision of paragraph 7, tenant shall not be liable for an increase in real property taxes that result from changes in ownership of the premises, other improvements and land of which the premises are a part (Center) during the first term of this Agreement. For purposes of this agreement, "Center" is defined as follows: The entire Adam Square Project. Landlord shall maintain and allow Tenant to inspect its' records reflecting the adjustment expenses of which Tenant is obligated to participate in pursuant to paragraph 7, and said records shall reflect Tenant's proportionate share thereof. Failure of Landlord to submit statements reflecting total adjustments for the Center as provided for in paragraph 7, or to allow inspection of records pertaining to Tenant's proportionate share thereof, shall not be deemed to be a waiver of Tenant's ongoing obligation to pay such sums as are provided for in paragraph 7, but shall prevent Landlord from obtaining any increase therein until such time as said statements are provided or said right of inspection is allowed.

- C. The percent of the total costs of the following items as Tenant's total floor area bears to the total floor area of the Center which is from time to time completed as of the first day of each calendar quarter.
- i. All real estate taxes, including assessments, all insurance costs, and all costs to maintain, repair, and replace common areas, parking lots, sidewalks, driveways, and other areas used in common by the tenants of the Center.
 - ii. All costs to supervise and administer said common areas, parking lots, sidewalks, driveways, collection of rents, and other areas used in common by the tenants or occupants of the Center. Said costs shall include such fees as may be paid to a third party in connection with same and shall in any event include a fee to Landlord to Supervise and administer same in an amount equal to ten (10%) percent of the total cost of (I) above, or 6% of moneys collected on a monthly basis, whichever "Owner" deems appropriate.
 - iii. Any parking charges, utilities surcharges, or any other costs levied, assessed or imposed by, or at the direction of, or resulting from statutes or regulations, or interpretations thereof, promulgated by any governmental authority in connection with the use or occupancy of the premises or the parking facilities serving the premises.
- II. Upon commencement of rental Landlord shall submit to Tenant a statement of the anticipated monthly Adjustments for the period between such commencement and the following January and Tenant shall pay these Adjustments on a monthly basis concurrently with the payment of the Rent. Tenant shall continue to make said monthly payments until notified by Landlord of a change thereof. By April 30 of each year, landlord shall endeavor to give Tenant a statement showing the total Adjustments for the Center for the prior calendar year and Tenant's allocable share thereof, prorated from the commencement of rental. In the event the total of the monthly payments which Tenant has made for the prior calendar year be less than the Tenant's actual share of such Adjustments, then Tenant shall pay the difference in a lump sum within ten (10) days after receipt of such statement from landlord and shall concurrently pay the difference in monthly payments made in the then calendar year and in the amount of monthly payments which are then calculated as monthly Adjustments based on the prior year's experience. Any over-payment by Tenant shall be credited towards the monthly Adjustments next coming due. The actual Adjustments for the prior year shall be used for purposes of calculating the anticipated monthly adjustments for the then current year with actual determination of such Adjustments after each calendar year as above provided; excepting that in any year in which resurfacing is contemplated Landlord shall be permitted to include the anticipated cost of same as part of the estimated monthly Adjustments. Even though the term has expired and Tenant has vacated the premises, when the final determination is made of Tenant's share of said Adjustments for the year in which the lease terminates, Tenant shall immediately pay any increase due over the estimated Adjustments previously paid and, conversely, any overpayment made shall be immediately rebated by Landlord to Tenant. Failure of Landlord to submit statements as called for herein shall not be deemed to be a waiver of Tenant's requirement to pay sums as herein provided. If Tenant has a fixed rate for Adjustments, they will not receive quarterly CAM reports.

8. USES PROHIBITED:

Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which is not within the permitted use of the premises which will in any way increase the existing rate of or affect any fire or other insurance upon the Building or any of its contents, or cause a cancellation of any insurance policy covering said building or any part hereof or any of its contents. Tenant shall not do or permit anything to be done in or about the premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the building or injure or annoy them or use or allow the premises to be used for any improper, immoral, unlawful or objectionable purpose; nor shall tenant cause, maintain or permit any nuisance in, on or about the premises. Tenant shall not commit or allow to be committed any waste in or upon the premises.

9. COMPLIANCE WITH THE LAW:

Tenant shall not use the premises, or permit anything to be done nor about the premises, which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes,

ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force and with the requirements of any board of fire underwriters or other similar bodies now or hereafter constituted relating to or affecting the condition, use or occupancy of the premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between the Landlord and Tenant.

10. ALTERATIONS AND ADDITIONS:

Tenant shall not make or allow to be made any alterations, additions or improvements to or of the premises or any part thereof without first obtaining the written consent of landlord and any alterations, additions or improvements to or of said premises, including, but not limited to, wall covering, paneling and built-in cabinet work, but excepting moveable furniture and trade fixtures, shall at once become a part of the realty and belong to the Landlord and shall be surrendered with the premises. In the event Landlord consents to the making of any alterations, additions or improvements to the premises by tenant, the same shall be made by Tenant at Tenant's sole cost and expense. Upon the expiration or sooner termination of the term hereof, Tenant shall, upon written demand by Landlord, given at least thirty (30) days prior to the end of the term, at tenant's sole cost and expense, forthwith and with all due diligence, remove any alterations, additions, or improvements made by Tenant, designated by Landlord to be removed, and Tenant shall, forthwith and with all due diligence, at its' sole cost and expense, repair any damage to the premises caused by such removal.

11. REPAIRS:

- A. By entry hereunder, Tenant shall be deemed to have accepted the premises as being in good, sanitary order, condition and repair, Tenant shall, at Tenant's sole cost and expense, keep the premises and every part thereof in good condition and repair (except as hereinafter provided with respect to Landlord's obligations) including without limitation, the maintenance, replacement and repair of any storefront, doors, window casements, glazing, heating and air-conditioning system (when there is an air conditioning system). Landlord shall obtain a service contract for repairs and maintenance of said system, said maintenance contract to conform to the requirements under the warranty, if any, on said system, plumbing, pipes, electrical wiring and conduits. Tenant shall, upon the expiration or sooner termination of this Lease hereof, surrender the Premises to the Landlord in good condition, broom clean, ordinary wear and tear and damage from causes beyond the reasonable control of Tenant excepted. Any damage to adjacent premises caused by Tenant's use of the premises shall be repaired at the sole cost and expense of tenant.
- B. Notwithstanding the provisions of Article 11.A hereinabove, Landlord shall repair and maintain the structural portions of the building, including the exterior walls and roof, unless such maintenance and repairs are caused in part or in whole by the act, neglect, fault or omission of any duty by the Tenant, its agents, servants, employees, invitees, or any damage caused by breaking and entering, in which case Tenant shall pay to Landlord the actual cost of such maintenance and repairs. Landlord shall not be liable for any failure to make such repairs or to perform any maintenance unless such failure shall persist for any unreasonable time after written notice of the need of such repairs or maintenance is given to Landlord by Tenant. Except as provided in Article 25 hereof, there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenants' business arising from the making of any repairs, alterations or improvements in or to any portion of the Building or the premises or in or to fixtures, appurtenances, and equipment therein. Tenant waives the right to make repairs at Landlord's expense under any law, statute or ordinance now or hereafter in effect.

12. LIENS:

Tenant shall keep the premises and the property in which the premises are situated free from any liens arising out of any work performed, materials furnished or obligations incurred by or on behalf of Tenant. Landlord may require, at Landlord's sole option, that Tenant shall provide to landlord, at Tenant's sole cost and expense, a lien and

completion bond in an amount equal to one and one-half (1-1/2) times the estimated cost of any improvements, additions, or alterations in the premises which the Tenant desires to make, to insure Landlord against any liability for mechanics' and materialmen's liens and to insure completion of the work.

13. ASSIGNMENT AND SUBLETTING:

Tenant shall not either voluntarily, or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this lease or any interest therein, and shall not sublet the said premises or any part hereof, or any right or privilege appurtenant thereto, or allow any other person (the employees, agents, servants and invitees of Tenant excepted) to occupy or use the said premises, or any portion thereof, without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld. A consent to one assignment, subletting, occupation or use by any other person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation or use by another person. Consent to any such assignment or subletting shall in no way relieve Tenant of any liability under this Lease. Any such assignment or subletting without such consent shall be void, and shall, at the option of the Landlord, constitute a default under the terms of this Lease. In the event that landlord shall consent to a sublease or assignment hereunder, Tenant shall pay Landlord reasonable fees, not to exceed One Hundred and No/100ths (\$100.00) Dollars, incurred in connection with the processing of documents necessary to giving of such consent.

14. HOLD HARMLESS:

Tenant shall indemnify and hold harmless Landlord against and from any and all claims arising from Tenant's use of the Premises or from the conduct of its business or from any activity, work, or other things done, permitted or suffered by the Tenant in or about the premises, and shall further indemnify and hold harmless Landlord against and from any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of the Tenant, or any officer, agent, employee, guest, or invitee of Tenant, and from all costs, attorney's fees, and liabilities incurred in or about the defense of any such claim or any action or proceeding brought thereon and in case any action or proceeding be brought against Landlord by reason of such claim, Tenant upon notice from landlord shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the premises, from any cause other than Landlord's negligence; and Tenant hereby waives all claims in respect thereof against Landlord. Tenant shall give prompt notice to landlord in case of casualty or accidents in the premises.

Landlord or its agents shall not be liable for any loss or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak from any part of the Building or from the pipes, appliances or plumbing works therein or from the roof, street or subsurface or from any other place resulting from dampness or any other cause whatsoever, unless caused by or due to the negligence of Landlord, its agents, servants or employees. Landlord or its agents shall not be liable for interference with the light, air, or for any latent defect in the Premises.

15. SUBROGATION:

As long as their respective insurers so permit, Landlord and Tenant hereby mutually waive their respective rights of recovery against each other for any loss insured by fire, extended coverage and other property insurance policies existing for the benefit of the respective parties. Each party shall apply to their insurers to obtain said waivers. Each party shall obtain any special endorsements, if required by their insurer to evidence compliance with the aforementioned waiver.

16. LIABILITY INSURANCE:

Tenant shall, at Tenant's expense, obtain and keep in force during the term of this Lease a policy of comprehensive public liability insurance insuring Landlord and Tenant against any liability or arising out of the ownership, use, occupancy or maintenance of the premises and all areas appurtenant thereto. Such insurance shall be in the amount of not less than \$2,000,000.00 single combined liability limit.

The limit of any such insurance shall not, however, limit the liability of the tenant hereunder. Tenant may provide this insurance under a blanket policy, provided that said insurance shall have a Landlord's protective liability endorsement attached hereto. If Tenant shall fail to procure and maintain said insurance, landlord may, but shall not be required to, procure and maintain same, but at the expense of Tenant. Insurance required hereunder shall be in companies rated A+, AAA, or better in "Best's Insurance Guide". Tenant shall deliver to Landlord, prior to right of entry, copies of policies of liability insurance required herein or certificates evidencing the existence and amounts of such insurance with loss payable clauses satisfactory to Landlord. No policy shall be cancelable or subject to reduction of coverage. All such policies shall be written as primary policies not contributing with and not in excess of coverage which Landlord may carry.

17. UTILITIES:

Tenant shall pay for all gas, heat, light, power, telephone service and all other services and utilities supplied to the premises, together with any taxes thereon. If any such services are not separately metered to Tenant, Tenant shall pay a reasonable proportion to be determined by Landlord of all charges jointly metered with other premises.

18. PERSONAL PROPERTY TAXES:

Tenant shall pay, or cause to be paid, before delinquency any and all taxes levied or assessed and which become payable during the term hereof upon all Tenant's leasehold improvements, equipment, furniture, fixtures, and any other personal property located in the premises. In the event any or all of the Tenant's leasehold improvements, equipment, furniture, fixtures and other personal property shall be assessed and taxed with the real property, Tenant shall pay to Landlord its share of such taxes within ten (10) days after delivery to Tenant by Landlord of a statement in writing setting forth the amount of such taxes applicable to Tenant's property.

19. RULES AND REGULATIONS:

Tenant shall faithfully observe and comply with the rules and regulations that Landlord shall from time to time promulgate and/or modify. The rules and regulations shall be binding upon the Tenant upon delivery of a copy of them to Tenant. Landlord shall not be responsible to Tenant for the non-performance of any said rules and regulations by any other tenants or occupants.

20. HOLDING OVER:

If Tenant remains in possession of the premises or any part hereof after the expiration of the term hereof with the express written consent of Landlord, such occupancy shall be a tenancy from month to month at a rental in the amount of the last monthly minimum rent, plus all other charges payable hereunder, and upon all the terms hereof applicable to a month to month tenancy.

21. ENTRY BY LANDLORD:

Landlord reserves, and shall at any and all times have, the right to enter the premises to inspect the same, to submit said premises to prospective purchaser or tenants, to post notices of non-responsibility, to repair the premises and any portion of the building of which the premises are a part that Landlord may deem necessary to desirable, without abatement of rent, and may for that purpose erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, always providing that the entrance to the premises shall not be unreasonably blocked thereby, and further providing that the business of the Tenant shall not be interfered with unreasonably. Tenant hereby waives any claim for damages or for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the premises, and any other loss occasioned thereby. For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors in, upon and about the premises, excluding Tenant's vaults, safes and files. And Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency, in order to obtain entry to the premises without liability to Tenant except for any failure to exercise due care for Tenant's property and any entry to the premises obtained by Landlord by any of said means, or otherwise, shall not under any

circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of the premises, or an eviction of Tenant from the premises or any portion thereof.

22. TENANT'S DEFAULT:

The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant.

22.a. The vacating or abandonment of the premises by Tenant.

22.b. The failure by Tenant to make any payment of rent or any other payment required to be made by tenant hereunder, as and when due, where such failure shall continue for a period of three (3) days after written notice thereof by landlord to tenant.

22.c. The failure by Tenant to observe or perform any of the covenants, conditions or provisions of the Lease to be observed or performed by the Tenant, other than described in Article 22.b, above, where such failure shall continue for a period of thirty (30) days after written notice hereof by Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its' cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said thirty (30) days period and thereafter diligently prosecutes such cure to completion.

22.d. The making by Tenant of any general assignment or general arrangement for the benefit of creditors; or the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt, or a petition or reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixth (60) days); or the appointment of a trustee or a receiver to take possession of substantially all of Tenant's assets located at the premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of the Tenant's assets located at the premises or of Tenant's interest in this Lease, where such seizure is not discharged in thirty (30) days.

23. REMEDIES IN DEFAULT:

In the event of any such default or breach by Tenant, landlord may at any time thereafter, in his sole discretion, with or without notice or demand and without limiting Landlord in the exercise of a right or remedy which Landlord may have by reason of such default or breach:

23.a. Terminate Tenant's right to possession of the Premises by any lawful means, in which case this lease shall terminate and Tenant shall immediately surrender possession of the premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by landlord by reason of Tenant's default including, but not limited to, the cost of recovering possession of the premises; expenses of reletting, including necessary renovation and alteration of the premises; reasonable attorney's fees; the worth at the time of award by the court having jurisdiction thereof of the amount by which the unpaid rent and other charges and adjustments called for herein for the balance of the term after the time of such award exceeds the amount of such loss for the same period that Tenant proves could be reasonably avoided; and that portion of any leasing commission paid by Landlord and applicable to the unexpired term of this Lease. Unpaid installments of rent or other sums shall bear interest from the date due at the maximum legal rate; or

23.b. Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not tenant shall have abandoned the premises. In such event Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover the rent and any other charges and adjustments as may become due hereunder; or

23.c. Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the State in which the premises are located.

24. DEFAULT BY LANDLORD:

Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to Landlord and to the holder of any first mortgage or deed of trust covering the premises whose name and address shall have theretofore been furnished to Tenant in writing, specifying wherein landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. In no event shall Tenant have the right to terminate this Lease as a result of Landlord's default and Tenant's remedies shall be limited to damages and/or an injunction.

25. RECONSTRUCTION:

In the event the premises are damaged by fire or other perils covered by extended coverage insurance, Landlord agrees to forthwith repair same, and this Lease shall remain in full force and effect, except that Tenant shall be entitled to a proportionate reduction of the minimum rent from the date of damage and while such repairs are being made, such proportionate reduction to be based upon the extent to which the damage and making of such repairs shall reasonably interfere with the business carried on by the Tenant in the premises. If the damage is due to the fault or neglect of Tenant or its employees, there shall be no abatement of rent. In the event the premises are damaged as a result of any cause other than the perils covered by fire and extended coverage insurance then Landlord shall forthwith repair the same, provided the extent of the destruction be less than ten (10%) percent of the then full replacement cost of the premises. In the event the destruction of the premises is to an extent of ten (10%) percent or more of the full replacement cost then Landlord shall have the option;

1. To repair or restore such damage, this Lease continuing in full force and effect, but the Minimum Rent to be proportionately reduced as hereinabove in this Article provided; or
2. Give notice to Tenant at any time within sixth (60) days after such damage, terminating this Lease as of the date specified in such notice, which date shall be no more than thirty (30) days after the giving of such notice.

In the event of giving such notice, this Lease shall expire and all interest of the Tenant in the premises shall terminate on the date so specified in such notice and the Minimum Rent, reduced by a proportionate reduction, based upon the extent, if any, to which such damage interfered with the business carried on by the Tenant in the premises, shall be paid up to date of said such termination. Notwithstanding anything to the contrary contained in this Article, Landlord shall not have any obligation whatsoever to repair, reconstruct or restore the premises when the damage resulting from any casualty covered under this Article occurs during the last twenty-four (24) months of the term of this Lease or any extension thereof. Landlord shall not be required to repair any injury or damage by fire or other cause, or to make any repairs or replacements of any leasehold improvements, fixtures, or other personal property of Tenant.

26. EMINENT DOMAIN:

If more than twenty-five (25%) percent of the premises shall be taken or appropriated by any public or quasi-public authority under the power of eminent domain, either party hereto shall have the right, as its option, within sixty (60) days after said taking, to terminate this Lease upon thirty (30) days written notice. If either less than or more than 25% of the premises are taken (and neither party elects to terminate as herein provided), the minimum rent thereafter to be paid shall be equitably reduced. If any part of the Center other than the premises may be so taken or appropriated, Landlord shall within sixty (60) days of said taking have the right at its' option to terminate this Lease upon written notice to Tenant. In the event of any taking or appropriation whatsoever, Landlord shall be entitled to any and all awards and/or settlements, which may be given, and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease.

27. PARKING AND COMMON AREAS:

Parking shall be at all times available for the non-exclusive use of Tenant during the full term of this Lease or any extension of the term hereof, provided that the condemnation or other taking by a public authority, or sale in lieu of condemnation, of any or all of such common and parking areas shall not constitute a violation of this covenant. Landlord reserves the right to change the entrances, exits, traffic lanes and the boundaries and locations of such parking area or areas, provided, however, that anything to the contrary notwithstanding contained in this Article 27, said parking area or areas shall at all time be substantially equal or equivalent to that shown on the attached Exhibit "A".

27.a. The Landlord shall keep said automobile parking and common areas in a neat, clean and orderly condition and shall repair any damage to the facilities thereof, but all expenses in connection with said automobile parking and common areas shall be charged and prorated in the manner as set forth in Article 7 hereof.

27.b. Tenant, for the use and benefit of Tenant, its' agents, employees, customers, licensees and sub-tenants, shall have the non-exclusive right in common with Landlord, and other present and future owners, tenants and their agents, employees, customers, licensees and sub-tenants, to use said common and parking areas during the entire term of this Lease, or any extension hereof, for ingress and egress, and automobile parking.

27.c. The Tenant, in the use of said common and parking areas, agrees to comply with such reasonable rules, regulations and charges for parking as the Landlord may adopt from time to time for the orderly and proper operation of said common and parking areas. Such rules may include but shall not be limited to the following:

- (1) The restricting of employee parking to a limited designated area or areas; and
- (2) The regulation of the removal, storage and disposal of Tenant's refuse and other rubbish at the sole cost and expense of Tenant.

28. SIGNS:

All signs, which are affixed, to the buildings must meet the following specifications:

- (1) Must be designed and constructed by Chaparral signs, or alternate sign maker, if approved by Landlord.
- (2) Signs will be wood carved signs with gold lettering, measuring 18" in height and 24" in width.
- (3) Tenant may make a request of the Landlord for a variation in the size of the sign, however, in no instance will the sign exceed the minimum requirements as established by the City of Hollister Sign Ordinance covering on-site signs.
- (4) The Landlord shall approve the location of the sign.

29. DISPLAYS:

The Tenant may not display or sell merchandise or allow carts or other devices within the control of Tenant to be stored or to remain outside the defined exterior walls and permanent doorways of the premises. Tenant further agrees not to install any exterior lighting, amplifiers or similar devices or use in or about the premises any advertising medium which may be heard or seen outside the premises, such as flashing lights, searchlights, loudspeakers, phonographs or radio broadcasts.

30. AUCTIONS:

Tenant shall not conduct or permit to be conducted any sale by auction in, upon or from the premises whether said auction by voluntary, involuntary, pursuant to any assignment for the payment of creditors or pursuant to any bankruptcy or other insolvency proceeding.

31. HOURS OF BUSINESS:

Subject to the provisions of Article 25 hereof, Tenant shall continuously during the entire term hereof conduct and carry on Tenant's business in the Premises and shall keep the Premises open for business and cause Tenant's business to be conducted therein during the usual business hours of each and every business day as is customary for businesses of like character in the city in which the premises are located to be open for business; provided, however, that this provision shall not apply if the premises should be closed and the business of Tenant temporarily discontinued therein on account of strikes, lockout or similar causes beyond the reasonable control of Tenant.

32. GENERAL PROVISIONS:

32.a. Plats and Riders. Clauses, plats, riders and addendums, if any, affixed to this Lease are a part hereof.

32.b. Waiver. The waiver by Landlord of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach or the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding default by tenant of any term, covenant or condition of this lease, other than the failure of the Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding default at the time of the acceptance of such rent.

32.c. Joint Obligation. If there is more than one Tenant the obligations hereunder imposed shall be joint and several.

32.d. Marginal Headings. The marginal headings and article titles to the articles of this Lease are not a part of the Lease and shall have no effect upon the construction or interpretation of any part hereof.

32.e. Time. Time is of the essence of this Lease and each and all of its provisions in which performance is a factor.

32.f. Successors and Assigns. The covenants and conditions herein contained, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

32.g. Recordation. Neither Landlord nor Tenant shall record this Lease, but a short form memorandum hereof may be recorded at the request of Landlord.

32.h. Quiet Possession. Upon Tenant paying the rent reserved hereunder and observing and performing all of the covenants, conditions and provisions on Tenant's part to be observed and performed hereunder, Tenant shall have quiet possession of the premises for the entire term hereof, subject to all the provisions of this Lease.

32.i. Late Charges. Tenant hereby acknowledges that late payment by Tenant to landlord of rent or other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Landlord by terms of any mortgage or trust deed covering the premises. Accordingly, if any installment of rent or any sum due from Tenant shall not be received by Landlord or Landlord's designee within ten (10) days after written notice that said amount is past due, then Tenant shall pay to landlord a late charge equal to the maximum amount permitted by law (and in the absence of any governing law, ten (10%) percent of such overdue amount), plus any attorney's fees incurred by Landlord by reason of Tenant's failure to pay rent and/or other charges when due hereunder. The parties hereby agree that such late charges represent a fair

and reasonable estimate of the cost that Landlord will incur by reason of the late payment by Tenant. Acceptance of such late charges by the Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder.

32.j. Prior Agreements. This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understanding pertaining to any such matters shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. This Lease shall not be effective or binding on any party until fully executed by both parties hereto.

32.k. Inability to Perform. This Lease and the obligations of the tenant hereunder shall not be affected or impaired because the Landlord is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of strike, labor troubles, acts of God, or any other cause beyond the reasonable control of the Landlord.

32.l. Partial Invalidity. Any provision of this lease which shall prove to be invalid, void, or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provision shall remain in full force and effect.

32.m. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, whenever possible, be cumulative with all other remedies at law or in equity.

32.n. Choice of Law. The laws of the State in which the premises are located shall govern this Lease.

32.o. Attorneys' Fees. In the event of any action or proceeding brought by either party against the other under this Lease, the prevailing party shall be entitled to recover for the fees of its attorneys in such action or proceeding, including costs of appeal, if any, in such amount as the court may adjudge reasonable as attorneys' fees. In addition, should it be necessary for Landlord to employ legal counsel to enforce any of the provisions herein contained, Tenant agrees to pay all attorneys' fees and court costs reasonably incurred.

32.p. Sale of Premises by Landlord. In the event of any sale of the premises by Landlord, Landlord shall be and is hereby entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission occurring after the consummation of such sale; and the purchaser, at such sale or any subsequent sale of the premises shall be deemed, without any further agreement between the parties or their successors in interest or between the parties and any such purchaser, to have assumed and agreed to carry out any and all of the covenants and obligations of the Landlord under this Lease.

32.q. Subordination, Attornment. Upon request of the Landlord, Tenant will in writing subordinate its rights hereunder to the lien of any mortgage or deed of trust, to any bank, insurance company or other lending institution, now or hereafter in force against the premises, and to all advances made or hereafter to be made upon the security thereof. In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by the Landlord covering the premises, the Landlord shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Landlord under the Lease. The provisions of the Article to the contrary notwithstanding, and so long as Tenant is not in default hereunder, this Lease shall remain in full force and effect for the full term hereof.

32.r. Notices. All notices and demands which may or are to be required or permitted to be given by either party on the other hereunder shall be in writing. All notices and demands by the Landlord to the Tenant shall be sent by United States Mail, postage prepaid, addressed to the Tenant at the premises, and to the address hereinbelow, or to such other place as Tenant may from time to time designate in a notice to the Landlord. All notices and demands by the Tenant to the Landlord shall be sent by United States mail, postage prepaid, addressed to the Landlord at the address set forth herein, and to such other person or place as the Landlord may from time to time designate in a notice to the Tenant.

TO LANDLORD AT: HIDALGO, INC., 330 Tres Pinos Road, Suite B1, Hollister, CA 95023

TO TENANT AT : SAN BENITO COUNTY COUNCIL OF GOVERNMENTS, 330 Tres Pinos Road, Suite C7, Hollister, CA 95023

32.s. Tenant's Statement. Tenant shall at any time and from time to time, upon not less than three days prior written notice from landlord, execute, acknowledge and deliver to Landlord a statement in writing

1. Certifying that this Lease is unmodified and in full force and effect or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect, and the date to which the rental and other charges are paid in advance, if and, and,
2. Acknowledging that there are not, to Tenant's knowledge, any incurred defaults on the part of the Landlord hereunder, or specifying such defaults if any are claimed, and,
3. Setting forth the date of commencement of rents and expiration of the term hereof. Any such statement may be relied upon by the prospective purchaser or encumbrancer of all or any portion of the real property of which the premises are a part.

32.t. Authority of Tenant. If Tenant is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation, in accordance with the bylaws of said corporation, and that this lease is binding upon said corporation.

33. BROKERS:

Tenant warrants that it has had no dealings with any real estate broker or agents in connection with negotiation of this Lease excepting only The Pivetti Company and it knows of no other real estate broker or agent who is entitled to a commission in connection with the Lease.

34. ADDENDUMS AND EXHIBITS:

The terms of this Lease are hereby modified by the terms of the following exhibits and addenda, attached hereto and made a part hereof:

- EXHIBIT "A"
- ADDENDUM "A"
- ADDENDUM "B"

CONSULT YOUR ATTORNEY:

If this Lease has been filled in it has been prepared for submission to your attorney for his approval. No representation or recommendation is made by The Pivetti Company or its agents or employees as to the legal sufficiency, legal effect, or tax consequences of this Lease.

HIDALGO, INC.

By: *Lawrence Bull*

DATE: 10/24/07

SAN BENITO COUNTY COUNCIL OF GOVERNMENTS

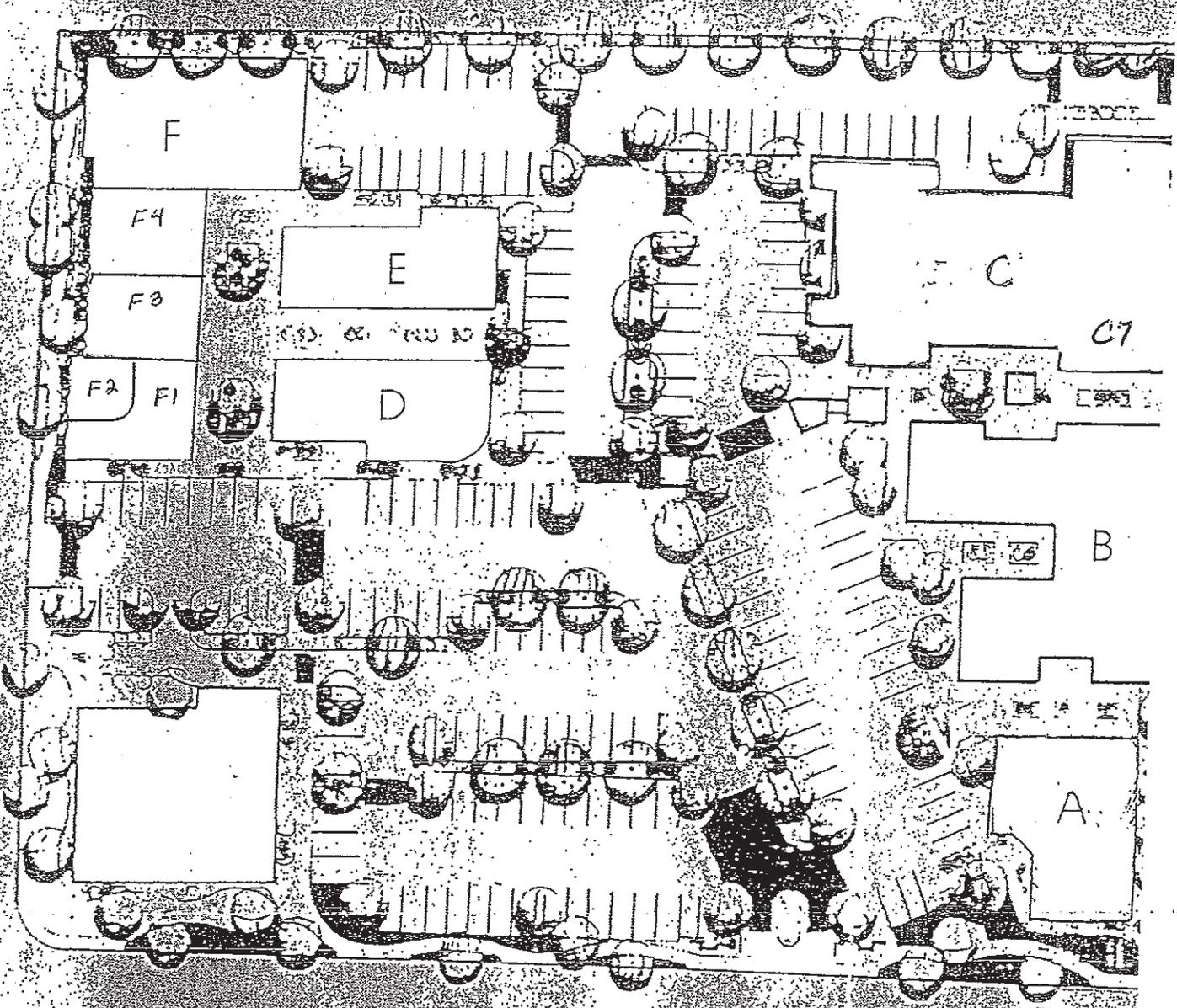
By: *Lisa Rheinheimer*
Lisa Rheinheimer, Executive Director

DATE: 10-19-07

APPROVED AS TO LEGAL FORM:
San Benito County Counsel's Office

By: *Shirley L. Murphy*
Shirley L. Murphy, Deputy County Counsel
DATE: Oct 19, 2007

RANCHO DRIVE



TRES PINOS ROAD

EXHIBIT "A"

ADAM SQUARE LEASE
ADDENDUM "A"

THE FOLLOWING is an Addendum to the Lease dated September 6, 2007, by and between HIDALGO INC., (Landlord) and SAN BENITO COUNTY COUNCIL OF GOVERNMENTS (Tenant).

1. RENT ADJUSTMENTS:

The minimum monthly rent provided for herein shall be subject to adjustment at the commencement of the second year of the term of this lease and each year thereafter as follows:

PERIOD	MINIMUM MONTHLY RENT
1. 11/01/07 - 07/31/08	\$1500.00 PER MONTH
2. 08/01/08 - 07/31/09	\$2950.34 PER MONTH
3. 08/01/09 - 07/31/10	\$3009.34 PER MONTH
4. 08/01/10 - 07/31/11	\$3059.51 PER MONTH
5. 08/01/11 - 07/31/12	\$3130.89 PER MONTH
6. 08/01/12 - 07/31/13	\$3193.50 PER MONTH

2. RENEWAL OPTIONS

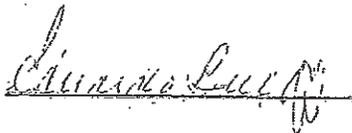
Notwithstanding the provisions of paragraph 5, provided that Lessee is not in default under this lease at the time of exercise of the hereinafter described option, Lessee shall have the option to extend the term of the lease for a period of five (5) years upon giving Lessor written notice of exercise of option sixty (60) days prior to the termination of the term of this lease, or the initial option period, then in effect. Said option shall be on the same terms and conditions as set forth in this lease except for minimum monthly rent, which shall be agreed upon by Lessor and Lessee. The parties shall have twenty (20) days after Lessor receives the option notice in which to agree on a minimum monthly rent during the extended term during that period, they shall immediately execute an amendment to this lease stating the minimum monthly rent.

3. COMMON AREA MAINTENANCE FEES:

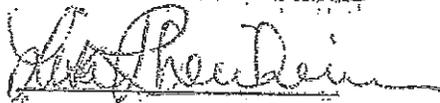
Common Area Maintenance Fees for this lease have been included in the rent as set out herein.

Executed at Hollister, California, on the 24 day of OCTOBER 2007.

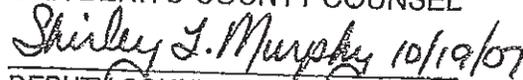
LESSOR: HIDALGO, INC.



LESSEE: SAN BENITO COUNTY COUNCIL
OF GOVERNMENTS

 10/19/07

APPROVED AS TO LEGAL FORM
SAN BENITO COUNTY COUNSEL

 10/19/07
DEPUTY COUNTY COUNSEL DATE

ADAM SQUARE LEASE
ADDENDUM "B"

The following is an Addendum to the Lease dated September 6, 2007, by and between HIDALGO INC. (Landlord) and SAN BENITO COUNTY COUNCIL OF GOVERNMENTS (Tenant):

1. Section 1 (PREMISES) is hereby amended to read as follows:

Landlord does hereby Lease to Tenant and Tenant hereby leases from Landlord that certain space designated as Suite C7 at 330 Tres Pinos Road (herein called "Premises"), containing approximately 1879.2 square feet of floor area. The location and dimensions of said Premises are delineated on Exhibit "A" attached hereto and incorporated by reference herein. Said Premises are located in the City of Hollister, County of San Benito, State of California.

This Lease is subject to the terms, covenants and conditions herein set forth and the Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of said terms, covenants and conditions by it to be kept and performed.

2. Section 5 (TERM) is hereby amended to read as follows:

The lease term shall be five (5) years, nine months. The parties hereto acknowledge that certain obligations under various articles hereof may commence prior to the lease term, i.e., construction, hold harmless, liability insurance, etc. and the parties agree to be bound by these articles prior to commencement of the lease term.

Notwithstanding anything contained in this Lease to the contrary, in the event no funds or insufficient funds are appropriated and budgeted or are otherwise unavailable by any means whatsoever in any fiscal period for Lease payments due under this Lease, Tenant will immediately notify Landlord in writing of such occurrence and this Lease shall terminate on the last day of the fiscal period for which appropriations have been received or made without penalty or expense to Tenant except as to (a) the portions of Lease payments herein agreed upon for which funds shall have been appropriated and budgeted or are otherwise available and (b) Tenant's other obligations and liabilities under this Lease relating to, or accruing or arising prior to such termination. In the event of such termination, Tenant agrees to peaceably surrender possession of the Premises to Landlord on the date of such termination and Landlord shall have all legal and equitable rights and remedies to take possession of the Premises. Notwithstanding the foregoing, Tenant agrees that it will not cancel this Lease and this Lease shall not terminate under the provisions of this Section if any funds are appropriated to it, or by it, for the lease of office space similar to the Premises for the fiscal period in which such termination would have otherwise occurred or for the next succeeding fiscal period.

3. Section 16 (LIABILITY INSURANCE) is hereby amended to read as follows:

Tenant shall, at Tenant's expense, obtain and keep in force during the term of this Lease a policy of comprehensive public liability insurance insuring Landlord and Tenant against any liability or arising out of the ownership, use, occupancy or maintenance of the premises and all areas appurtenant thereto. Such insurance shall be in the amount of not less than \$2,000,000.00 single combined liability limit. In lieu of providing insurance, Tenant may provide self-insurance meeting requirements equivalent to those imposed herein. Tenant warrants that Tenant's self-insurance provides substantially the same protection to Landlord as the insurance required herein.

The limit of any such insurance shall not, however, limit the liability of the tenant hereunder. Tenant may provide this insurance under a blanket policy, provided that said insurance shall have a Landlord's protective liability endorsement attached hereto. If Tenant shall fail to procure and maintain said insurance, landlord may, but shall not be required to, procure and maintain same, but at the expense of Tenant. Insurance required hereunder shall be in companies rated A+, AAA, or better in "Best's Insurance Guide". Tenant shall deliver to Landlord, prior to right of entry, copies of policies of liability insurance required herein or certificates evidencing the existence and amounts of such insurance with loss payable clauses satisfactory to Landlord. No policy shall be cancelable or subject to reduction of coverage. All such policies shall be written as primary policies not contributing with and not in excess of coverage which Landlord may carry.

4. Section 32(o) is hereby deleted in its entirety.

Executed at Hollister, California, on the 24th day of OCTOBER, 20 07.

LESSOR: HIDALGO, INC.

LESSEE: SAN BENITO COUNTY
COUNCIL OF GOVERNMENTS

By: *Antonio Bull*

By: *Lisa Rheinheimer* 10-19-07
Lisa Rheinheimer, Executive Director

APPROVED AS TO LEGAL FORM:
San Benito County Counsel's Office

By: *Shirley L. Murphy* 10/19/07
Shirley L. Murphy, Deputy County Counsel



Staff Report

To: Council of San Benito County Governments
 From: Mary Gilbert, Transportation Planning Manager
 Date: July 17, 2014
Subject: COG Board Actions taken at the March 20, 2014 COG Board meeting

Recommendation:

RESCIND the following COG Board Actions taken at the March 20, 2014 COG Board meeting under agenda item numbers 7 and 8:

- a. DIRECT San Benito COG staff to use the updated 2010 San Benito Traffic Model for transportation planning purposes; and
- b. ADOPT the San Benito County Population, Employment and Housing Projections for 2035 and direct San Benito COG Staff to Forward This Data to the Association of Monterey Bay Area Governments (AMBAG) for Transportation Planning Purposes and Inclusion in the 2014 Metropolitan Transportation Plan (MTP) and Sustainable Communities Strategy (SCS).

Summary:

The COG Board took two actions at the March 20, 2014 Board meeting that conflict with the adoption of the 2014 Regional Transportation Plan. Staff is recommending that the Board rescind these actions of March 20th to ensure all future planning activities are consistent with those associated with the Regional Transportation Plan and other approved Board actions.

Financial Impact:

On March 21, 2014, the California Department of Transportation issued a letter notifying COG that failure to use the traffic model developed and maintained by the region's Metropolitan Planning Organization could jeopardize state and federal funding to the region (Attachment 1).

Background:

At its March 20, 2014 meeting, the Board of directors took two separate actions under agenda item numbers 7 and 8. The actions were to:

- a) direct San Benito COG staff to use the updated 2010 San Benito Traffic Model for transportation planning purposes; and
- b) adopt the San Benito County Population, Employment and Housing Projections for 2035 and direct San Benito COG Staff to Forward This Data to the Association of Monterey Bay Area Governments (AMBAG) for Transportation Planning Purposes and Inclusion in the 2014 Metropolitan Transportation Plan (MTP) and Sustainable Communities Strategy (SCS)

Staff Analysis:

COG uses traffic modeling and population, employment and housing forecasts in planning efforts like those recently completed for the adopted 2014 Regional Transportation Plan. The Association of Monterey Bay Area Governments is the federally-designated Metropolitan Planning Organization for the Monterey Bay Region, which includes San Benito County. As the MPO, AMBAG is required by federal and state statutes to maintain a Regional Travel Demand Model and to develop forecasts for the region's population, employment, and housing growth.

AMBAG's travel model and growth projections are recognized by the State Department of Transportation and the Federal Highway Administration. The Council of Governments, as the State-designated Regional Transportation Planning Agency, must use these state and federally recognized tools for its transportation planning efforts in order to remain eligible for state and federal funds. Staff is recommending that the Board rescind the March 20th actions to ensure consistency in planning efforts and consistency across Board policy actions.

Executive Director Review: _____

Counsel Review: N/A

Supporting Attachment: March 21, 2014 Letter to COG from Caltrans

DEPARTMENT OF TRANSPORTATION

50 HIGUERA STREET
SAN LUIS OBISPO, CA 93401-5415
PHONE (805) 549-3101
FAX (805) 549-3329
TTY 711
<http://www.dot.ca.gov/dist05/>



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March 21, 2014

Victor Gomez, Chairperson
Council of San Benito County Governmen
330 Tres Pinos Road, Suite C7
Hollister, CA 95023

Dear Chair Gomez:

This letter is provided in a spirit of partnership and cooperation for the continued success of the Council of San Benito County Governments (San Benito COG) as the Regional Transportation Planning Agency addressing important transportation needs throughout the county.

The action by the San Benito COG Board of Directors at its March 20, 2014 meeting directed staff to use a recently updated version of the 2010 San Benito County Traffic Model. The California Department of Transportation (Caltrans) cannot support this decision. Because the county model is not consistent with the federally recognized Regional Travel Demand Model maintained by the Association of Monterey Bay Area Governments (AMBAG), it will not be acceptable for state and federal transportation planning purposes. To remain eligible for state and federal funds for both planning activities and programming of capital improvements countywide, the San Benito COG must build upon the foundation provided by the AMBAG model. This is also fundamental for validity of the Regional Transportation Plan.

I encourage San Benito COG to continue working in partnership with AMBAG for appropriate use of the Regional Travel Demand Model to meet the goals of San Benito County. Please contact me if you would like to discuss this further.

Sincerely,

A handwritten signature in black ink, appearing to read "Aileen K. Loeb".

AILEEN K. LOE
Deputy District Director

cc Lisa Rheinheimer, Executive Director
Maura Twomey, Executive Director AMBAG



Staff Report

To: Council of Governments Board of Directors
From: Lisa Rheinheimer, Executive Director
Date: July 17, 2014
Subject: 2014 Regional Housing Needs Allocation Plan

Recommendation:

HOLD Public Hearing and **ADOPT** Resolution 2014-08 Adopting the Final Regional Housing Needs Allocation Plan.

Summary:

The Council of Governments is required to hold a public hearing on the adoption of the Final Regional Housing Needs Allocation Plan. The Final Plan has been revised per comments received from the California Housing and Community Development Department. The revisions address statutory factors in allocating the housing need determination on pages 11-14.

Financial Considerations:

The cost of preparing the Regional Housing Needs Allocation Plan is absorbed as part of the Council of Governments budget by way of staff time. The Council of Governments may ask the local jurisdictions to pay for the reasonable cost of preparing the plan. The Council of Governments has not asked for a contribution from the local jurisdictions in the past.

The update of a local jurisdiction's Housing Element makes a city or county eligible to receive Community Development Block Grants.

Background:

The Regional Housing Needs Allocation Plan is a state mandated activity (Government Code 65584 et seq.) with the intent to "adequately plan to meet the existing and projected housing needs of all economic segments of the community". The Department of Housing and Community Development used population projections from the Department of Finance to estimate the housing need over the planning period. The planning period of this Regional Housing Need Allocation Plan is January 1, 2014 – December 31, 2023.

The housing need is further allocated by very-low, low, moderate, and above moderate income levels. COG is then required to distribute the housing need, including all income categories, to the local jurisdictions.

Additionally, after the passage of Senate Bill 375, the Council of San Benito County Governments and other similar agencies across the state are required to coordinate their Regional Housing Needs Allocation Plan with the timing of the Regional Transportation Plan. This new requirement meant that development of the Regional Housing Needs Allocation Plan would closely coincide with the timing of the adoption of the Regional Transportation Plan.

At the May Council of Governments meeting, the Board held a public hearing and heard one public comment on the Draft Plan. Council of Governments staff also contacted the Planning Departments of the Cities and County to gather any final concerns or questions on the draft Plan. No concerns or comments were expressed by staff from the local jurisdictions.

Staff Analysis:

There was one public comment at the public hearing in May. No written comments were received during the comment period. At the hearing in May, the commenter expressed satisfaction with the draft Regional Housing Needs Allocation Plan and noted that the Community Housing Improvement Systems and Planning Association, Inc. (CHISPA) is working in San Benito to provide low income housing to those who qualify. This public comment and a response was added to the Final Regional Housing Needs Allocation Plan.

After the public comment period ended, the Department of Housing and Community Development commented that additional explanatory text must be added to address statutory factors in Government Code Section 65584(b)(1). During meetings and discussions with the local planning staffs, COG staff inquired about the statutory factors. The information gathered from those discussions has been added to the Plan on pages 11-14.

A public hearing to adopt the Final Regional Housing Needs Allocation Plan is required per Government Code Section 65584.05(h).

All of this work is the precursor for a General Plan Housing Element update which will be due December 31, 2015. The December 2015 date is 18 months after the Regional Transportation Plan adoption date of June 2014.

Executive Director Review: _____

Counsel Review: N/A

Supporting Attachment(s):

1. Resolution 2014-08
2. Final Regional Housing Needs Allocation Plan



**BEFORE THE COUNCIL OF SAN BENITO COUNTY
GOVERNMENTS**

**A RESOLUTION OF THE BOARD OF DIRECTORS)
OF THE COUNCIL OF SAN BENITO COUNTY)
GOVERNMENTS ADOPTING THE FINAL)
REGIONAL HOUSING NEEDS ALLOCATION)
PLAN FOR THE 2014-2023 (FIFTH) HOUSING)
ELEMENT CYCLE FOR SAN BENITO COUNTY)**

Resolution No. 2014-08

WHEREAS, the Council of San Benito County Governments is the designated Council of Governments for San Benito County; and

WHEREAS, state housing element law requires that the Council of San Benito County Governments adopt a Regional Housing Needs Allocation Plan prior to the due date for each housing element cycle; and

WHEREAS, the Regional Housing Needs Allocation Plan was prepared in conjunction with *On the Move: 2035* – San Benito Regional Transportation Plan and the 2035 Metropolitan Transportation Plan and Sustainable Communities Strategy (MTP/SCS) to improve the connection between planning for transportation, land use, and housing and to help meet the region’s greenhouse gas (GHG) reduction targets set by the California Air Resources Board as required by Senate Bill 375 (SB 375); and

WHEREAS, the California Department of Housing and Community Development (HCD) is required to consult with the Council of San Benito County Governments in determining the existing and projected housing need for the region prior to each housing element cycle; and

WHEREAS, HCD provided the Council of San Benito County Governments with a regional housing need number of 2,194 housing units distributed to four income categories based on the regional percentages of very low (23.7 percent), low (14.4 percent), moderate (19.6 percent) and above moderate (42.3 percent) income households derived from the 2007-2011 American Community Survey; and

WHEREAS, the Council of San Benito County Governments is required by state law to allocate the overall regional housing needs by jurisdiction and income category; and

WHEREAS, the Council of San Benito County Governments, with the assistance of the planning representatives of the local jurisdictions, developed a number of potential methodologies for allocating the region’s housing; and

WHEREAS, these methodologies were consistent with the four Regional Housing Needs Allocation objectives in state law and took into consideration local jurisdiction land use plans, market demand for housing, public facilities, suitable sites, commuting patterns, employment projections, percentage of lower income households, and other local planning and demographic factors and principles; and

WHEREAS, in accordance with state law, the distribution of the housing needs seeks to reduce the concentration of lower income households in jurisdictions that already have disproportionately high proportions of lower income households; and

WHEREAS, the allocation of and planning for the region’s future housing needs will assist the region in meeting its housing needs in all four income categories, meeting GHG targets set by the Air Resources Board through the Association of Monterey Bay Area Governments, addressing its transportation needs as identified in *On the Move: 2035* – San Benito Regional Transportation Plan, 2035 MTP/SCS, and helping to reduce vehicle miles of travel.

NOW, THEREFORE, BE IT RESOLVED, that the Council of San Benito County Governments Board of Directors hereby adopts the final Regional Housing Needs Allocation Plan for the fifth element cycle (January 1, 2014 – December 31, 2023).

PASSED AND ADOPTED BY THE COUNCIL OF SAN BENITO COUNTY GOVERNMENTS on this 17th day of July 2014, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Victor Gomez, Chair

ATTEST:
Lisa Rheinheimer, Executive Director

APPROVED AS TO LEGAL FORM:
San Benito County Counsel’s Office

By: _____

By: _____
Shirley L. Murphy, Deputy County Counsel

Dated: _____

Dated: _____

Final
San Benito County
Regional Housing Needs Allocation Plan



In partnership with:
City of Hollister
County of San Benito
City of San Juan Bautista

July 2014

Prepared by:
Council of San Benito County Governments

Table of Contents

Table of Contents2
Council of San Benito County Governments Board of Directors3
Council of San Benito County Governments.....4
Introduction and Purpose.....4
Role in Housing Element Law.....5
 County Profile.....5
Description of Process and Planning Timetable.....6
Existing and Projected Housing Needs.....7
Allocation of Projected Housing Need by Jurisdiction by Income Categories8
Guiding Principles9
Description of Method of Allocation10
 Allocation of Housing Units by Jurisdiction10
Regional Housing Needs Allocation Plan Factors11
Public Hearing and Comments.....14
Appendix A.....15
Appendix B.....16

Council of San Benito County Governments Board of Directors

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Council of San Benito County Governments

The Council of San Benito County Governments is governed by a board of five (5) elected officials: two are appointed from each of the Hollister City Council and the San Benito County Board of Supervisors and one is appointed from the San Juan Bautista City Council. The Council of San Benito County Governments is mandated by state law in Government Code Section 65584 to prepare a Regional Housing Needs Allocation Plan.

Introduction and Purpose

Every eight (8) years, the California Department of Housing and Community Development develops a regional housing need determination based on population projections prepared by the California Department of Finance or the Association of Monterey Bay Area Governments. The San Benito County Regional Housing Needs Allocation Plan identifies a need of 2,194 housing units for the planning period, January 1, 2014 to December 31, 2023.



The purpose of the Regional Housing Needs Allocation Plan is to allocate to the Cities and the County of San Benito their share of the region's projected housing need by household income group.

The Institute for Local Government issued a pamphlet entitled “Understanding SB: 375 – Regional Planning for Transportation, Housing and the Environment”.

Each locality’s regional housing needs allocation is distributed among four income categories to address the required provision for planning for all income levels. The regional housing need allocation plan is required to promote the following objectives per Government Code Section 65584(d):

1. Increase the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households.
2. Promote infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns.
3. Promote an improved intraregional relationship between jobs and housing.
4. Allocate a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent decennial United States census.

Role in Housing Element Law

With the passing of California Senate Bill 375 in 2008, housing and transportation statutes were amended to further strengthen the coordination of regional housing and transportation planning. Now, the Regional Housing Needs Allocation Plan is tied to the adoption date of the Regional Transportation Plan.

The purpose of allocating the regional housing need to local jurisdictions is for the update of their General Plan Housing Element. The Cities and County of San Benito have until December 31, 2015 to update their Housing Element. Each jurisdiction must receive an allocation and a share of the housing need in order to plan to accommodate housing in the update of their Housing Element. A jurisdiction may take credit for housing units permitted since January 1, 2014.

The regional housing need, as determined by Housing and Community Development, should be considered by the Cities and County of San Benito as a minimum projection of housing need for the 8 year planning period.

A jurisdiction may consider planning for more housing in its Housing Element to meet market demand and the needs of the jurisdiction.

The four income categories (very-low, low, moderate, and above moderate) must be addressed in a jurisdiction's housing element. Specifically, accommodations must be made to ensure that the jurisdiction provides sufficient zoning capacity to accommodate the projected housing need in each income category. For the very low and low income categories, jurisdictions generally are required to identify sites (constructed or vacant) zoned at multifamily residential densities. It is important to note that each jurisdiction is responsible for providing sufficient zoning capacity for the units allocated to all four economic income categories, but is not responsible for the construction of these units.

The intent of the housing element law is to ensure that jurisdictions do not impede the construction of housing in any income category. Other factors, such as market forces, are beyond a jurisdiction's control and have considerable influence over whether or not housing units in each income category are actually constructed.

County Profile

San Benito County is located on the Central California Coast bordered to the north by Santa Cruz and Santa Clara Counties, to the west and south by Monterey County, to the south and east by Fresno County and to the east by Fresno and Merced Counties.

San Benito County was formed in 1874 from Monterey County. The County seat, Hollister, was named after Colonel Hollister. The population has grown from 1,000 in 1874 to 2,750 in 1925 to 55,269 in 2010 to an estimated 57,600 in 2013 (US Census).





Major industries in San Benito County include agriculture, manufacturing, service, retail, recreation, mineral and professional. According to the 2010 US Census, 48.9 percent of the San Benito County workforce commutes outside of San Benito County for employment. Of those working outside of San Benito County, 67 percent travel to Santa Clara County, 25.5 percent travel to Monterey County and 7.4 percent travel to Santa Cruz County.

A large percentage of commuters travel outside of San Benito County for employment, and as such create part of the need for housing. There are more economic opportunities for the workforce in the larger counties to the west and north. Additionally, the lack of more affordable housing near employment creates a strong demand for housing locally.

Due to the housing need pressure, San Benito County grew by 48 percent between 1990 and 2000. Between 2001 and 2009, the Regional Water Quality Control Board prohibited the City of Hollister from issuing new development until a new wastewater treatment facility was built. As of 2014, the region has weathered the worst of the economic recession of 2007-2010 and private investment activity was beginning to emerge. Although foreclosures were abundant between 2007 and 2010, they have since declined with what appears to be a rebounding housing market.

Description of Process and Planning Timetable

The process for allocating each Council of Governments member's share of the regional housing need is outlined in the timetable below:

Table 1: Schedule and Timeline

Task 1: Initial Activities and Outreach	Date
1.1 Meet with local jurisdictions	Fall 2013
1.2 Consult with HCD re. regional determination	Summer/Fall 2013
Task 2: Preparation of Methodology	
2.1 Meet with local jurisdictions	Fall/Winter 2013
2.2 Request and obtain data from local jurisdictions	Fall 2013
2.3 Data processing and analysis	ongoing
2.4 Develop methodology alternatives	December 2013
2.5 Outreach and technical discussions	ongoing
Technical Advisory Committee reviews proposed	
2.6 methodology	2/6/2014
2.7 COG issues proposed methodology	12/19/2013
Task 3: Review of Methodology	
3.1 60-day public comment period	4/17/2014 – 6/16/2014
3.2 Outreach to local governments	ongoing
3.3 Public hearing about methodology	5/15/2014
3.4 COG responds to public comments	7/17/2014

3.5 COG adopts final methodology and RHNA Plan 7/17/2014

Task 4: Preparation and Review of Draft RHNA

4.1 Develop RHNA Plan 5/15/2014
 4.2 Technical discussions and documentation ongoing
 4.3 COG issues draft RHNA 4/17/2014
 4.4 COG Holds Public Hearing 5/15/2014
 4.5 Local jurisdictions may request revisions 5/30/2014
 4.6 COG responds to revision requests 6/6/2014

Task 5: Appeals Process

5.1 Jurisdictions may appeal draft RHNA 9/15/2014
 5.2 Public hearing about appeals, if needed 11/14/2014
 5.3 COG reviews and responds to appeals requests 12/29/2014

Task 6: Adoption of Final RHNA

6.1 COG adopts final RHNA 7/17/2014
 6.2 Public hearing to adopt final RHNA 7/17/2014
 6.3 COG submits final RHNA to HCD 7/18/2014
 6.4 Review and approval of final RHNA by HCD 9/15/14

Existing and Projected Housing Needs

According to the 2010 U.S. Census, San Benito County had 17,870 housing units in 2010. This number is close to the 2012 U.S. Census estimate of 17,876 housing units. Development in the major urban center of Hollister has begun to rebound after the completion of the new wastewater treatment facility in 2009.

The 2010 U.S. Census further characterizes housing in San Benito County in the following table:

Table 2: Excerpts from the Profile of General Population and Housing Characteristics: 2010 (DP-1)

Subject	Number	Percent
Housing Occupancy		
Total housing units	17,870	100.0
Occupied housing units	16,805	94
Vacant housing units	1,065	6
Housing Tenure		
Total occupied housing units	16,805	100.0
Owner-occupied housing units	10,927	65
Renter-occupied housing units	5,878	35

The majority of the population and housing is contained in the City of Hollister, the City of San Juan Bautista, and the area of Ridgemark. In 2010, the vacancy rate for homeowners was 2 percent and 5.1 percent for rental units. Vacancy rates increased due to the economic recession of 2007-2010 which affected San Benito County, California, and the rest of the nation.

Despite the large downturn in the housing market, developments are starting up again in San Benito County due to improved economic conditions. Several development projects began construction once the Hollister housing moratorium was lifted. Other projects are approved for the unincorporated area of the County.

The California Department of Finance estimates that the population of San Benito County will grow from 57,600 in 2013 to 63,256 in 2023. This population growth translates to an estimated number of households of 17,876 in 2012 and 19,688 in 2023.

The Association of Monterey Bay Area Governments (AMBAG) projects that the population of San Benito County will grow more than what the Department of Finance estimates. AMBAG projects that the region will grow to 75,604 by 2025.

The Council of San Benito County Governments estimates that growth will be much higher and will likely exceed the required minimum housing need of 2,194 as projected by the Department Housing and Community Development. Households are projected to grow to 22,652 in 2020 according to the Association of Monterey Bay Area Governments for 2035.

The Cities and County are encouraged to plan for additional growth beyond the projected need.

Allocation of Projected Housing Need by Jurisdiction by Income Categories

According to the Bureau of Economic Analysis, in 2011, per capita personal income in San Benito County was \$36,273. In 2012, per capita personal income rose to \$38,030 compared to the statewide average of \$46,477 and Santa Clara County average of \$66,353.

The allocation of regional housing need by income category was determined by the Department of Housing and Community Development (Appendix B).

Table 3: Regional Housing Need Allocation by Income Category

Income Category	Allocation	Percent
Very Low	520	23.7%
Low	315	14.4%
Moderate	430	19.6%
Above Moderate	929	42.3%
Total	2,194	100.0%

The allocation of regional housing need to the local jurisdictions by income categories is included in Table 4: Allocation of Housing Need to Local Jurisdictions. The basis for this allocation formula is outlined in the Guiding Principles below and on the following pages.

Table 4: Allocation of Housing Need to Local Jurisdictions

Allocation of Housing Need to Local Jurisdictions	
City of Hollister	1,316
Very Low	312
Low	189
Moderate	258
Above Moderate	557
City of San Juan Bautista	41
Very Low	10
Low	6
Moderate	8
Above Moderate	17
County of San Benito	837
Very Low	198
Low	120
Moderate	164
Above Moderate	355
Total	2,194

Note: A local jurisdiction may take credit for and reduce their share of housing units built after January 1, 2014 in their submittal of the Housing Element update.

Guiding Principles

The Council of Governments coordinated the effort of this Regional Housing Needs Allocation Plan with the Cities of Hollister and San Juan Bautista, and the County of San Benito planning staffs. Additionally, at the forefront of the allocation methodology was the recognition that housing and jobs are linked.

Each Council of Governments member's share of the regional housing need shown in this Plan shall be used in that member's Housing Element as the local goal in planning for and accommodating the regional housing need. The number of dwelling units allocated to each Council of Governments member should be considered as a minimum housing need. Nothing in this Plan restricts or prohibits the local jurisdictions from planning for a higher number of dwelling units than its regional allocation.

The goal of the Regional Housing Needs Plan is to assure a fair distribution of housing among the Cities and County, so that every community provides an opportunity for a mix of housing affordable to all economic segments. The housing allocation targets are not building requirements, but goals for each community to plan for and accommodate through appropriate planning policies and land use

regulations. The Regional Housing Need number is not a housing unit quota that jurisdictions must achieve within the time frame of their next Housing Element update. Allocation targets are intended to assure that adequate sites and zoning are made available to address anticipated housing demand during the planning period and that market forces are not inhibited in addressing the housing needs of all economic segments of a community.

Description of Method of Allocation

The methodology for the housing needs allocation is broken down into three phases:

1. Review methodology options for the allocation of housing,
2. Allocation of housing units by jurisdiction, and
3. Allocation of housing units by income group.

Review Methodology Options for the Allocation of Housing

Once the Council of Governments receives the countywide housing allocation provided by the California Department of Housing and Community Development, including the overall needs number and the income category distribution, it must adopt a methodology for distributing the regional growth number throughout the region.

Staff reviewed several options for distributing the regional housing need with planning staff of the local jurisdictions. Some of the options included distributing the housing need determination by jobs, housing, or employment based on past, present, and future numbers.

Allocation of Housing Units by Jurisdiction

The Council of Governments is required to allocate a fair share of the housing need to each jurisdiction. In this case, the Council of Governments worked with the Cities of Hollister and San Juan Bautista and the County of San Benito to draft a distribution methodology.

Ultimately a jobs/housing methodology was selected as the preferred option and was recommended to the Council of Governments Board of Directors. The Board of Directors reviewed this methodology on December 19, 2013 and approved it on February 20, 2014.

This methodology distributes the regional figure based on a jurisdiction's proportional share of employment in the year 2025 (within 2 years of the end of the planning period). The AMBAG Final 2014 Regional Growth Forecast was used to determine a jurisdiction's proportional share of jobs for the year 2025.

The allocation methodology is broken out into these four steps:

- Step 1- Determine the number of jobs in 2025 by jurisdiction
- Step 2 - Determine the percentage share of jobs in 2025 per jurisdiction
- Step 3 - Distribute the total housing need of 2,194 to the local jurisdictions based on Step 2
- Step 4 - Distribute each jurisdiction's housing need based on Step 3 by income category

Allocation of Housing Units by Income Category

The Council of Governments assigned the total housing need to each of the four (4) income categories in the same manner as the Department of Housing and Community Development. The allocations are included in *Table 4: Allocation of Housing Need to Local Jurisdictions*.

Regional Housing Needs Allocation Plan Factors

State law (Government Code Section 65584.04(b)(1)) requires that San Benito COG consider, to the extent that sufficient data is available, when developing its Regional Housing Needs Allocation Plan the following factors:

1. *Each member jurisdiction's existing and projected jobs and housing relationship:*

San Benito COG reviewed the jobs and housing balance of the jurisdictions for the present, past, and future. Both of the incorporated cities are projected to have a better jobs to housing balance in 2025. The County is expected to have a lower jobs to housing balance in 2025. This may be explained by the annexation of County lands to the City of Hollister in the sphere of influence over the next 8 years.

Because the Association of Monterey Bay Area Governments 2014 Growth Forecast represents the state and federally recognized basis for the San Benito Regional Transportation Plan (2014), it was used as the basis for the overall Regional Housing Needs Allocation Plan methodology.

2. *The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following:*

a. *Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.*

None of the jurisdictions indicated that they would run out of water and/or sewer capacity during the 2014-2023 planning period. No adjustments were considered in the Regional Housing Needs Allocation methodology for lack of water and/or sewer.

b. *The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.*

The amount of land available for development varies by jurisdiction. None of the jurisdictions indicated that land suitable for urban growth would be an obstacle during the 2014-2023 planning period.

- c. Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis.*

While there are federal lands in the south of San Benito County, these lands are unsuitable and undesirable for urban development. Development has occurred primarily in the northern part of the County including the City of Hollister and San Juan Bautista. In this northern area, there are no lands preserved or protected from urban development which would impact this Regional Housing Needs Allocation Plan.

- d. County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area.*

There are lands preserved in the County and Cities of Hollister and San Juan Bautista within the Alquist-Priolo Earthquake Fault Zoning Act. These areas are regulated by the Act but no adjustments in the number of housing units were made for Regional Housing Needs Allocation Plan purposes.

- 3. The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.*

The 2014 Regional Growth Forecast prepared by the Association of Monterey Bay Area Governments shows that growth in housing over the planning period is compatible with the Regional Housing Needs Allocation Plan and methodology used. The City of Hollister is allocated 183 units more than the housing projected in the 2014 Regional Growth Forecast for the planning period. This amount is 16 percent higher than the 2014 Regional Growth Forecast.

Allocating the projected housing need using projected employment in each jurisdiction, maximizes the opportunity for people to use public transportation and existing transportation infrastructure.

- 4. The market demand for housing.*

Planning staffs of the local jurisdictions reported a variety of factors which influence the market demand for housing including low down payment loans, available inventory, availability of financing, and median house sales prices. While these factors influence the market demand for housing, no adjustments were made for the treatment of this situation.

- 5. Agreements between a county and cities in a county to direct growth toward incorporated areas of the county.*

There are no agreements between the County and cities to direct growth toward incorporated areas of the county.

- 6. The loss of units contained in assisted housing developments, as defined in paragraph (9) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage repayment, subsidy contract expirations, or termination of use restrictions.*

State Government Code requires each Housing Element to assess the potential impact of expiring public subsidies on low-income units. According to the General Plan Housing Element updates of the three jurisdictions during the last planning cycle of 2007-2014, there were a total 10 units in the unincorporated area of San Benito County, 262 units within the City of Hollister, and 0 (zero) units within the City of San Juan Bautista at risk of conversion from assisted to market rate housing.

No more recent data was available for this Regional Housing Needs Allocation Plan and no adjustments were made for the treatment of this situation.

7. *High-housing cost burdens.*

Information about housing overpayment and overcrowding was found in the 2012 American Community Survey 5-Year Estimates, Table DP04: Selected Housing Characteristics. Overcrowding is considered more than one (1) person per room per house while overpayment is considered 30% or more of monthly income.

The following table summarizes the conditions of overpayment and overcrowding for the Cities of Hollister and San Juan Bautista and San Benito County:

Table 5: Conditions of Housing Overpayment and Overcrowding

Conditions of Housing Overpayment and Overcrowding	Hollister	San Juan Bautista	San Benito County
Selected Monthly Owner Costs as a Percentage of Household Income (30% or more)	59.7%	70.3%	59.0%
Gross Rent as a Percentage of Household Income (30% or more)	61.3%	54.5%	58.6%
Occupants per Room (1.01 or more)	8.8%	10.2%	7.9%

The Council of San Benito County Governments sought to accommodate its projected household growth throughout the region in developing this Regional Housing Needs Allocation Plan by connecting projected jobs to housing.

8. *The housing needs of farmworkers.*

Farmworker housing needs in this Regional Housing Needs Allocation Plan are addressed in the very low-income category. Several low-income housing developments were built in the last two decades in San Benito County. Many of the residents in these communities work in the agricultural industry. There are also several farmworker communities in San Benito County that address the existing and transient housing needs of farmworkers.

9. *The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.*

The Gavilan College Hollister site offers a limited number of classes due to its small size. Gavilan College is planning to grow its Hollister campus and move to a new location but will likely take many years to accomplish. The existing and future housing needs of students, faculty, and staff are accommodated in the income categories identified in this Regional Housing Needs Allocation Plan. There are currently no group quarters associated with the Gavilan College Hollister site.

10. *Any other factors adopted by the council of governments.*

There were no other factors adopted by the Council of Governments for considering in the allocation of housing units to the local jurisdictions.

Public Hearing and Comments

The Council of San Benito County Governments posts its agendas at locations freely available to the public. The Board discussed and provided direction to staff on the Regional Housing Need Allocation at three public meetings prior to releasing the draft Regional Housing Needs Allocation Plan in April. The Council of San Benito County Governments also noticed the public hearing in the local free newspaper.

At the public hearing on May 15, 2014, there was one public comment received from CHISPA (Community Housing Improvement Systems and Planning Association, Inc.). Gabriel Torres, Project Manager, stated that the organization was satisfied with the draft Regional Housing Needs Allocation Plan. Mr. Torres stated that CHISPA is expanding their efforts in affordable housing developments to San Benito County.

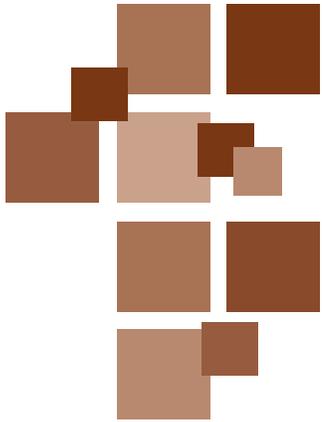
CHISPA is a private, nonprofit (501(c)(3)) housing developer in Monterey County focused on building affordable single family homes and multi-family and senior apartments.

Appendix A

Institute for Local Government - Understanding SB 375: Regional Planning for Transportation, Housing and the Environment

Appendix B

Letter from Department of Housing and Community Development dated November 19, 2013



Understanding SB 375: Regional Planning for Transportation, Housing and the Environment

 **INSTITUTE FOR
LOCAL GOVERNMENT**

LAND USE AND ENVIRONMENT PROGRAM
PUBLIC ENGAGEMENT AND COLLABORATIVE GOVERNANCE PROGRAM

The Institute for Local Government's mission is to promote good government at the local level with practical, impartial and easy-to-use resources for California communities.

Check out the Institute's website (www.ca-ilg.org) for resources in the following areas:

- Intergovernmental Conflict Resolution
- Local Government 101
- Public Engagement and Collaborative Governance
- Public Service Ethics
- Sustainable Communities:
 - Climate Change
 - Healthy Neighborhoods
 - Land Use and Environment

The Institute is the 501(c)(3) research affiliate of the California State Association of Counties and the League of California Cities.

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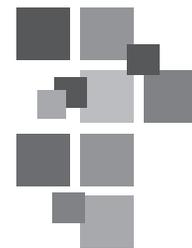
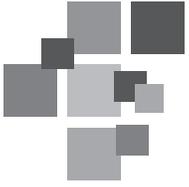


Table of Contents

List of Figures	iv
Introduction	1
Overview of SB 375	1
Regional Planning Agencies and Organizations	2
What Role do Local Officials Play in Regional Planning?	4
Greenhouse Gas Reduction and Regional Planning	5
The Regional Transportation Plan	6
Goals of Regional Transportation Planning	7
Funding and Implementating Transportation Projects in the Regional Transportation Plan	8
The Sustainable Communities Strategy – A New Component of the Regional Transportation Plan in Metropolitan Regions	11
Linking Transportation, Land Use and Housing.	13
Streamlining Environmental Review	15
How Do These Regional Plans and Environmental Review Incentives Affect Local General Plans?	15
Involving the Public in Regional Planning	16
Additional Resources and References	17
Online Glossaries	17
Key Acronyms in this Document.	17
Endnotes.	18



List of Figures

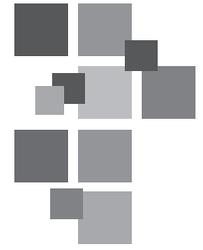
Air Pollution, Public Health, and the Regional Transportation Plan.	7
Key Regional Transportation Plan Resources and Documents	9
More About Transportation Plans and Air Quality Conformity. . . .	9
California Metropolitan Planning Organizations and Regional Transportation Planning Agencies.	10
Objectives of the Regional Housing Needs Allocation	13
Coordinating Regional and Local Planning for Housing	14

INSTITUTE OFFERS SERIES OF GUIDES ON REGIONAL PLANNING

This guide is one in a series developed by the Institute for Local Government (ILG) to assist local officials, residents, and others to understand the basic provisions of local and regional planning efforts to reduce greenhouse gas emissions in California.

ILG has prepared companion guides for local officials outlining the public participation requirements and opportunities that apply to regional planning. They are available, along with other regional planning resources, on the ILG website at www.ca-ilg.org/RegionalPlanning.

To address in more detail legal issues specifically related to AB 32 and SB 375, the Institute has prepared two guides for local officials providing a legal analysis of AB 32 and SB 375, respectively. Both legal analyses are available at www.ca-ilg.org/AB32-SB375LegalAnalysis.



Introduction

California’s population – estimated at 39 million in 2010 – is expected to grow to nearly 60 million people by the year 2050.¹ To help manage this growth and its associated challenges, cities and counties are participating more frequently and deeply in regional planning efforts. Local officials throughout California have developed a variety of collaborative processes to address the regional nature of many planning issues, such as improving air quality, meeting housing needs, and providing transportation networks.

Two recent laws, the Global Warming Solutions Act of 2006 (AB 32)² and the Sustainable Communities and Climate Protection Act of 2008 (SB 375)³, have important implications for the roles and responsibilities of local officials.

The purpose of this guide is to provide local officials with a concise introduction to regional planning for transportation, housing and the environment as revised by SB 375, including how regional planning relates to cities and counties in a region.

For local officials and others who are not familiar with the regional planning process, the guide offers an overview of the process and some of the issues central to regional planning for transportation and housing. For those with experience in regional planning as it has been conducted in the past, the guide describes how recent changes affect the processes for regional and local planning and environmental review.

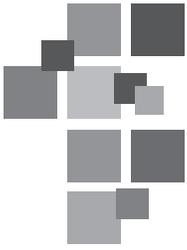
Overview of SB 375

Senate Bill 375 creates a formal process that builds on the experience of voluntary regional visioning initiatives in California, often referred to as “Regional Blueprints.”⁴ Furthering the goals of AB 32, SB 375 relies on regional collaboration by local officials to address California’s goals for reducing that portion of the emissions of greenhouse gases that stems from automobile travel. The law coordinates three important planning activities into a new integrated planning process:

- The regional transportation plan (RTP);
- The regional housing needs assessment (RHNA); and
- Updating the housing element of local general plans.

In addition, SB 375 modifies the process for environmental review of projects that are consistent with regional strategies to reduce greenhouse gas emissions.

Taken together, these changes provide important opportunities for local officials to engage with their colleagues and the public and proactively chart the pace and character of development in their region.



Regional Planning Agencies and Organizations

Federal and state laws assign responsibility for development of regional plans for transportation and housing to one of three different types of regional agencies in California: regional transportation planning agencies (RTPAs), metropolitan planning organizations (MPOs), and regional councils of governments (COGs). Metropolitan planning organizations and councils of governments are “joint powers agencies” established by voluntary agreements among the cities and counties in the region. RTPAs are identified by statute (see below). These agencies are governed by boards composed of or appointed by local elected officials, with the exception that certain RTPA’s boards may include appointed representatives of local transit operators.⁵

Regional Transportation Planning Agencies

The state’s Director of the Department of Transportation (Caltrans) designates the official regional transportation planning agency (RTPA) for each of California’s fifty-eight counties.⁶

- For some counties, the regional transportation planning agency is created by statute;⁷
- For counties within the jurisdiction of a metropolitan planning organization, that organization may serve as the regional transportation planning agency for a county;⁸
- For counties that are not within the jurisdiction of a metropolitan planning organization or a statutorily created regional transportation planning agency, a local transportation commission or county transportation commission may serve as the regional transportation planning agency.⁹

More information about the designation of regional transportation planning agencies is available on the Caltrans website at: www.dot.ca.gov/hq/tpp/offices/orip/list/agencies.html.

Metropolitan Planning Organizations

For urbanized areas with more than 50,000 residents, federal law¹⁰ requires the state to designate a regional metropolitan planning organization in order to receive federal funding to prepare and implement the regional transportation plan. California has eighteen metropolitan planning organizations, each governed by elected officials from the cities and counties that comprise the particular metropolitan planning area.

Federal law provides a process and guidance for each state to define metropolitan planning areas by agreement between a metropolitan planning organization and the Governor.¹¹ These regions center on “urbanized” areas defined by the U.S. Census Bureau and may include additional areas beyond the urbanized area.

SB 375’s greenhouse gas reduction provisions affect only the eighteen metropolitan planning organizations in California and do not affect the non-metropolitan regional transportation planning agencies.¹² However, a number of provisions related to planning for housing are applicable to jurisdictions within metropolitan planning organizations and regional transportation planning agencies alike.¹³

Councils of Governments

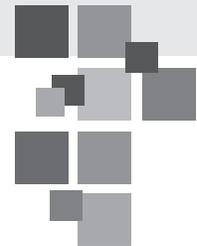
Councils of governments (COGs) are responsible for determining the share of the regional need for housing for each of the counties and cities within the council of government's region. Councils of governments can be single or multi-county entities created by a joint powers agreement among the member agencies. The governing board of each of California's 25 councils of governments consists of elected officials drawn from the cities and counties belonging to the council of governments, as established in the joint powers agreement for each agency.

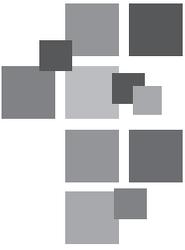
In most cases where the council of governments includes multiple counties, the council of governments and the metropolitan planning organization are the same organization; thus the council of government is also responsible for preparing the regional transportation plan and expenditure programs. An important exception is the nine-county San Francisco Bay Area, where by statute the Metropolitan Transportation Commission (MTC) serves as the metropolitan planning organization, and the Association of Bay Area Governments (ABAG) serves as the council of governments.¹⁴

RESOURCES TO LEARN MORE ABOUT REGIONAL PLANNING AGENCIES

For more information about regional transportation planning agencies, metropolitan planning organizations, and councils of governments in California, including a map and list of regional agencies, please see the website of the California Association of Councils of Governments at www.calcog.org/about/about.html.

More information about urbanized areas and federal guidelines for metropolitan planning organizations is available on the Federal Highway Administration FAQ page: www.fhwa.dot.gov/planning/census/faq2cdt.htm.





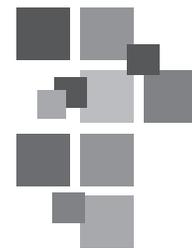
What Roles Do Local Officials Play in Regional Planning?

Local officials are key decision-makers in many aspects of the regional planning process. Local elected officials from the cities and counties in a region govern the regional agencies involved in the process. Appointed officials and staff from cities and counties serve a number of roles in the process as well.

The roles of local officials in the regional planning process include:

- Local elected officials serve on the governing boards of the metropolitan planning organizations. The metropolitan planning organizations have final responsibility for adopting the regional transportation plan. This includes adopting the “sustainable communities strategy” prepared under SB 375 as part of the regional transportation plan (or the “alternative planning strategy”, if one is required).¹⁵ (See the section on the sustainable communities strategy and alternative planning strategy beginning on page 11 for more information.)
- Local elected officials serve on the governing boards of the councils of governments that have final responsibility for approving the regional housing needs allocation to each city and county within the region.
- Local elected officials serving on city councils and county boards of supervisors are responsible for developing and adopting the local general plan. Neither the sustainable communities strategy nor the alternative planning strategy developed under SB 375 will supersede the general plan or other planning policies or authorities of a city or county. Nor must a local agency’s planning policies be consistent with either strategy.¹⁶
- Local city councils and county boards of supervisors will determine whether to make their local general plan consistent with the region’s sustainable communities strategy, thereby making California Environmental Quality Act streamlining incentives included in SB 375 available for residential development or transportation projects that are consistent with the sustainable communities strategy or alternative planning strategy.¹⁷

In addition, many local appointed officials and staff serve on advisory boards, committees, and task forces involved in the development of regional plans and policies for transportation and housing.



Greenhouse Gas Reduction and Regional Planning

A key focus California's effort to reduce greenhouse gas emissions that contribute to climate change is transportation. Cars and light trucks account for about 30 percent of California's greenhouse gas emissions.¹⁸ When all types of vehicles are included transportation overall accounts for 40 percent of California's greenhouse gas emissions.¹⁹

California laws seek to reduce carbon emissions from cars and light trucks in two ways.

1. Emissions Reductions. The first way is to reduce the amount of carbon that each vehicle emits, through measures like state standards for vehicle greenhouse gas emissions,²⁰ and the state's low carbon fuel standard.²¹ These laws and regulations require vehicles to use less fuel and for fuel to use less carbon, respectively. (For more information, see the state's AB 32 Scoping Plan²² at www.ca-ilg.org/AB32ScopingPlan.)

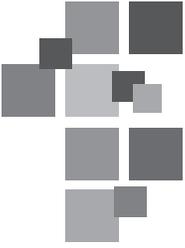
2. Vehicle Trip Reductions. The second way California laws seek to limit carbon emissions from cars and light trucks is to reduce the frequency and distance that people need to drive. SB 375 modifies the regional transportation planning and housing allocation processes with the goal of creating transportation networks and land use patterns where people will drive fewer miles in their cars.

Under SB 375, the California Air Resources Board (CARB) has set regional targets for reducing emissions from cars and light trucks for each of the eighteen metropolitan planning organizations in California.²³

The approach to attain these emission reduction targets established by SB 375 includes three components:

- Modifying transportation patterns and investments at the regional level through the regional transportation plan;
- Linking land use, transportation, and housing decisions at the regional and local level through the regional housing needs assessment process and the housing element of the local general plan; and
- Providing incentives to streamline the environmental review of plans and projects that assist in meeting regional greenhouse gas reduction targets.

These three components of the regional and local planning process intended to reduce greenhouse gas emissions are described in the following sections.



The Regional Transportation Plan

The regional transportation plan, sometimes called a metropolitan transportation plan, is a long-range framework for improvements to the region's transportation network. In particular, the regional transportation plan outlines transportation investments for a region, based on a minimum 20-year (or longer) outlook for likely growth in the region.

Major activities in the development of the regional transportation plan include:

- Developing a realistic long-range land use scenario for regional growth. The scenario must be based on current planning assumptions embodied in city and county general plans and spheres of influence within the region, along with likely economic and growth forecasts. (This requirement predates SB 375 and is linked to federal transportation planning requirements.²⁴)
- Assessing the long-term mobility needs of the region, including the movement of both people and goods, and developing a plan to meet those needs.
- Developing short and long-range transportation goals, objectives and policy statements.

- Describing transportation projects proposed during the 20-year horizon of the plan.
- Identifying funding sources for implementing the plan.
- Developing a financial plan that covers costs related to development, maintenance, and operation of the transportation system.²⁵

Taken together, these activities combine to create a framework for understanding the roles of different agencies and organizations involved in transportation planning, program management, and service delivery.

In each region, the metropolitan planning organization (sometimes referred to by its acronym MPO) or regional transportation planning agency (sometimes referred to by its acronym RTPA) develops the regional transportation plan every four years, and updates it after two years.

Goals of Regional Transportation Planning

Regional transportation planning brings together cities, counties, transit providers, tribal governments, and a variety of other stakeholders and residents to develop a long-range plan for meeting the mobility needs of the region. The process develops a region's vision of its long-range transportation goals, objectives, and strategies. This vision must be realistic and within fiscal constraints. The regional transportation plan is the conduit for local, state, and federal funding to pay for transportation projects in the region and is a requirement of federal law. Broadly, federal law requires that the planning for regional transportation be "continuing, cooperative, and comprehensive" and consider all modes of transportation, such as cars, trucks, public transit, walking, and bicycling.²⁶

Goals of regional transportation planning include:²⁷

- Encouraging and promoting the safe and efficient management, operation and development of a regional intermodal transportation system that, when linked with appropriate land use planning, will improve the mobility of goods and people by providing more transportation choices, freedom of movement, and access to regional goods and services.
- Relieving traffic congestion and shortening commutes to allow people more time to do what they want or need to do, and increasing business productivity;
- Facilitating the efficient movement of goods to increase the region's economic strength and competitiveness;
- Improving public health by reducing exposure to air pollution and providing opportunities for residents to be physically active through walking and bicycling;
- Reducing greenhouse gas emissions in accordance with California law in the more urbanized regions of the state; and
- Furthering the attainment of the federal and state clean air acts and other laws related to the effects of transportation on public health, environmental protection, and resource management.

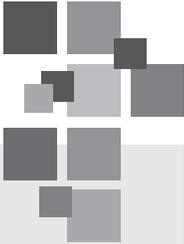


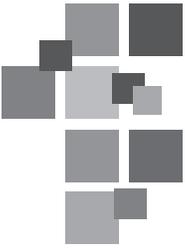
Figure 1 AIR POLLUTION, PUBLIC HEALTH, AND THE REGIONAL TRANSPORTATION PLAN

Vehicle emissions can have serious effects on air quality and public health. Regional transportation planning agencies should consult with appropriate state and federal agencies on air quality issues during the preparation of the regional transportation plan. This consultation is mandatory for non-attainment regions.²⁸

The regional transportation plan is also subject to the environmental review requirements of the California Environmental Quality Act (CEQA).²⁹ Generally, the regional agency prepares an environmental impact report in tandem with the regional transportation plan to identify and evaluate the full range of the plan's environmental impacts.

The regional transportation plan may also be subject to a process known as "conformity" if the region has not met health-based air quality standards under the federal Clean Air Act.³⁰ The conformity process requires the regional transportation plan to conform to the state implementation plan (SIP) adopted by the California Air Resources Board to meet federal air quality standards in the region (see Figure 3 on page 9 for more information).

A metropolitan planning organization or regional transportation planning agency makes the initial determination that its regional transportation plan is "in conformity" with the state implementation plan, subject to federal review.³¹



Funding and Implementing Transportation Projects in the Regional Transportation Plan

California’s transportation system consists of a vast network of streets and highways, public transit (bus and passenger rail), airports and seaports as well as other transportation modes such as bicycle, pedestrian and ferry systems. These systems provide for the mobility and accessibility of people, goods, services and information throughout the state.

Jurisdiction over the operation and maintenance of these transportation systems is shared between the state, regional agencies, and local agencies. Funding comes from federal, state, regional and local taxes, bonds, fees and assessments, as well as private investments.

For more information on this topic, see *Transportation Funding in California*, available on the CalTrans website at: www.dot.ca.gov/hq/tpp/offices/ote/fundchrt.html

Regional transportation plans are the basis for funding transportation projects in California’s regions (see Figure 4 on page 10). Only projects included in these plans can be “programmed” for state or federal funding in the region’s transportation improvement program (sometimes referred to by its acronym TIP). The transportation improvement program identifies which projects will receive funding for environmental studies, right-of-way acquisition, project development, and construction.

Regional planning agencies update the transportation improvement program every two years. Both the RTP and the TIP are major elements of the region’s annual transportation work plan, called the “overall work plan.” The overall work plan outlines the transportation planning studies and tasks the regional agency will undertake in a given year.

Development and approval of the transportation improvement program is a multi-step process involving regional and inter-regional components. The California Transportation Commission must review and approve portions of the transportation improvement program that seek federal or state funding through the state transportation improvement program, or STIP. (The California Transportation Commission is responsible for programming and allocating funds for the construction of highway, passenger rail and transit improvements throughout California).³²

Additionally, the regional transportation plan must be “financially constrained,” meaning that it needs to identify reasonably available funding sources for each of the transportation projects included in the plan.³³ Further, for the state’s 18 metropolitan planning organizations, programmed projects must be consistent with a sustainable communities strategy, which is also an element of the regional transportation plan.³⁴ Those areas outside the jurisdiction of a metropolitan planning organization are not subject to this requirement (see Figure 4 on page 10).

Figure 2

KEY REGIONAL TRANSPORTATION PLANNING RESOURCES AND DOCUMENTS

- Caltrans Office of Regional and Interagency Planning
www.dot.ca.gov/hq/tpp/offices/orip/index.html
- Key planning documents produced by the metropolitan planning organizations (MPOs) and regional transportation planning agencies (RTPAs):
 1. **Regional Transportation Plan (RTP)** – Provides a 20 plus-year framework for future transportation investments within the region.
 2. **Transportation Improvement Program (TIP)** – A prioritized list of transportation projects proposed for federal and state funding over the

following four years. MPOs adopt and update the TIP every two years. The TIP must be consistent with the RTP and is a prerequisite for federal funding.

3. **Overall Work Program (OWP)** – MPOs and RTPAs adopt an “overall work program” annually to identify the region’s transportation funding priorities and planning activities for that fiscal year. The OWP is also referred to as a “unified planning work program.”

For more about these and other documents included in the regional transportation planning process, see the California Transportation Commission’s *2010 Regional Transportation Plan Guidelines* (especially section 2.4) at www.catc.ca.gov/programs/rtp.htm.

Figure 3

MORE ABOUT TRANSPORTATION PLANNING AND AIR QUALITY CONFORMITY

The federal Clean Air Act requires air quality in a region to meet a national standard called the National Ambient Air Quality Standard (sometimes referred to by the acronym NAAQS) set by the US Environmental Protection Agency (EPA). If the region fails to meet the standard, it must prepare a plan for attaining that goal. The air quality plan must include actions related to both stationary sources of air pollution (such as factories and power plants) and mobile sources of air pollution (from transportation).

Areas that have not met, or “attained,” the National Ambient Air Quality Standards, must implement a “transportation conformity” process. The conformity process requires a metropolitan planning organization to determine that its regional transportation plan is in conformity with the area’s plan for reaching “attainment” of the air quality standard.

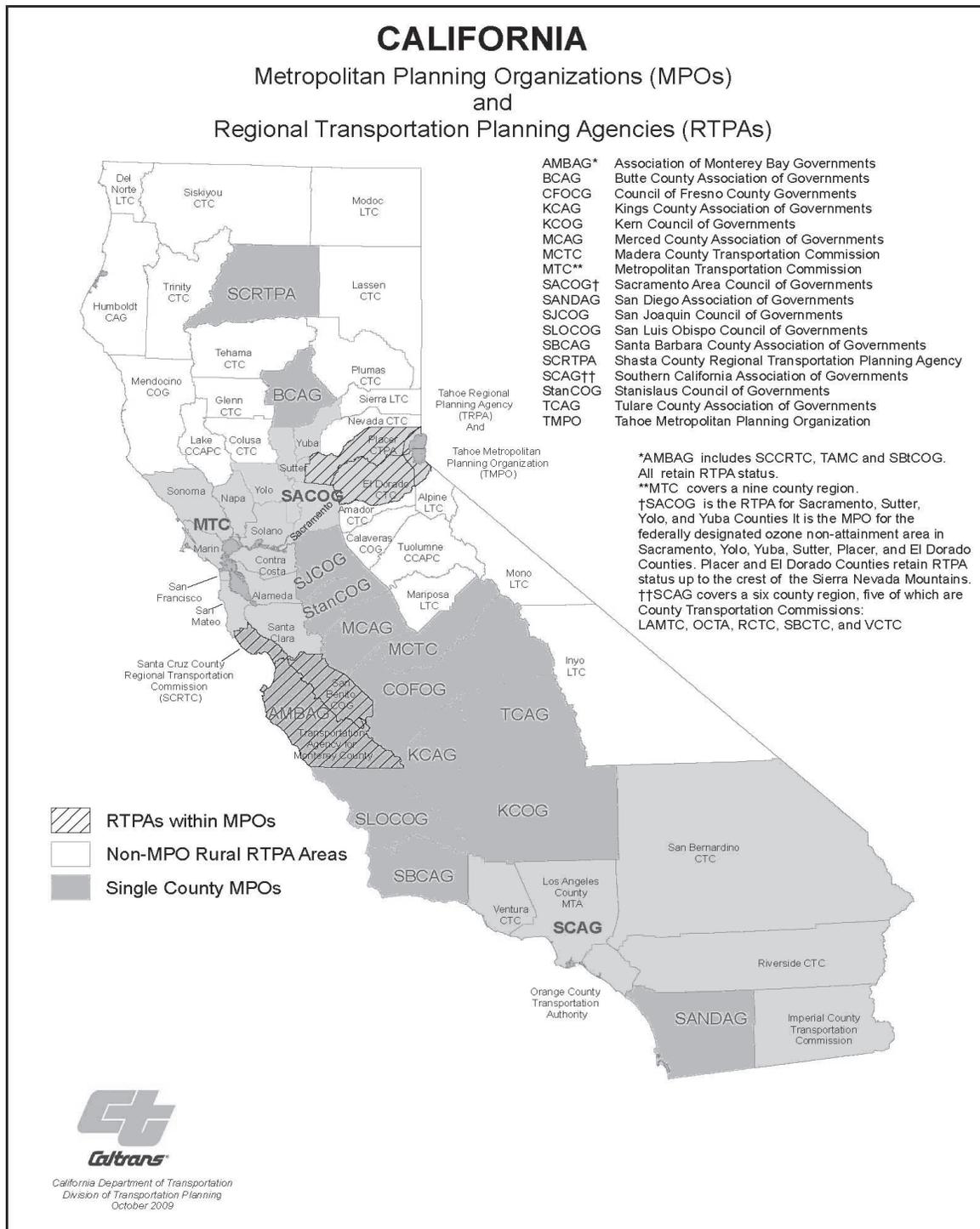
(See 23 C.F.R. § 450.322(l); 40 C.F.R § 93.104.)

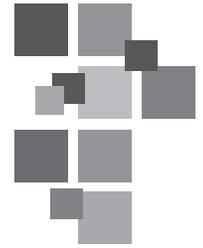
Following that initial determination, the US Department of Transportation’s Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) must approve the metropolitan planning organization’s conformity determination before the regional transportation plan is valid.

The Environmental Protection Agency determines what pollutants are included in the NAAQS and sets the criteria for defining the standard. In 2009, the EPA began the process of including greenhouse gases on the list of regulated pollutants for which it will set air quality standards.

Figure 4

(Full color version available at www.dot.ca.gov/hq/tpp/offices/orip/list/agencies.html)





The Sustainable Communities Strategy – A New Component of the Regional Transportation Plan in Metropolitan Regions

In October 2010 the California Air Resources Board released regional greenhouse gas reduction targets to each of California’s 18 metropolitan planning organizations, setting in motion the process for each region to include a “sustainable communities strategy” (often referred to by its acronym SCS) as part of its next regional transportation plan update. This requirement does not apply to regional transportation planning agencies that are not within the jurisdiction of a metropolitan planning organization.

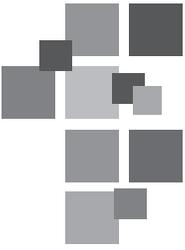
A sustainable communities strategy provides a regional framework for growth that identifies the “general location of uses, residential densities, and building intensities” within the region as well as areas sufficient to meet the region’s housing needs and a regional transportation network sufficient to serve that growth.³⁵

The sustainable communities strategy identifies how the metropolitan planning organization proposes to reduce greenhouse gas emissions from cars and light trucks through integrated land use, transportation, and housing planning. The sustainable communities strategy must strive to meet regional greenhouse gas reduction targets set by the California Air Resources Board if there is a feasible way to do so.³⁶

The sustainable communities strategy provides each region with a tool for synchronizing three state mandated planning processes:

- The Regional Transportation Plan (RTP);
- The Regional Housing Needs Allocation (RHNA); and
- Updating the housing element of the general plan for each city and county in the region.

In addition to aligning the schedules for each of these planning processes, SB 375 requires that all three share a common set of reasonable land use assumptions for the region. One such assumption, for example, would be the distribution of housing units established through the regional housing needs allocation (see below).³⁷ The sustainable communities strategy must identify areas sufficient to house all economic segments of the region’s population for an eight year planning period.³⁸



Alternative Planning Strategy

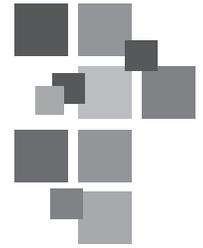
If the sustainable communities strategy falls short of meeting the regional greenhouse gas reduction target established by the Air Resources Board, then the region must also prepare an “alternative planning strategy” (sometimes referred to by its acronym APS).³⁹ The APS must include a combination of alternative development patterns, transportation investments, or additional transportation measures or policies that, if implemented, would meet the regional greenhouse gas reduction targets.⁴⁰

Unlike the sustainable communities strategy, the alternative planning strategy is not part of the regional transportation plan. Thus, transportation funding decisions in the regional transportation plan do not have to be consistent with the alternative planning strategy, as they do with the sustainable communities strategy.

California Air Resources Board Review

After adopting a sustainable communities strategy or alternative planning strategy, the metropolitan planning organization must submit it to the California Air Resources Board (CARB) for review. The statute limits the Air Resources Board’s review; the board can accept or reject the metropolitan planning organization’s assertion that the sustainable communities strategy or the alternative planning strategy would, if implemented, achieve the region’s greenhouse gas reduction target set by the board.⁴¹

If the Air Resources Board determines that the sustainable communities strategy would not meet the target, then the metropolitan planning organization must either revise the strategy, or submit an alternative planning strategy (if it has not already done so) that would meet the target.⁴²



Linking Transportation, Land Use and Housing

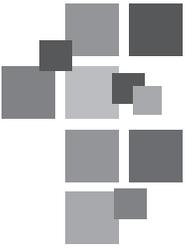
The sustainable communities strategy uses a common set of land use assumptions to link regional planning for transportation and housing with land use planning. These common assumptions apply to the regional transportation

plan and the allocation of each city's and county's share of the regional housing need. The housing share assigned to each locality is determined through the regional housing needs allocation (RHNA) process.

Figure 5 OBJECTIVES OF THE REGIONAL HOUSING NEEDS ALLOCATION

Each locality's regional housing needs allocation is distributed among four income categories to address the required provision for planning for all income levels. The regional housing need allocation is required to promote the following objectives:⁴³

1. Increase the housing supply and the mix of housing types, tenure and affordability in all cities and counties within the region in an equitable manner;
2. Promote infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns; and
3. Promote an improved intraregional relationship between jobs and housing.



Regional Housing Needs Allocation Process

The California Department of Housing and Community Development (sometimes referred to by its acronym HCD) is responsible for allocating each region's share of the statewide housing need to each council of governments. The region's share of the statewide housing need is based on state Department of Finance population projections and regional population forecasts used in preparing regional transportation plans.

The council of governments develops a regional housing need plan (RHNP) allocating the region's share of the statewide need to cities and counties within the region. The "regional housing need" is a minimum projection

of additional housing units needed to accommodate the projected growth in the number of households for all income levels by the end of the housing element's statutory planning period.

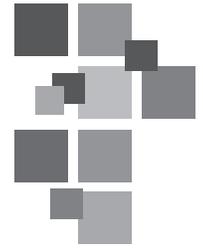
Each city and county is responsible for regularly updating the housing element of its general plan. The housing element of a city or county general plan must include goals and policies for how the locality will provide for its share of the regional housing need, including zoning and land use policies.⁴⁴ For example, to accommodate the regional housing need, cities and counties may include rezoning programs to allow higher density and more compact land uses.

Figure 6

COORDINATING REGIONAL AND LOCAL PLANNING FOR HOUSING

The sustainable communities strategy influences regional and local planning for housing through a four-step process:

1. The state Department of Housing and Community Development (HCD), in consultation with each council of governments (COG), determines the projected housing needs for each region every eight years.⁴⁵
2. Metropolitan planning organizations develop a sustainable communities strategy that accommodates the region's housing need and strives to meet the regional greenhouse gas reduction target set by the California Air Resources Board.⁴⁶
3. The council of governments for the region then allocates a share of the regional housing need to each of the cities and counties in the region for the eight year planning period. The allocation must be "consistent with the development pattern included in the Sustainable Communities Strategy."⁴⁷
4. The cities and counties then revise their general plan housing elements to accommodate their housing allocation. Housing elements must be updated within eighteen months of the date the metropolitan planning organizations adopts the regional transportation plan.



Streamlining Environmental Review

Under SB 375, cities and counties have the option to provide incentives that “streamline” the environmental review process. These provisions apply to certain types of projects that are consistent with an adopted regional sustainable communities strategy or alternative planning strategy.⁴⁸

The provisions for a full or partial exemption from the California Environmental Quality Act review were included in SB 375 as an incentive for projects designed to reduce greenhouse gas emissions from vehicle trips. Under that law, the environmental review of a variety of projects that are consistent with an adopted sustainable communities strategy or alternative planning strategy does not have to analyze certain aspects of the project that relate to climate change.⁴⁹

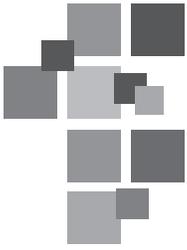
The environmental review provisions of SB 375 are detailed and complex. For more information on this topic, please visit the ILG website at www.ca-ilg.org/SB375.

How Do These Regional Plans and Environmental Review Incentives Affect Local General Plans?

SB 375 specifically provides that cities and counties retain ultimate authority over local land use decisions.⁵⁰ Cities and counties need not amend or update their general plans to conform to the land use patterns included in the regional transportation plan and the sustainable communities strategy. However, because the regional transportation plan, the regional housing needs allocation, and the sustainable communities strategy are based on a common set of land use assumptions, these regional plans offer a collective vision for the region that may influence how local general plans evolve over time.

Three important ways regional planning for transportation and housing affects local general plans are:

- SB 375 synchronizes the schedules for updating the regional transportation plan, the regional housing needs allocation, and the update of the local general plan housing element into a new integrated planning cycle for each region.⁵¹
- The sustainable communities strategy included in the regional transportation plan uses a common set of land use assumptions for the regional transportation plan and the regional housing needs allocation, which will form the foundation for updating local housing elements.⁵²



- The California Environmental Quality Act incentives included in SB 375 can only be used if the local agency and the metropolitan planning organization agree that a project (which must be consistent with the general plan) is also consistent with the regional sustainable communities strategy or alternative planning strategy.⁵³

The sustainable communities strategy combines regional planning for transportation and housing into a strategy for reducing greenhouse gases in the region. To achieve the region's greenhouse gas reduction target, the sustainable communities strategy could include land use patterns that differ from those previously envisioned in the region. However, the assumptions used must be consistent with current planning assumptions for federal air conformity purposes—in other words, the assumptions must be grounded in what the local governments are reasonably likely to include in their plans and approve.⁵⁴

Because all general plans must be internally consistent, other elements (such as land use and circulation) may need to be revised to reflect the land use assumptions contained in the updated housing element.⁵⁵ In addition, local jurisdictions may decide to amend their general plans for consistency with the sustainable communities strategy to help streamline the environmental review of development projects.

Involving the Public in Regional Planning

The success of California's effort to reduce greenhouse gas emissions through coordinated regional planning will depend in large part on the extent of public support for the proposed changes to land use, transportation, and housing patterns included in local and regional plans. Public support in turn requires that the public be informed, consulted, engaged and heard as officials make decisions about the future of their communities through the regional planning process.

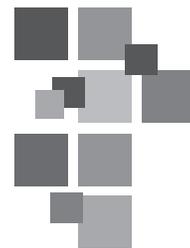
Local officials can play a leadership role by encouraging their constituents and other members of the public to actively participate in regional planning and by taking advantage of opportunities to engage in that planning process themselves.

ILG OFFERS RESOURCES ON PUBLIC PARTICIPATION IN REGIONAL PLANNING

The Institute for Local Government has prepared two guides for local officials on engaging the public in regional planning.

- Understanding SB 375: Public Participation Requirements
- Understanding SB 375: Opportunities to Engage the Public in Regional Planning

For more information on this topic, including a free electronic copy of these publications, please visit the ILG website at www.ca-ilg.org/RegionalPlanning.



Additional Resources and References

Online Glossaries

These online glossaries provide more information about terms related to the regional planning issues discussed in this guide, and others:

- Federal Highway Administration online glossary: www.fhwa.dot.gov/planning/glossary/index.cfm
- ILG Glossary of Land Use Planning Terms: www.ca-ilg.org/PlanningTerms
- ILG SB 375 Legal Analysis: www.ca-ilg.org/SB375LegalAnalysis

Key Acronyms in this Document

- APS – alternative planning strategy
- CARB – California Air Resources Board
- CEQA – California Environmental Quality Act
- COG – council of governments
- Caltrans – California Department of Transportation
- FTIP – Federal Transportation Improvement Program (also referred to as the regional transportation improvement program or RTIP)
- HCD – California Department of Housing and Community Development
- MPO – metropolitan planning organization
- OWP – overall work program (also referred to as UPWP – unified planning work program)
- RHNA – regional housing needs allocation
- RTP – regional transportation plan (sometimes referred to as MTP – metropolitan transportation plan)
- RTPA – regional transportation planning agency
- SCS – sustainable communities strategy

Endnotes

- ¹ State of California, Department of Finance, Population Projections for California and Its Counties 2000-2050, by Age, Gender and Race/Ethnicity, Sacramento, California, July 2007.
- ² See California Health and Safety Code, § 38500 et. seq.
- ³ SB 375 (Steinberg, Chapter 728, Statutes of 2008).
- ⁴ According to the California Department of Transportation, regional blueprints are “collaborative planning processes that engage residents of a region in articulating a vision for the long term future of their region.The process leads to the development of alternative growth scenarios for the region, and through a public process a preferred growth scenario is selected that can then guide regional and local land use and transportation decisions for a future that is sustainable, while meeting residents’ needs and providing a high quality of life for all.” See <http://calblueprint.dot.ca.gov/>.
- ⁵ See California Government Code, § 29535.
- ⁶ See California Government Code, § 29532, et. seq.
- ⁷ See California Government Code, § 29532.1.
- ⁸ See California Government Code, § 29532 (b).
- ⁹ See California Government Code, § 29532 (b) and (c).
- ¹⁰ 23 USC 134(d).
- ¹¹ 23 USC 134(e).
- ¹² California State Association of Counties (CSAC), *Addressing Greenhouse Gas Emissions from the Transportation Sector via Regional Transportation Plans* (October 21, 2008), p. 5 (available at www.ca-ilg.org/).
- ¹³ CSAC, p. 9-11.
- ¹⁴ See California Government Code, § 29532.1 (a).
- ¹⁵ See California Government Code, § 65080(b)(2)(B).
- ¹⁶ See California Government Code, § 65080(b)(2)(J).
- ¹⁷ See Cal. Public Resources Code §§ 21155, 21155.1, 21155.2, and 21155.3.
- ¹⁸ CSAC.
- ¹⁹ CSAC.
- ²⁰ See Cal. Health and Safety Code § 43018.5. For additional information about California’s Clean Cars Program, see also http://www.arb.ca.gov/msprog/clean_cars/clean_cars.htm.
- ²¹ See Governor’s Executive Order S-01-07. For additional information about California’s Low Carbon Fuel Standard, see also <http://www.arb.ca.gov/fuels/lcfs/lcfs.htm>.
- ²² See Cal. Health and Safety Code § 38561. For additional information about the AB 32 Scoping Plan and its development, see also <http://www.arb.ca.gov/cc/scopingplan/scopingplan.htm>
- ²³ See Cal. Gov’t Code § 65080(b)(2)(A).
- ²⁴ See 23 CFR 450.322 (c) and (e)
- ²⁵ For a detailed discussion of the goals of the regional transportation planning process, please see California Transportation Commission (CTC), *2010 California Regional Transportation Plan Guidelines* (Adopted April 7, 2010), § 1 (available at <http://www.dot.ca.gov/hq/tpp/offices/orip/rtp/index.html>).
- ²⁶ See 23 USC 134(c)(3).
- ²⁷ For a detailed discussion of the goals of the regional transportation planning process, please see California Transportation Commission (CTC), *2010 California Regional Transportation Plan Guidelines* (Adopted April 7, 2010), § 1 (available at <http://www.dot.ca.gov/hq/tpp/offices/orip/rtp/index.html>).
- ²⁸ See Title 40, Code of Federal Regulations, § 93.105 and § 93.113 (40 CFR 93). For additional discussion of consultation requirements, please see California Transportation Commission (CTC), *2010 California Regional Transportation Plan Guidelines* (Adopted April 7, 2010), § 5.7, page 90, and § 2 more generally. (available at <http://www.dot.ca.gov/hq/tpp/offices/orip/rtp/index.html>).
- ²⁹ See California Transportation Commission (CTC), *2010 California Regional Transportation Plan Guidelines* (Adopted April 7, 2010), § 5. (available at <http://www.dot.ca.gov/hq/tpp/offices/orip/rtp/index.html>).
- ³⁰ See Title 40, Code of Federal Regulations, § 93 (40 CFR 93).
- ³¹ See Title 40, Code of Federal Regulations, § 93.104 (40 CFR 93) and Title 23 Code of Federal Regulations § 450.322(l). For additional discussion of roles and responsibilities related to the conformity process, please see U.S. Department of Transportation, Federal Highway Administration (FHWA), *Transportation Conformity: A Basic Guide for State and Local Officials* (available at http://www.fhwa.dot.gov/environment/air_quality/conformity/guide/guide06.cfm)

³² See California Transportation Commission website at <http://www.catc.ca.gov/>.

⁵⁵ See *Federation of Hillside and Canyon Associations v. City of Los Angeles*, 126 Cal. App. 4th 1180, 24 Cal. Rptr. 3d 543 (2004).

³³ See Title 23, Code of Federal Regulations, § 450.322 (23 CFR 450), Cal. Government Code Section 65080(b)(4). For additional discussion *please see* California Transportation Commission (CTC), *2010 California Regional Transportation Plan Guidelines* (Adopted April 7, 2010), § 6.3 (available at <http://www.dot.ca.gov/hq/tpp/offices/orip/rtp/index.html>).

³⁴ See Cal. Government Code Section 65080(b)(2)(B).

³⁵ See California Government Code, § 65080(b)(2)(B)(i).

³⁶ See Cal. Gov't Code § 65080(b)(2)(B)(vii).

³⁷ See California Government Code, § 65080(b)(2)(B).

³⁸ See California Government Code, § 65080(b)(2)(B)(iii).

³⁹ See Cal. Gov't Code § 65080(b)(2)(H) and 65050(b)(2)(I).

⁴⁰ See California Government Code, § 65080(b)(2)(I).

⁴¹ See California Government Code, § 65080(b)(2)(J)(ii).

⁴² See Cal. Gov't Code § 65080(b)(2)(j)(iii).

⁴³ See Cal. Government Code Section 65584(d).

⁴⁴ Cal. Gov't Code § 65583 et seq.

⁴⁵ See Cal. Gov't Code § 65584(b).

⁴⁶ See Cal. Gov't Code § 65080(b)(2).

⁴⁷ See Cal. Gov't Code § 65584.04(i)(1).

⁴⁸ See Cal. Gov't Code § 65080(b)(2)(J)(ii).

⁴⁹ See Cal. Pub. Res. Code §§ 21155, 21155.1, 21155.2, and 21155.3.

⁵⁰ A sustainable communities strategy and alternative planning strategy does not regulate the use of land. See Cal. Gov't Code § 65080(b)(2)(J).

⁵¹ See *Understanding SB 375: A Local Official's Guide*, Institute for Local Government, November 2010, p. 20.

⁵² See Cal. Gov't Code § 65080(b)(2).

⁵³ See Cal. Pub. Res. Code § 21155(a).

⁵⁴ See Cal. Gov't Code § 65080(b)(2)(B) and 40 C.F.R. § 93.110.

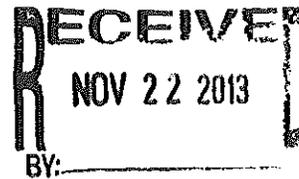
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**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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November 19, 2013

Ms. Lisa Rheinheimer, Executive Director
Council of San Benito County Governments
330 Tres Pinos Rd C7
Hollister, CA 95023

Dear Ms. Rheinheimer,

RE: 5th Cycle Regional Housing Need Determination for Housing Element Updates

This letter provides the Council of San Benito County Governments (San Benito COG) its fifth cycle regional housing need assessment (RHNA) determination for the projection period January 1, 2014 through December 31, 2023. The Department of Housing and Community Development (Department) is required to determine San Benito COG's existing and projected housing need pursuant to State housing law (Government Code Section 65584, et. seq.)

As you know, Senate Bill 375, Chapter 728, Statutes of 2008 (SB 375) amended housing and transportation statutes to further strengthen the coordination of regional housing and transportation planning. Amendments also revised the housing element schedule to require San Benito COG jurisdictions and all others on an 8-year housing element planning period to adopt the 5th cycle housing element no later than 18 months from the adoption date of the RTP update.

The Department prepared San Benito COG's RHNA determination after receipt of notification estimating that the RTP will be adopted on June 19, 2014. Based on the estimated RTP adoption date, December 31, 2015 is the estimated housing element due date. Please note that in the event the RTP is adopted on a different date, the RHNA and projection period will not change but the housing element planning period and element due date will change accordingly. The Department must be notified of any change to the RTP adoption date and then will update the housing element schedule information on its website at: http://www.hcd.ca.gov/hpd/hrc/plan/he/web_he_duedate.pdf.

For your information, Government Code Section 65584.01(d)(1) allows 30 days from the date of this letter to file an objection and proposed alternative to the Department's determination. An objection and proposed alternative must be based only on demographic issues set forth in the statute.

The Department determined San Benito COG's regional housing need to be 2,194 for the 10-year projection period, from January 1, 2014 to December 31, 2023. In assessing San Benito COG's regional housing need, the Department considered the critical role housing plays in developing sustainable communities and supporting employment growth.

The Department further considered San Benito COG's growth forecast and potential for household formation trends to generate housing demand at a changing pace. In determining the regional housing need, consideration was also given to the extraordinary uncertainty regarding national, State, local economies and housing markets. As a result, for this RHNA cycle only, the Department made an adjustment to account for abnormal vacancies and unique market conditions due to prolonged recessionary conditions, high unemployment, and unprecedented foreclosures. (Please see Attachment 2 for more information.)

The Department and representatives of San Benito COG completed the RHNA consultation process specified in statute through correspondence, meetings and conference calls conducted between February and November, 2013. The Department appreciates the assistance you provided throughout the RHNA consultation process. The Department also received assistance from Mr. Walter Schwarm, demographics expert with the Department of Finance's Demographic Research Unit. Data, assumptions, and draft forecasts of population, employment and housing provided by San Benito COG in regards to the above factors were considered.

In completing San Benito COG's RHNA, the Department applied methodology and assumptions regarding the following factors (Government Code Section 65584.01(c)(1)):

- anticipated household growth associated with projected population increases;
- household size data and trends in household size;
- rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures;
- vacancy rates in existing housing stock, and for healthy housing market functioning and regional mobility, as well as housing replacement needs;
- other characteristics of the composition of the projected population; and
- the relationship between jobs and housing, including any imbalance between jobs and housing.

The Attachments to this letter describe details of the Department's methodology and RHNA income category for San Benito COG to distribute the 2,194 regional housing unit need among all its local governments. Each locality must receive a RHNA share of very-low and low-income units. The distribution of RHNA for lower income, moderate-income, and above-moderate income categories cannot be less than the total for each of these income categories shown in Attachment 1. The RHNA represents the *minimum* amount of residential development capacity all jurisdictions must plan to accommodate through zoning and appropriate development strategies. RHNA is not to be used within local general plans as a maximum amount or cap of residential development to plan for or approve.

Upon receipt of the Department's final RHNA determination, San Benito COG is responsible for developing a RHNA distribution methodology and adopting a RHNA Plan for the projection period of January 1, 2014 through December 31, 2023. Housing element law (Government Code Section 65584, et. seq.) requires San Benito COG's methodology and RHNA Plan to be consistent with the following objectives:

- increasing the housing supply and mix of housing types, tenure, and affordability;
- promoting infill development and socio-economic equity, protecting environmental and agricultural resources, and encouraging efficient development patterns;
- promoting an improved intraregional relationship between jobs and housing; and
- balancing the distribution of households by income category.

Pursuant to Government Code Section 65584.05(h), San Benito COG is required to submit its RHNA Plan to the Department for approval within three days of adopting the RHNA Plan. Once the Department has approved the RHNA Plan, San Benito COG is to distribute to all its local government members their income category shares of new housing needs to be addressed in their housing element updates covering the 2015 - 2023 planning period.

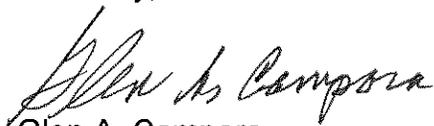
Transfers of housing need among local governments are permitted pursuant to Government Code Section 65584.07. RHNA transfer agreements between local governments may occur until adoption of the RHNA Plan. Once San Benito COG has adopted its RHNA Plan and until the housing element due date, transfers meeting specified conditions may only occur from the county to cities within the county. Transfers after the due date of the housing element are restricted to annexations and incorporations and must be completed within specified timeframes. The number of units by income to be transferred are determined either based on mutual agreement between affected local governments, or, when no agreement is reached, by the entity responsible for allocating housing need (San Benito COG). The Department must be notified of all transfers; jurisdictions affected by RHNA transfers must amend their housing element within a specified timeframe.

In updating their housing elements, local governments may only take RHNA credit for units approved (entitled or permitted) since the January 1, 2014 start date of the RHNA projection period. Localities are also required to describe how units were credited to different income categories based on actual or projected sale price or rent level data.

Any city planning to accommodate a portion of RHNA on sites within a city's Sphere of Influence (SOI) needs to include an annexation program in the housing element. The annexation program needs to demonstrate SOI sites can be annexed early enough in the planning period to make adequate sites available before triggering penalties pursuant to Government Code sections 65583(c)(1)(A), and 65583(f).

The Department commends San Benito COG efforts in its election to meet the objectives of SB 375 and appreciates your assistance. We look forward to a continued partnership with San Benito COG and its member jurisdictions in planning efforts to accommodate the region's housing need. If you need assistance or have any question, please contact me or Anda Draghici, Housing Policy Senior Specialist, at (916) 263-2911.

Sincerely,



Glen A. Campora
Assistant Deputy Director

Enclosures

HCD - ATTACHMENT 1

San Benito 5th CYCLE REGIONAL HOUSING NEED DETERMINATION Projection Period: January 1, 2014 through December 31, 2023

Income Category	Percent	Regional Housing Need (rounded) ⁽¹⁾
Very-Low	23.7%	520
Low	14.4%	315
Moderate	19.6%	430
Above-Moderate	42.3%	929
Total	100.0% ⁽²⁾	2,194 ⁽³⁾

(1) The statutory objective regarding RHNA requires HCD, in consultation with Department of Finance (DOF) and councils of governments (COGs), to determine projected household growth and housing need based on DOF population projections and COG regional population forecasts and requires regional and local jurisdictions to plan to accommodate capacity for all of the projected RHNA. The Legislature recognizes that different assumptions and variances in methodologies can be used that can result in different population projections. Projection of housing need developed by DOF and HCD for RHNA purposes does not consider local government constraints.

For this RHNA cycle only (due to unique conditions not expected to recur to impact future RHNA cycles), the housing need was adjusted downward to account for an estimated 80 percent absorption and 20 percent non-absorption level of unprecedented high vacancies in existing stock due to extraordinary conditions including high foreclosures and economic uncertainties.

(2) The income category percentages reflect the minimum percentage to apply against the total RHNA of 2,194 or more decided by San Benito COG in determining housing need for very-low, low, and moderate income households. Each category is defined by Health and Safety Code (Section 50093, et seq.). Percentages are derived from the 2007-2011 American Community Survey's number of households by income, over 12 month periods. Housing unit need under each income category is derived from multiplying the portion of households per income category against the total RHNA determination.

(3) The 2,194 determination (see Attachment 2) reflects San Benito COG's projected minimum housing need (rounded), using an adjustment (-13) for existing excess vacant units in estimating 20% of vacant units will not be absorbed before 2014. This column represents the minimum housing need that San Benito COG's RHNA Plan must address in total and also for very-low, low, and moderate income categories.

Housing Element schedule (Subject to change if estimated RTP adoption date changes):

Estimated 5th Housing Element Update Due Date: **December 31, 2015**

HCD - ATTACHMENT 2
2014-2023 REGIONAL HOUSING NEED DETERMINATION: San Benito COG

HCD Determined Population, Households, & New Housing Need: January 1, 2014-December 31, 2023(10 years)				
1	Population: December 31, 2023 (DOF Projections)			63,256
2	less: Group Quarters Population DOF projection			305
3	Household (HH) Population December 31, 2023 (DOF Projections)			62,952
	Household Formation Groups	2023 HH Population	HH Formation or Headship Rate	2023 Households
	All Age Groups (DOF)			19,222
	Under 15			
	15 - 24 years	8,900	30.96%	2,755
	25 - 34 years	8,630	36.17%	3,121
	35 - 44 years	7,139	52.51%	3,749
	45 - 54 years	7,558	55.19%	4,171
	55 - 64 years	7,974	40.81%	3,255
	65 -74 years	6,140	26.68%	1,638
	75 - 84 years	2,749	19.39%	533
	84+	891	0.00%	0
4	Projected Households-December 31, 2023			19,688
5	less: Households at Beginning of Projection Period (January, 2014)			17,559
6	Household Growth: 10 Year Projection Period			2,129
7	Vacancy Allowance	Owner	Renter	Total
	Tenure Percentage per 2010 Census	65.02%	34.98%	
	HH Growth by Tenure	1,384	745	2,129
	Healthy Vacancy Rate	2.00%	5.00%	
	Vacancy Allowance	28	37	65
8	Replacement Allowance (minimum)	0.53%		2,194
				2,207
9	less: Adjustment for Absorption of Existing Excess Vacant Units			
	Estimate 80% Absorbed, 20% Not Absorbed by 2014	Effective Vacant Units	Healthy Market Units	Differential
	Derived (2010 Census, HH Growth, & Vacancy Rate)	(578)	575	-3
	Total 2013 Housing Stock	18,090		
	Existing Vacant Unit (Others) Adjustment	1.68%	1.35%	
	Total Adjusted Existing Vacant Units (Others)	(305)	244	-60
	Estimated Vacant Units Not Absorbed by 2014	20%		-63
				-13
FINAL REGIONAL HOUSING NEED DETERMINATION				2,194

- Population:** Pursuant to Government Code Section 65584.01(b), and in consultation with SBCOG, the December 31, 2023 is based on State of California, Department of Finance, Report P-2: State and County Population Projections by Race/Ethnicity, and 5-year age-group, 2010-2060. Sacramento, California, January 2013 available at: <http://www.dof.ca.gov/research/demographic/reports/projections/P-2/>
- Group Quarter Population:** Estimate of persons residing either in a group home, institution, military, or dormitory using 2010 Census data for group quarters. As this population doesn't constitute a "household" population generating demand for a housing unit, the group quarter population is excluded from the calculation of the household population, and is not included in the housing need.
- Household (HH) Population:** The portion of population projected to reside in housing units after subtracting the group quarter population from total projected population.
- Projected 2023 Households (HHs):** The December 31, 2023 number of households is projected by applying (to 2023 HH population by age, race and ethnicity) DOF-calculated household formation rates. The HH Population composition by age was provided by DOF. The use of the HH population is a result of consultation between HCD, DOF and SBCOG. The headship rates reflect the propensity of different population groups (age, racial and ethnic) to form households.

HCD - ATTACHMENT 2
2014-2023 REGIONAL HOUSING NEED DETERMINATION: San Benito COG

- 5 **Households at Beginning of Projection Period (2014):** The baseline number of households at the beginning of the projection period (January 2014) must be projected, as a direct effect of amendment to Section 65588(e)(6) specifying the new projection period to start on either June 30 or December 31 whichever date most closely precedes the end of the current housing element period (June 30, 2014 for SBCOG). As such, the 2014 household number was provided by DOF's Projections.
- 6 **Household (HH) Growth:** Projected HH growth calculated as difference between households at the end and at the beginning of the RHNA projection period.
- 7 **Vacancy Allowance:** An allowance (unit increase) is made to facilitate availability and mobility among owner and renter units. Owner/Renter % is based on Census 2010 data. A smaller rate is applied to owner units due to less frequent mobility than for renter households. Information from a variety of authoritative sources supports an acceptable range of 1 to 4% for owner units and 4 to 8% for renter units depending on market conditions.
- 8 **Replacement Allowance:** Rate (0.53%) reflects the housing losses (demolitions) based on localities annually reported to DOF each January for years 2003-2011.
- 9 **Adjustment for Absorption of Existing Excess Vacant Units:** For this RHNA cycle only (due to extraordinary uncertainty regarding conditions impacting the economy and housing market not expected to similarly impact future RHNA cycles), a one-time adjustment was made to account for unprecedented high vacancies in existing stock due to unusual conditions including high foreclosures and economic uncertainties. An absorption rate of 80% of existing excess vacant units is assumed to occur in shrinking current excess vacant units before the start of the 2014 RHNA projection period. This results in applying a 20% adjustment to account for units not absorbed, in deriving a downward adjustment of (- 13). Existing housing stock consists of two components: (1) housing units for sale and rent in existing housing stock that are above the housing units required to maintain the healthy market condition, calculated as the number of units in housing stock (for sale + for rent + sold, not occupied+rented, not occupied + occupied units), (2) housing units in the "vacant units others" category of existing housing stock above the level of 2000 (using Census 2000). The Department used 2010 Census Demographic profile data (DP-1) and "normal" vacancy rates by tenure, in conjunction with the region's household growth and proposed household formation rates. The vacancy adjustment is limited to not exceed the differential between the 2010 Census vacant units and the healthy market vacant units rate associated with the region's annual household growth. As the adjustment was below the differential, the adjustment was applied in calculating the RHNA determination.

RHNA Projection Period January 1, 2014 to December 31, 2023: Pursuant to SB 375, the start of the *projection* period (in effect January 1, 2014) was determined pursuant to GC 65588(e)(6), which requires the new projection period to start on June 30 or December 31 that most closely precedes the end of the current housing element period, which for SBCOG region is June 30, 2014. The end of the projection period was determined pursuant to GC 65588(e)(5) to be the end of the housing element planning period. *Note: For projection purposes the end of the projection period is rounded to the end of the month.*

Estimated 8-year Housing Element Planning Period December, 2015 to December, 2023: Subject to change, as it is based on the estimated June 19, 2014 SBCOG RTP adoption date. Pursuant to SB 375, the start of the *planning* period was determined pursuant to GC 65588(e)(5), 18 months from the estimated adoption date of SBCOG's Regional Transportation Plan, as notified by SBCOG to HCD, with the date rounded to the end of month for projection purposes. The end of the planning period was calculated pursuant to GC 65588(e)(3)(A), 18 months after the adoption of the second RTP, provided that it is not later than eight years from the adoption of the previous housing element. If the actual RTP adoption date differs from the estimated date of June 19, 2014, the RHNA determination and the projection period will not change, however the housing element due date, and implicitly, the housing element planning period would change accordingly.



Staff Report

To: Council of San Benito County Governments
 From: Mary Gilbert, Transportation Planning Manager
 Date: July 17, 2014
Subject: Highway 25 Widening Project

Recommendation:

APPROVE Cooperative Agreement with Caltrans for Local Contribution of Funds to the Highway 25 Widening Project Environmental Document.

Summary:

In order to conclude with the Highway 25 Route Adoption environmental document, Caltrans is seeking a cooperative agreement with the Council of Governments. The cooperative agreement identifies COG's contribution of local funding to the project.

Financial Impact:

There are several financial impacts regarding the Highway 25 Widening Project and Route Adoption. COG staff time spent on this project is paid through Planning, Programming, and Monitoring funds distributed by the State.

The initial development of the environmental document was paid with Federal Highway Administration and Valley Transportation Authority funding in the amount of \$6.8 million. There is a need for \$365,000 of additional funding to conclude work associated with the environmental document and route adoption. A funding source to pay for this work is from monies in the Highway 25 Safety project account. There is a \$750,000 balance in the account.

The most pressing financial challenge is paying for the Highway 25 Project right-of-way and construction phases. Caltrans has identified a cost of over \$60 million to complete Phase I from San Felipe Road to Hudner Lane. Alternative designs may cost less but were not considered as a part of CEQA and the public review process nor by the COG Board.

Both regional development impact fees and public investment must be made in order to pay for the project. New developments are not responsible for existing deficiencies (eg congestion) (Government Code 66000). The Council of Governments is contemplating an update of the Traffic Impact Mitigation Fee Nexus Study and will analyze the Highway 25 Widening project for future funding. The 2011 Traffic Impact Mitigation Fee identified an existing deficiency on the Highway 25 Passing Lanes project of 52.6 percent. Based on Caltrans estimated project costs for Phase I, new development would be responsible for \$29 million. The remaining project cost, \$32 million must come from a public source.

Council of San Benito County Governments ■ Measure A Authority

Airport Land Use Commission ■ Service Authority for Freeways and Expressways

330 Tres Pinos Road, Suite C7 ■ Hollister, CA 95023 ■ Phone: 831-637-7665 ■ Fax: 831-636-4160

www.SanBenitoCOG.org

As a part of updating the Traffic Mitigation Impact Fee study, COG staff and the consultant team will review these assumptions, projects and costs and provide that information to the Board.

The Council of Governments received a presentation on the outlook of transportation monies potentially available for this project at its May 2014 meeting including State Transportation Improvement Program, Regional Surface Transportation Program, and a potential sales tax measure.

Background:

The Council of Governments has reaffirmed its commitment to Highway 25 on several occasions by way of resolutions. The Highway 25 Widening project has been on the list of project in the Regional Transportation Plan for many years. This support does not diminish simply because the funding is not available at this time.

As a result of the January 2014 COG Board action on the Highway 25 Widening project, there have been many discussions amongst COG staff, Caltrans, and FHWA. A COG ad-hoc committee, Caltrans, and Parsons Transportation Group also met to discuss an alternative design idea.

Staff Analysis:

In order to move this project forward, an extension to complete the environmental document must be obtained from the Federal Highway Administration. If the Federal Highway Administration approves the extension request, there will be many more items of work to be completed. Caltrans has prepared a Cooperative Agreement that identifies COG's contribution of local funds to the completion of the environmental document for the project.

On July 8, 2014, COG staff presented an update on the project to the San Benito County Board of Supervisors. There was discussion among the Board regarding the project's placement on the unconstrained project list in the adopted 2014 Regional Transportation Plan. There was consensus among the Supervisors that COG should work to identify funding to allow for an amendment of the Regional Transportation Plan and inclusion of the project on the constrained, or fully funded, project list.

As the environmental document is finalized, COG staff will also be working with stakeholders to review the project scope and design and consider alternatives for funding the project. If additional funding can be identified, COG may consider an amendment to the Regional Transportation Plan to change the project listing.

Staff will continue to update the Board on this project as it moves forward.

Executive Director Review: _____

Counsel Review: _____ N/A

Supporting Attachment(s):

1. Cooperative Agreement No. 05-0291

COOPERATIVE AGREEMENT Local Contribution Only

This Agreement, effective on _____, is between the State of California, acting through its Department of Transportation, referred to as CALTRANS, and:

Council of San Benito County Governments, a joint powers authority created under the joint exercise of powers provisions of California Government Code Sections 6500-6522, referred to hereinafter as SBCOG.

RECITALS

1. PARTNERS are authorized to enter into a cooperative agreement for improvements to the state highway system (SHS) per the California Streets and Highways Code sections 114 and 130.
2. PARTNERS have been working together regarding the construction of a four-lane facility in San Benito and Santa Clara Counties, on State Route 25 (SR25) from San Felipe Road in Hollister to the State Route 25/101 Separation near Gilroy, referred to herein as PROJECT.
3. SBCOG will contribute a fixed amount of \$365,000 to the PROJECT. Contributed funds will be used for the PROJECT.
4. PARTNERS agree that funds will be contributed to the following PROJECT COMPONENTS:
 - PA&ED
 - Route Adoption
5. PARTNERS hereby set forth the terms, covenants, and conditions for SBCOG's contribution toward the PROJECT.

ROLES AND RESPONSIBILITIES

6. **SBCOG** is the SPONSOR for the PROJECT COMPONENTS identified above and CALTRANS is the IMPLEMENTING AGENCY for the PROJECT.
7. SBCOG is a FUNDING PARTNER contributing a fixed amount toward the PROJECT as defined in the FUNDING SUMMARY.
8. CALTRANS is responsible for completing all work for the PROJECT.

GENERAL CONDITIONS

- 9. All obligations of CALTRANS under the terms of this agreement are subject to the appropriation of resources by the Legislature, the State Budget Act authority, and the allocation of funds by the California Transportation Commission.
- 10. Neither SBCOG nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by CALTRANS and/or its agents under or in connection with any work, authority, or jurisdiction conferred upon CALTRANS under this Agreement. It is understood and agreed that CALTRANS, to the extent permitted by law, will defend, indemnify, and save harmless SBCOG and all of its officers and employees from all claims, suits, or actions of every name, kind, and description brought forth under, but not limited to, tortious, contractual, inverse condemnation, or other theories and assertions of liability occurring by reason of anything done or omitted to be done by CALTRANS and/or its agents under this Agreement.

INVOICE AND PAYMENT

- 11. SBCOG will contribute the funds listed below:

FUNDING SUMMARY			
Fund Source	Fund Type	Project Component	Amount
LOCAL	Local	PA&ED	\$365,000
Total Funds			\$365,000

- 12. CALTRANS will invoice SBCOG for a lump sum (single payment) of \$365,000 after execution of this Agreement and thirty (30) working days prior to the commencement of PROJECT expenditures.
- 13. If SBCOG has received Electronic Funds Transfer (EFT) certification from CALTRANS then SBCOG will use the EFT mechanism and follow all EFT procedures to pay all invoices issued from CALTRANS.
- 14. This Agreement will terminate upon CALTRANS' receipt of the PROJECT funds. However, all indemnification articles will remain in effect until terminated or modified in writing by mutual agreement.

DEFINITIONS

COOPERATIVE AGREEMENT CLOSURE STATEMENT – A document signed by PARTNERS that verifies the completion of all OBLIGATIONS included in this Agreement and in all amendments to this Agreement.

FUNDING PARTNER – A partner who commits a defined dollar amount to the PROJECT.

FUNDING SUMMARY – The tabular listing of a FUNDING PARTNER’S commitments including the dollar amount, fund source, fund type, and, if applicable, the PROJECT COMPONENT in which funds are to be spent. Funds listed in the FUNDING SUMMARY are “not-to-exceed” amounts.

IMPLEMENTING AGENCY – The partner responsible for managing the scope, cost, and schedule of a project component to ensure the completion of that component.

PARTNERS – The term that collectively references all of the signatory agencies to this agreement. This term only describes the relationship between these agencies to work together to achieve a mutually beneficial goal. It is not used in the traditional legal sense in which one partner’s individual actions legally bind the other partners.

SPONSOR – The PARTNER that accepts the obligation to secure financial resources to fully fund PROJECT. This includes any additional funds beyond those committed in this agreement necessary to complete the full scope of PROJECT.

PROJECT COMPONENT – A distinct portion of the planning and project development process of a capital project as outlined in California Government Code, section 14529(b).

- **PID (Project Initiation Document)** – The activities required to deliver the project initiation document for PROJECT.
- **PA&ED (Project Approval and Environmental Document)** – The activities required to deliver the project approval and environmental documentation for PROJECT.
- **PS&E (Plans, Specifications, and Estimate)** – The activities required to deliver the plans, specifications, and estimate for PROJECT.
- **R/W (Right of Way) SUPPORT** – The activities required to obtain all property interests for PROJECT.
- **R/W (Right of Way) CAPITAL** – The funds for acquisition of property rights for PROJECT.
- **CONSTRUCTION SUPPORT** – The activities required for the administration, acceptance, and final documentation of the construction contract for PROJECT.
- **CONSTRUCTION CAPITAL** – The funds for the construction contract.

CONTACT INFORMATION

The information provided below indicates the primary contact information for each PARTNER to this Agreement. PARTNERS will notify each other in writing of any personnel or location changes. Contact information changes do not require an amendment to this Agreement.

The primary Agreement contact person for CALTRANS is:
Richard Rosales, Project Manager
50 Higuera Street
San Luis Obispo, CA 93401
Office Phone: (805) 549-3792

The primary Agreement contact person for SBCOG is:
Mary Gilbert, Transportation Planning Manager
330 Tres Pinos Rd, Suite C7
Hollister, CA 95023
Office Phone: (831) 637-7665

SIGNATURES

PARTNERS declare that:

1. Each PARTNER is an authorized legal entity under California state law.
2. Each PARTNER has the authority to enter into this Agreement.
3. The people signing this Agreement have the authority to do so on behalf of their public agencies.

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

By: _____
TIMOTHY M. GUBBINS
District Director

CERTIFIED AS TO FUNDS:

By: _____
Julia Bolger
Resource Manager

COUNCIL OF SAN BENITO COUNTY
GOVERNMENTS

By: _____
Victor Gomez
Chairperson

ATTEST:

By: _____
Lisa Rheinheimer
Executive Director

APPROVED AS TO FORM AND
PROCEDURE:
SAN BENITO COUNTY COUNSEL'S
OFFICE

By: Shirley L. Murphy 7/10/14
Shirley L. Murphy
Deputy County Counsel



Staff Report

To: Council of Governments
From: Veronica Lezama, Transportation Planner **Telephone:** (831) 637-7665
Date: July 17, 2014
Subject: 2014 Unmet Transit Needs Report

Recommendation:

RECEIVE 2014 Draft Unmet Transit Needs Report.

Summary:

The Council of Governments is required to hold Unmet Transit Needs Hearings to be eligible to receive Transportation Development Act funds. The testimony from the Unmet Transit Needs Hearings was presented to the Social Services Transportation Advisory Council (SSTAC). Staff and the Advisory Council reviewed the testimony and made recommendations based on COG's adopted criteria for Unmet Transit Needs, Reasonable to Meet.

Financial Impact:

The Social Services Transportation Advisory Council did not recommend any unmet transit needs, reasonable to meet. As such, there is no financial impact.

The primary funding source for transit services operated by County Express and Specialized Services (Jovenes de Antaño) is provided by Transportation Development Act (TDA) funds. Unmet Transit Needs that can be met are paid for with TDA funds. The Local Transportation Authority's FY 2013/2014 TDA revenue is \$1,046,673 which is allocated to existing transit programs and services.

Background:

Each year, the Council of Governments (COG) holds annual Unmet Transit Needs hearings to provide a forum for residents, transit users, and community members to express service needs provided by the Local Transportation Authority, which include County Express and Specialized Services. Unmet Transit Needs are "expressed or identified needs of a significant segment of the community for public transportation services to meet basic mobility needs which are not currently being met through existing transit services or other means of transportation." If an "unmet transit need" is identified, a further determination is needed to establish whether or not that need is "reasonable to meet" in accordance with COG adopted criteria (Attachment 1, Page 15).

If an Unmet Transit Need is found “reasonable to meet,” COG is responsible for ensuring that funds are expended to meet those needs. However, if those needs are determined as “not reasonable to meet” then that determination is submitted to the State and the funds are allowed to maintain in the COG budget for existing transit operations.

The Council of Governments held two public hearings to receive public testimony on the bus services provided by County Express and Specialized Transportation Services. The first hearing was held on March 18, 2014 at the Hollister Community Center and the second hearing was held at the regularly scheduled COG board meeting on March 20, 2014.

Staff Analysis

The Council of Governments received 14 public comments from the Unmet Transit Needs Hearings. Staff has prepared responses to the requests which are summarized in Attachment 1, Page 15 of the Draft Unmet Transit Needs Report.

The enclosed 2014 Draft Unmet Transit Needs Report contains the adopted definitions and procedures for the Unmet Transit Needs Hearings and the criteria for evaluating all the requests that were received and identified. As part of the evaluation process, the Social Services Transportation Advisory Council also reviewed all comments received and provided feedback as noted in the Draft Report.

The Social Services Transportation Advisory Council is responsible for representing the concerns of all segments of the community, including the elderly, persons with disabilities, and persons of limited means. At their June 20, 2014 meeting, the Advisory Council reviewed all the testimony received and determined that there are no Unmet Transit Needs. Although, there were no identified Unmet Transit Needs, the Local Transportation Authority makes an effort to accommodate and/or provide response to the public request, as summarized in Attachment 1, Page 15.

The final Unmet Transit Needs Report will be provided to the Board at their August 21, 2014 meeting for approval. Once approved, the Report will be submitted to the California Department of Transportation, Division of Mass Transportation.

Executive Director Review: _____

Counsel Review: No

Supporting Attachment(s):

1. Draft 2014 Unmet Transit Needs Report

2014 Unmet Transit Needs

Annual Report

DRAFT

Testimonies provided on:



Jovenes de Antaño

Council of San Benito County Governments
330 Tres Pinos Road, Suite C7
Hollister, CA 95023
(831) 337-7665
www.SanBenitoCOG.org



2014 UNMET TRANSIT NEEDS ANNUAL REPORT

SAN BENITO COUNTY

TABLE OF CONTENTS

ADOPTED DEFINITIONS AND PROCEDURES FOR NOTICING AND CONDUCTING THE ANNUAL UNMET TRANSIT NEEDS HEARING.	2
COG RESOLUTION 2011-04	5
SYSTEM AND AREA PROFILE	9
UNMET NEEDS PUBLIC NOTICE PROCESS	10
PUBLIC NOTICE IN NEWSPAPER	11
ENGLISH FLYER	12
SPANISH FLYER	12
UNMET TRANSIT NEEDS PUBLIC HEARING	13
TESTIMONY	14
COG PUBLIC HEARING MINUTES	21
SSTAC MINUTES	26
COG ADOPTING RESOLUTION	27

ADOPTED DEFINITIONS AND PROCEDURES FOR NOTICING AND CONDUCTING THE ANNUAL UNMET TRANSIT NEEDS HEARING

As required by PUC section 9940 1.5, the Council of San Benito County Governments must adopt formal definitions of "unmet transit need" and "reasonable to meet." The first definition is the primary tool used to evaluate the public testimony received during the initial hearing.

The second definition is used to evaluate the reasonableness of meeting those requests. State law (PUC Section 994015(c)) has been modified to clarify that..."the fact that an identified transit need cannot fully be met based on available resources shall not be the sole reason for finding that a transit need is not reasonable to meet."

Additionally, the Act specifies that..." An agency's determination of needs that are reasonable to meet shall not be made by comparing unmet transit needs with the need of streets and roads. "

I. The "unmet needs" definition adopted by Council of San Benito County Governments:

"Unmet needs are defined as expressed or identified needs of a significant segment of the community for public transportation services to meet basic mobility needs which are not currently being met through existing transit services or other means of transportation.

Included, at a minimum, are those public transportation or specialized services that are identified in the Regional Transportation Plan, Short Range Transit Plan and/or Transit Development Plan, which have not been implemented or funded."

II. The "unmet needs" threshold criteria adopted by the Council of San Benito County Governments:

The following criteria must be true for the COG to consider a request an "unmet need". If a request **fails** to satisfy any of the criteria below, the request is **not** an unmet need.

1. The request fills a gap in transit service, or is identified as a deficiency in the Regional Transportation Plan.
2. Sufficient *broad-based* community support exists.
3. Request is a *current* rather than *future* need.
4. Request is not operational in nature (i.e. minor route change, bus stop change, etc.)

III. Adopted Definition of "Transit Needs That Are Reasonable To Meet Determination."

In making the reasonableness determination, an analysis will be conducted on existing transit services, available options, likely demand and general costs based on similar services in the area and available studies. Once completed, the following criteria shall be considered.

REASONABLE TO MEET CRITERIA

In making a reasonableness determination, an analysis will be conducted on existing transit services, available options, likely demand and general costs based on similar services in the area and available studies. An Unmet Transit Need would be considered reasonable to meet if the proposed service is in general compliance with the following criteria:

A. EQUITY

The proposed service would:

1. Benefit the general public.
2. Not unreasonably discriminate against nor favor any particular area or segment of the community at the exclusion of any other.
3. Not result in adversely affect existing services in other parts of the transit system that have an equal or higher priority immediately or within the foreseeable future.
4. Require a subsidy per passenger generally equivalent to other parts of the transit system, unless overriding reasons so justify.

B. TIMING

The proposed service would:

1. Be in response to an existing rather than a future need.
2. Be implemented consistent with federal, state, or regional funding approval schedules, if such funds are the most appropriate primary method of funding.

C. COST EFFECTIVENESS

The proposed service would:

1. Not cause the responsible operator or service claimant to incur expenses in excess of the maximum allocated funds.
2. Not set a precedent for other service expansions without a reasonable expectation of available funding.
3. Have available funding on a long-term basis to maintain the service.

D. SYSTEM PERFORMANCE

1. The efficiency of the new, expanded or revised transit service, excluding specialized transportation services, shall be measured on efficiency, such as:
 - Cost per passenger trip,
 - Cost per vehicle service hour,
 - Passenger trips per vehicle service hour,
 - Passenger trips per service mile,
 - On-time performance.
2. The proposed service would have a reasonable expectation of future increase in ridership.

E. OPERATIONAL FEASIBILITY

1. The new, expanded or revised transit service must be safe to operate and there must be adequate roadways and turnouts for transit vehicles.

2. The new service would be provided with the existing vehicle fleet or with vehicles that can be acquired with available funds.
3. The new service would have the available maintenance staff to cover the additional vehicle maintenance hours incurred as a result of the proposed service.

F. COMMUNITY ACCEPTANCE

A significant level of community support exists for the public subsidy of transit services designed to address the unmet transit need. Including but not limited to, community groups, community leaders, and community meetings reflecting support for the unmet transit need.

G. ADA CONFORMITY

The new, expanded or modified service, excluding specialized transportation services, would conform to the requirements of the Americans with Disabilities Act. The COG shall consider the financial impact on the TDA claimant if complementary paratransit services are required as a result of the new, expanded, or modified service.

H. OTHER FACTORS

Other specific, formulated components that COG determines to affect the reasonableness of meeting an unmet transit need.

COUNCIL OF SAN BENITO COUNTY GOVERNMENTS AMENDED RESOLUTION 11-04

BEFORE THE BOARD OF DIRECTORS OF THE
COUNCIL OF SAN BENITO COUNTY GOVERNMENTS

RESOLUTION OF THE BOARD OF)	
DIRECTORS OF THE COUNCIL OF SAN)	
BENITO COUNTY GOVERNMENTS)	Resolution No. 11-04
AMENDING RESOLUTION NO. 90-12 TO)	
REVISE THE CRITERIA FOR)	
DETERMINING UNMET TRANSIT NEEDS)	
THAT ARE "REASONABLE TO MEET")	
_____)	

WHEREAS, the Council of San Benito County Governments, herein referred as to as ("COG") is the Regional Transportation Planning Agency (RTPA) for San Benito County; and

WHEREAS, the COG is responsible for the allocation to claimants of funds received from the Transportation Development Act (P.U.C. 99200, et seq); and

WHEREAS, Transportation Development Act funds can be allocated to eligible claimants for support of public transportation systems, bicycle and pedestrian facilities, and for streets and roads; and

WHEREAS, COG identifies unmet transit needs within the San Benito County region and those needs that are reasonable to meet in accordance with Public utilities Code, Section 99401.5; and

WHEREAS, COG, on July 12, 1990, adopted Resolution No. 90-12, adopting the definition of "unmet needs" and the criteria for determining unmet transit needs that are "reasonable to meet" in San Benito County.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Council of San Benito County Governments, that it does hereby amend COG's Resolution 90-12 to amend the criteria for determining what unmet transit needs are "reasonable to meet", as set forth in Exhibit A, attached hereto and incorporated herein by reference.

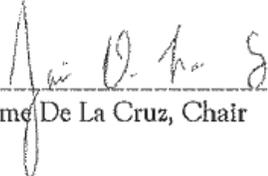
PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE COUNCIL OF SAN BENITO COUNTY GOVERNMENTS THIS 21ST DAY OF APRIL, 2011 BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAINING:

ABSENT:

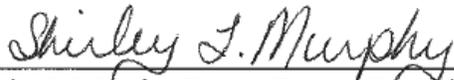


Jaime De La Cruz, Chair

ATTEST:
Lisa Rheinheimer, Executive Director

APPROVED AS TO LEGAL FORM:
San Benito County Counsel Office

By: 

By: 

Shirley L. Murphy, Deputy County Counsel

Dated: 4/26/11

Dated: April 13, 2011

Exhibit A

REASONABLE TO MEET CRITERIA

In making a reasonableness determination, an analysis will be conducted on existing transit services, available options, likely demand and general costs based on similar services in the area and available studies. An Unmet Transit Need would be considered reasonable to meet if the proposed service is in general compliance with the following criteria:

A. EQUITY

The proposed service would:

1. Benefit the general public.
2. Not unreasonably discriminate against nor favor any particular area or segment of the community at the exclusion of any other.
3. Not adversely affect existing services in other parts of the transit system that have an equal or higher priority immediately or within the foreseeable future.
4. Require a subsidy per passenger generally equivalent to other parts of the transit system, unless overriding reasons so justify.

B. TIMING

The proposed service would:

1. Be in response to an existing rather than a future need.
2. Be implemented consistent with federal, state, or regional funding approval schedules, if such funds are the most appropriate primary method of funding.

C. COST EFFECTIVENESS

The proposed service would:

1. Not cause the responsible operator or service claimant to incur expenses in excess of the maximum allocated funds.
2. Not set a precedent for other service expansions without a reasonable expectation of available funding.
3. Have available funding on a long-term basis to maintain the service.

D. SYSTEM PERFORMANCE

1. The efficiency of the new, expanded or revised transit service, excluding specialized transportation services, shall be measured on efficiency, such as:
 - Cost per passenger trip,
 - Cost per vehicle service hour,
 - Passenger trips per vehicle service hour,
 - Passenger trips per service mile,
 - On-time performance.
2. The proposed service would have a reasonable expectation of future increase in ridership.

E. OPERATIONAL FEASIBILITY

1. The new, expanded or revised transit service must be safe to operate and there must be adequate roadways and turnouts for transit vehicles.
2. The new service would be provided with the existing vehicle fleet or with vehicles that can be acquired with available funds.
3. The new service would have the available maintenance staff to cover the additional vehicle maintenance hours incurred as a result of the proposed service.

F. COMMUNITY ACCEPTANCE

A significant level of community support exists for the public subsidy of transit services designed to address the unmet transit need, including but not limited to, community groups, community leaders, and community meetings reflecting support for the unmet transit need.

G. ADA CONFORMITY

The new, expanded or modified service, excluding specialized transportation services, would conform to the requirements of the Americans with Disabilities Act. The COG shall consider the financial impact on the TDA claimant if complementary paratransit services are required as a result of the new, expanded, or modified service

H. OTHER FACTORS

Other specific, formulated components that COG determines to affect the reasonableness of meeting an unmet transit need.

System/Area Profile

REGIONAL SETTING

San Benito County is ideally located inland from the Central California Coast. The County borders Monterey, Santa Cruz, Fresno, Merced, and Santa Clara Counties. Combined with more affordable housing and its close proximity to Monterey, Santa Cruz, and Santa Clara Counties, San Benito County is an attractive home to 55,269 people (2010). Although the County consists of 1,390 square miles, the majority of the population lives in Hollister (the County seat) San Juan Bautista, or the unincorporated area of northern San Benito County.

EXISTING TRANSIT SERVICES

The San Benito County Local Transportation Authority was formed by a Joint Powers Agreement between the Cities of Hollister and San Juan Bautista and the County of San Benito in 1990. The Authority is responsible for the administration and operation of public transportation services in the County provided by County Express and Specialized Transportation Services.

County Express Transit System

The County Express system currently provides three fixed routes in the City of Hollister, complementary Americans with Disabilities Act Paratransit service, Intercounty service to Gilroy in Santa Clara County, and a general public Dial-A-Ride.

As of December 2013, the County Express fleet included 23 vehicles. All vehicles are ADA compliant and equipped with wheelchair lifts/ramps and bicycle racks. The Local Transportation Authority contracts with a private operator for management, dispatchers, trainers, and drivers of its County Express transit service.

Fixed-Route

Fixed-Route service operates three Fixed Routes within the City of Hollister. These routes operate between 6:20 a.m. and 5:40 p.m. However, there is no Fixed Route service between 11:00 a.m. to 2:00 p.m. Headways for each of the routes range from 40 to 50 minutes.

Dial-A-Ride

County Express transit system provides Dial-a-Ride service to parts of northern San Benito County, including Hollister, San Juan Bautista, and Tres Pinos, Monday through Friday from 6:00 a.m. to 6:00 p.m. where and when Fixed Route is not available and on weekends. Reservations for the Dial-A-Ride may be made up to 14 days in advance. Same-day service is available but is subject to availability and a convenience fee.

Paratransit

Complementary Americans with Disabilities Act Paratransit service is available for residents and visitors who are eligible for the service as determined by the Authority. The service is for individuals who are not able to access Fixed Route due to a physical or cognitive disability and have trips that begin or end in a location less than $\frac{3}{4}$ mile from a Fixed Route bus stop. Reservations for the Paratransit service may be made up to 14 days in advance. Same-day service is available but is subject to availability and a convenience fee.

Intercounty

County Express' Intercounty routes provide connections from the Cities of Hollister and San Juan Bautista to the City of Gilroy. There is daily weekday service to Gavilan College and the Caltrain station and Saturday service to the Greyhound station in Gilroy. The weekday shuttle service to Gavilan College is from 6:50 a.m. to 6:10 p.m. with a limited schedule when school is not in session. There are three early

morning and three evening runs to the Gilroy Caltrain station for connections to Caltrain and Valley Transportation Authority bus services. Service to the Greyhound station operates on Saturday and Sunday from 7:40 a.m. to 6:00 p.m.

Specialized Transportation Services

According to the 2010 U.S. Census, 10.4 percent of the total county population is aged 65 or older.¹ Many of these elderly individuals and persons with disabilities require specialized transportation services to travel to medical appointments, shop, and visit recreation centers.

The Authority contracts with Jovenes de Antaño, a local non-profit organization that has been providing specialized transportation services in San Benito County since 1990. Specialized services include Out of County Non-Emergency Medical Transportation, Medical Shopping Assistance Transportation, and Senior Lunch Transportation Program. These services are beyond the requirements of Americans with Disabilities Act. They provide escort services, door-through-door, and minor translation services.

Jovenes de Antaño also has a referral program that provides information about other social services within the community, coordination of home-based services, referral to legal assistance, and other local services to their clients. The coordination effort between Jovenes de Antaño and the Authority allows for efficient, affordable and reliable service for this critical need in the community of San Benito County.



UNMET NEEDS PUBLIC NOTICE PROCESS

Pursuant to PUC Section 99238.5, the transportation planning agency shall hold at least one public hearing for the purpose of soliciting comments on the unmet transit needs that may exist within its jurisdiction.

In fulfillment of the above requirement, the Council of San Benito County Governments, designated the San Benito County Regional Transportation Planning Agency, held public hearings on March 18, 2014 and March 20, 2014. Notice of the hearings was given 30 days in advance and included the date, place and specific purpose of the meeting. Notice was provided in English and Spanish.

In order to encourage attendance by the transit-dependent, the local public transit system offered special transportation service to and from the hearings. The COG held hearings at the Senior Citizen Activity center in the City of Hollister. The COG posted English and Spanish flyers in its social media Facebook page, on-board transit vehicles, and flyers were distributed to several agencies in San Benito County.

¹ U.S. Census, San Benito County

NOTICE OF PUBLIC HEARING


 The logo for the Hollister Free Lance newspaper, featuring the word "HOLLISTER" in a small font above the words "FREE LANCE" in a large, stylized serif font.

Public Notice

**NOTICE OF PUBLIC HEARING
Unmet Transit Needs**

Notice is hereby given that two Public Hearings will be held by the Council of San Benito County Governments to consider the Unmet Transit Needs within San Benito County. The hearings are open to the public and the public is encouraged to attend. Said public hearings will be held on the following dates and locations: February 15, 2012 at 1:00 p.m. at the Hollister Community Center, 300 West Street, Hollister, CA, and February 16, 2012 at 2:00 p.m. at the San Benito County Administration Building, 481 Fourth Street, Hollister, CA. If you are unable to attend the hearings you may express your concerns in writing to: Council of San Benito County Governments, Attn: Unmet Transit Needs, 330 Tres Pinos Road, Suite C7, Hollister, CA 95023.

AVISO-AUDIENCIAS PÚBLICAS

Se avisa que tres Audiencias Publicas se llevaran acabo por el Concilio de los Gobernantes del Condado de San Benito para considerar Necesidades de Transito aun no efectuadas dentro del Condado de San Benito.

Dichas Audiencias Publicas se llevaran acabo el 15 de febrero del 2012 a las 1:00 de la tarde en el

Centro de la Comunidad en Hollister, 300 West Street, Hollister, CA y el 16 de febrero a las 2:00 de la tarde en el Edificio de Administración del Condado de San Benito localizado en el 481 Fourth Street, Hollister, CA.

Si usted no puede atender las Audiencias Publicas, usted puede escribir para expresar sus opiniones a: Council of San Benito County Governments, Attn: Necesidades de Transito, 330 Tres Pinos Road, Suite C7, Hollister, CA 95023.

Publish: January 3, 2012
F/09589868

PUBLIC HEARING FLYERS

You're Invited!

We want to hear your thoughts on the bus services provided by Jovenes de Antaño and County Express.




Public Meetings

March 18, 2014
1:00 p.m.
Community Center
300 West Street, Hollister

March 20, 2014
3:00 p.m.
Board of Supervisors Chambers
481 Fourth Street, Hollister

Comments due: March 21, 2014



Mail Comments:
Attn: Unmet Transit Needs
330 Tres Pinos Road, C7
Hollister, CA 95023
.....



Email Comments:
veronica@sanbenitocog.org
.....



Phone Comments:
(831) 637-7665
.....



Fax Comments:
(831) 636-4160
.....



Council of San Benito County Governments
330 Tres Pinos Road, C7
Hollister, CA 95023
Phone: (831) 637-7665

¡Está Invitado!

**Queremos recibir su opinión
sobre los servicios de autobús
proporcionados por Jóvenes
de Antaño y County Express.**



Juntas Públicas

18 de marzo 2014
1:00 p.m.
Centro Comunitario
300 West Street, Hollister

20 de marzo 2014
3:00 p.m.
Edificio de Administración del Condado
481 Fourth Street, Hollister

Fecha de cierre para
comentarios: 21 de marzo 2014



Comentarios por Correo:
Attn: Necesidades de Tránsito
330 Tres Pinos Road, C7
Hollister, CA 95023

.....



**Comentarios por correo
electronico :**
veronica@sanbenitocog.org

.....



Comentarios por teléfono:
(831) 637-7665

.....



Comentarios por fax:
(831) 636-4160

.....



Concilio de Gobiernos del
Condado de San Benito
330 Tres Pinos Road, C7
Hollister, CA 95023
Phone: (831) 637-7665

UNMET TRANSIT NEEDS PUBLIC HEARING

HEARING PROCESS

The Council of Governments held two public hearings to receive Unmet Transit Needs testimony. Translation services were available at both hearings, and transportation was available to those persons in need by San Benito County Transit.

The first hearing was held March 18, 2014 at 1:00 p.m. at the Hollister Community Center located at 300 West Street in Hollister. The second hearing was held during the Council of Governments regular Board meeting on March 20, 2014 at 3:00 p.m. in the County Board of Supervisors Chambers in Hollister.

During the public comment period, the Council of Governments received a total of 14 comments. Below is a summary of comments received, Unmet Transit Needs determination (i.e. Unmet Need or Not an Unmet Need), COG response to comments, and relevant Unmet Transit Needs Policy.

Public Comment	Determination	Agency Response	Unmet Transit Needs Policy
<p>1. RE: County Express: Provide centralized location for the sales of bus tokens, such as Hollister Supermarket.</p>	<p>Unmet Transit Need, Not Reasonable to Meet.</p>	<p>Bus tokens are available for purchase at the Local Transportation Authority (LTA) office (330 Tres Pinos Road), MV office (340 Southside Road), and cash is accepted onboard all buses. Discounted tokens and bus passes are only available at the LTA and MV offices. The LTA office is accessible via all Fixed Route bus lines, while the MV office is only accessible via Dial-a-Ride.</p> <p>The LTA is in the process of updating its Short/Long Range Transit Plan which will include recommendations for providing additional token sale locations. As such, at this time, the request is classified as an Unmet Transit Need, Not Reasonable to Meet. The Draft Short/Long Range Transit Plan is scheduled for release later on this year and will be presented to the SSTAC and LTA.</p>	<p>Request does <u>NOI</u> meet the "Reasonable to Meet" Criteria:</p> <p>H. OTHER FACTORS</p> <ol style="list-style-type: none"> Other specific, formulated components that COG determines to affect the reasonableness of meeting an unmet transit need.
<p>Social Services Transportation Advisory Council (SSTAC) Feedback: None.</p>			
<p>2. RE: County Express: Provide additional vehicle(s) on the weekend because the Dial-a-Ride schedule is always booked by Friday.</p>	<p>Unmet Transit Need, Not Reasonable to Meet.</p>	<p>The weekend Dial-a-Ride consists of one vehicle that provides transit services between 9:00 a.m. and 3:00 p.m. The weekend service is normally booked as early as Thursday. About 10 riders are accommodated on Saturday and about 15 on Sunday. Riders have been turned down when a specific time slot has been booked. However, riders are always provided an alternative time to travel, if available.</p> <p>The LTA currently pays County Express an hourly rate of \$40 per hour.* Providing an additional driver on the weekend would cost the LTA \$480**/weekend. On an annual basis, the cost of providing this service would total \$24,480.***</p> <p>The LTA is currently operating at its maximum Transportation Development Act (TDA) funding allocation for transit services. The LTA currently receives an annual TDA allocation of \$1,046,673 and all is allocated for transit.</p> <p>*Does not include fuel or wear and tear on vehicle. **\$40 (hourly rate) x (six hours/day) x (2 days). ***51 weekends in a year x \$480 (per weekend cost).</p>	<p>Request does <u>NOI</u> meet the "Reasonable to Meet" Criteria:</p> <p>C. COST EFFECTIVENESS: The proposed service would:</p> <ol style="list-style-type: none"> Cause the responsible operator or service claimant to incur expenses in excess of the maximum allocated funds. Set a precedent for other service expansions without a reasonable expectation of available funding. Not have available funding on a long-term basis to maintain the service.
<p>Social Services Transportation Advisory Council (SSTAC) Feedback: None.</p>			

Public Comment	Determination	Agency Response	Unmet Transit Needs Policy
<p>3. RE: County Express: Improve transit from San Juan Bautista to Hollister. Specifically, provide services to the YMCA and the Skate Park in Hollister.</p>	<p>Not an Unmet Transit Need.</p>	<p>County Express provides bus services between San Juan Bautista and the City of Hollister's Skate Park and YMCA.</p> <p>On <u>weekdays</u>, the Intercounty bus line operates between 9:20 a.m. and 5:00 p.m. The Intercounty line provides direct service to the City of Hollister's Skate Park, which is located at the Veterans Memorial Park. Riders traveling to the YMCA may transfer from the Intercounty bus line, in downtown Hollister, onto the Blue or Green bus lines.</p> <p>On <u>weekends</u>, the Intercounty bus line operates between 8:00 a.m. to 6:00 p.m. from San Juan Bautista to Hollister. The Intercounty line provides direct bus services from San Juan Bautista to the Skate Park. On the weekend, riders may schedule a Dial-a-Ride trip to and from the YMCA since the Fixed Route does not operate on the weekends. All weekend Dial-a-Ride services must be scheduled by 4:00 p.m. on Friday.</p> <p>The City of Hollister's Skate Park is open daily from dawn to dusk. The YMCA is open Monday through Thursday from 8:30 a.m. to 7:30 p.m., Friday 8:30 a.m. to 5:30 p.m., and Saturday from 8:00 a.m. to 2:00 p.m.</p>	<p>Request does <u>NOT</u> meet the "Unmet Needs" threshold criteria:</p> <ol style="list-style-type: none"> 1. The request fills a gap in transit service, or is identified as a deficiency in the Regional Transportation Plan.
<p>Social Services Transportation Advisory Council (SSTAC) Feedback: SSTAC recommended additional Dial-a-Ride services to be considered as part of the Short and Long Range Transit Plan update.</p>			

	Public Comment	Determination	Agency Response	Unmet Transit Needs Policy
4.	<p>RE: County Express: Request for transit service from Santa Ana Valley Road to/from San Francisco.</p>	<p>Unmet Transit Need, Not Reasonable to Meet.</p>	<p>County Express does not provide direct transit services from San Benito County to San Francisco.</p> <p>Although County Express does not provide direct bus services from to San Francisco, County Express does provide Intercounty services from Hollister to the Gilroy Caltrain Station which connects to train and bus services to San Francisco.</p>	<p>Request does <u>NOI</u> meet the "Reasonable to Meet" Criteria: C. COST EFFECTIVENESS: The proposed service would:</p> <ol style="list-style-type: none"> 1. Cause the responsible operator or service claimant to incur expenses in excess of the maximum allocated funds. 2. Set a precedent for other service expansions without a reasonable expectation of available funding. 3. Not have available funding on a long-term basis to maintain the service.
Social Services Transportation Advisory Council (SSTAC) Feedback: None.				
5.	<p>RE: County Express: Inquiry on the level of disability one must be in order to be eligible for the ADA Paratransit services.</p>	<p>Not an Unmet Transit Need.</p>	<p>In determining disability, the LTA follows the Americans with Disabilities Act (ADA) eligibility standards for Paratransit services, which include: Category 1 – Applicants who cannot independently use the Fixed Route service. Category 2 – Applicants who can use or learn to use an accessible transit system, but the system is not fully accessible. Category 3 – Applicants who have a specific impairment that prevents them from getting to or from a bus stop. ADA Paratransit eligibility is determined by the applicant's primary physician through an application process.</p>	<p>Request does <u>NOI</u> meet the "Unmet Needs" threshold criteria:</p> <ol style="list-style-type: none"> 1. The request fills a gap in transit service, or is identified as a deficiency in the Regional Transportation Plan. 2. Sufficient broad-based community support exists. 3. Request is a current rather than future need. 4. Request is not operational in nature (i.e. minor route change, bus stop change, etc.)
Social Services Transportation Advisory Council (SSTAC) Feedback: None.				

Public Comment	Determination	Agency Response	Unmet Transit Needs Policy
<p>6. RE: County Express Provide transportation for veterans.</p>	<p>Not an Unmet Transit Need.</p>	<p>County Express services are available to the general public. Bus services are provided from Hollister and San Juan Bautista to Gilroy Caltrain Station which provides bus and train connections to Santa Clara County and beyond.</p> <p>Specialized Transportation Services, provided by Jovenes de Antaño offers services to veterans traveling to the Veterans Affairs (VA) Clinics in Palo Alto and Monterey.</p> <p>In 2013, the Council of San Benito County Governments donated a 14-passenger van to the local American Legion to provide transportation services for local veterans. For transportation information for veterans, please call (831) 637-7011.</p>	<p>Request does <u>NOI</u> meet the "Unmet Needs" threshold criteria:</p> <ol style="list-style-type: none"> 1. The request fills a gap in transit service, or is identified as a deficiency in the Regional Transportation Plan.
<p>Social Services Transportation Advisory Council (SSTAC) Feedback: SSTAC recommended that staff consider reaching out to the local veterans group to see if they would be interested in serving as member of SSTAC or possibly attending a future meeting.</p>			
<p>7. RE: County Express Provide service from San Juan Bautista to Watsonville.</p>	<p>Unmet Transit Need, Not Reasonable to Meet.</p>	<p>County Express' Intercounty bus line currently does not provide direct bus services from San Juan Bautista to Watsonville. The intercounty bus line provides bus services from San Benito County to Gilroy where there are bus connections to Watsonville. The impacts of deviating the intercounty bus service directly to Watsonville or to the Highway 101 and 156 Park-and-Ride lot, near Prunedale, would need to be further analyzed because of potential impacts to existing intercounty services and funding.</p> <p>As an option, commuters may drive to the Park-and-Ride Lot at the 101 and 156 Park-and-Ride lot, near Prunedale, where Monterey-Salinas Transit (MST) provides direct bus service into Watsonville. Monterey-Salinas Transit (MST) services are appropriated by the Transportation Agency for Monterey County (TAMC) Board of Directors though their Unmet Transit Needs Process. For information on TAMC's Unmet Transit Needs Process, please visit: http://www.tamcmonterey.org.</p> <p>The Short/Long Range Transit Plan will include discussion on improving services to Monterey County, which will be presented to SSTAC and the LTA at a future meeting. As such, at this time, the request is classified as an Unmet Transit Need, Not Reasonable to Meet. The Transit Plan is scheduled for release later this year.</p>	<p>Request does <u>NOI</u> meet the "Reasonable to Meet" Criteria:</p> <p>H. OTHER FACTORS</p> <ol style="list-style-type: none"> 1. Other specific, formulated components that COG determines to affect the reasonableness of meeting an unmet transit need.

Social Services Transportation Advisory Council (SSTAC) Feedback: None.			
Public Comment	Determination	Agency Response	Unmet Transit Needs Policy
8. RE: County Express Provide transit service from Hollister to Los Baños.	Unmet Transit Need, not Reasonable to Meet.	County Express currently does not provide transit services from Hollister to Los Baños. The Short/Long Range Transit Plan will include discussion on improving services to outside the County, which will be presented to SSTAC and the LTA at a future meeting. As such, at this time, the request is classified as an Unmet Transit Need, Not Reasonable to Meet. The Transit Plan is scheduled for release later this year.	Request does <u>NOT</u> meet the "Reasonable to Meet" Criteria: H. OTHER FACTORS 1. Other specific, formulated components that COG determines to affect the reasonableness of meeting an unmet transit need.
Social Services Transportation Advisory Council (SSTAC) Feedback: None.			
9. RE: County Express Restore the midday fixed route service in Hollister.	Unmet Transit Need, Not Reasonable to Meet.	Currently the Fixed Route service does not operate between 10 a.m. - 2 p.m. due to cuts in transit funds. Riders may use the Dial-A-Ride service from 11 a.m. - 2 p.m. for a higher fare. The cost of a one-way trip on the fixed route is \$1.00 while a trip on Dial-a-Ride is \$2.00. The Short/Long Range Transit Plan will include discussion on restoring the mid-day Fixed Route, which will be presented to SSTAC and the LTA at a future meeting. As such, at this time, the request is classified as an Unmet Transit Need, Not Reasonable to Meet. The Transit Plan is scheduled for release later this year.	Request does <u>NOT</u> meet the "Reasonable to Meet" Criteria: H. OTHER FACTORS 1. Other specific, formulated components that COG determines to affect the reasonableness of meeting an unmet transit need.
Social Services Transportation Advisory Council (SSTAC) Feedback: SSTAC requested that the Short and Long Transit Plan include service impacts to driver positions as a result of service changes.			
10. RE: Specialized Transportation Services Staff needs to work on clarifying service boundaries for the specialized transportation services.	Not an Unmet Transit Need.	Specialized Transportation Services service boundaries include: 1. Golden Age Nutrition Program: Must live within the service radius. 2. Medical & Shopping Assistance Program: SBC residents. 3. Out of County Medical Transportation boundary: Palo Alto, Stanford, San Jose, Salinas, Monterey, Watsonville, Santa Cruz, Gilroy. The Short/Long Range Transit Plan will include discussion on clarifying service boundaries for Specialized Services, which will be presented to SSTAC and the LTA at a future meeting.	Request does <u>NOT</u> meet the "Unmet Needs" threshold criteria: 1. The request fills a gap in transit service, or is identified as a deficiency in the Regional Transportation Plan. 2. Sufficient broad-based community support exists. 3. Request is a current rather than future need. 4. Request is not operational in nature (i.e. minor route change, bus stop change, etc.)

Social Services Transportation Advisory Council (SSTAC) Feedback: None.

Public Comment	Determination	Agency Response	Unmet Transit Needs Policy
11. RE: County Express Commenter provided positive feedback about the County Express drivers.	Not an Unmet Transit Need.	Thank you.	Not applicable.
Social Services Transportation Advisory Council (SSTAC) Feedback: None.			
12. RE: Specialized Transportation Services Commenter complimented the Jovenes de Antaño services.	Not an Unmet Transit Need.	Thank you.	Not applicable.
Social Services Transportation Advisory Council (SSTAC) Feedback: None.			
13. RE: Specialized Transportation Services Commenter provided positive feedback on the Jovenes de Antaño bus service by stating that the buses are always on time and she has not had any issues with the drivers.	Not an Unmet Transit Need.	Thank you.	Not applicable.
Social Services Transportation Advisory Council (SSTAC) Feedback: None.			
14. RE: Specialized Transportation Services Commenter acknowledge a Jovenes de Antaño driver named "Marcos" who is an "excellent driver."	Not an Unmet Transit Need.	Thank you.	Not applicable.
Social Services Transportation Advisory Council (SSTAC) Feedback: None.			

APPENDIX
COG MINUTES, RELATING TO THE UNMET TRANSIT NEEDS HEARINGS

SAN BENITO COUNTY
COUNCIL OF GOVERNMENTS
LOCAL TRANSPORTATION AUTHORITY

SPECIAL JOINT MEETING

March 18, 2014 1:00 P.M.

MEMBERS PRESENT:

Chair Gomez, Vice-Chair De La Cruz, Director Boch, Director Botelho, and Director Scattini

STAFF PRESENT:

Deputy County Counsel, Shirley Murphy; Executive Director, Lisa Rheinheimer; Transportation Planner, Veronica Lezama, Transportation Planner, Betty LiOwen; Transportation Intern, Regina Valentine; Secretary, Monica Gomez

OTHERS PRESENT:

Pauline Valdivia, Jovenes de Antaño; Belynda Johnson, Joe Rye, Doug Langile, Majic Consulting Group; Evelia Meza, Spanish Interpreter

CALL TO ORDER:

Chair Gomez called the meeting to order at 1:06 P.M.

A. PLEDGE OF ALLEGIANCE

B. CERTIFICATE OF POSTING

Upon a motion duly made by Director Botelho, and seconded by Director Scattini, the Directors unanimously approved the Certificate of Posting.

1:00 P.M. Public Hearing (Or As Soon Thereafter As the Matter May Be Heard)

TRANSPORTATION ITEMS:

1. Unmet Transit Needs Hearing – Lezama

- a. **RECEIVE** Report on Unmet Transit Needs Hearing
- b. **OPEN** Public Hearing
- c. **CLOSE** Public Hearing
- d. **DIRECT** Staff to Return to Council of Governments with Recommendation.

Ms. Lezama presented the item. She noted that this was the first of two public hearings. The second hearing will take place at the Council of Governments Board meeting Thursday, March 20, 2014 at the Board of Supervisors Chambers at 3:00 p.m.

Ms. LiOwen provided an overview of the services provided by County Express and Jovenes de Antaño.

Staff requested that the Board break out into small groups and interact with the members of the public to receive their input about the transportation services offered by the Local Transportation Authority.

Chair Gomez introduced each Board member and opened the public hearing at 1:13 p.m.

The Board and staff broke out into 5 small groups and engaged with members of the public who were seated at tables. Staff and Board members asked each group to express any questions or concerns they had about the County Express or Jovenes de Antaño services.

Executive Director, Lisa Rheinheimer, reported out on Table #3 comments:

Grace reported that she had great service last year from Jovenes de Antaño and now she is lucky to have her son provide her transportation.

Valerie talked about some transportation enhancements between San Juan Bautista and Hollister and getting people to places such as the YMCA and the new Skate Park. She mentioned the need for a stronger connection in terms of transit services between Hollister and San Juan Bautista.

Veronica Lezama reported out on Table #4 and Table #5 comments:

Maria reported that she primarily uses the Jovenes de Antaño service and she had very positive feedback. The Jovenes de Antaño buses are always on time and she has not had any issues with the drivers.

A gentlemen talked about the need for service to Santa Ana Valley and San Francisco. They also wanted to acknowledge a Jovenes de Antaño driver named "Marcos." They stated that Marcos is an "excellent driver".

Regina Valentine reported out on Table #2 comments:

Roman Rodriguez had a question about the percentage of disability to be eligible for the ADA Paratransit service. Staff was able to explain the ADA Paratransit eligibility process. Mr. Rodriguez also asked why there was no transportation services specifically for Veterans. Staff explained that there are connections from Hollister to San Jose and the VA will connect from Palo Alto to San Jose, however the rider would have to check specifically with the VA about their services.

Lynn Overtree requested that we provide service to Watsonville and make connections to Santa Cruz Transit. Ms. Overtree provided a proposal with recommended routes and a letter explaining a need for the service. The information will be forwarded to the Executive Director.

Betty LiOwen reported out on Table #1 comments:

There was a request to provide service from Hollister to Los Baños. There was discussion about how important public transit is to improving the environment. There was discussion about the need to increase transit marketing to Hollister residents and provide additional token vendor locations. There was a request to bring back the midday fixed route service in Hollister. Staff received positive feedback about the County Express drivers. Staff needs to work on clarifying service boundaries for the specialized transportation services. There was a question regarding transportation for local veterans. Ms. LiOwen mentioned that the VA provides transportation locally however; clients need to contact them directly for more information.

Ms. Lezama stated that staff and the Social Services Transportation Advisory Council will review all of the comments received and provide a recommended determination of Unmet Transit Needs to the Council of Governments Board of Directors in June.

Chair Gomez closed the public hearing at 1:37 p.m.

The Board thanked the members of the public for their time and for providing feedback about the Jovenes de Antaño and County Express services. Chair Gomez directed staff to report back to the Board with a recommendation at a future meeting.

Upon a motion made by Director De La Cruz, and seconded by Director Botelho, the Directors directed staff to report back with a recommendation at a future meeting. Vote: 5/0 motion passes.

Upon a motion made by Director Botelho, and seconded by Director Botelho, the Directors voted to adjourn the Special Joint meeting at 2:50 p.m.

ADJOURN TO REGULAR COG MEETING MARCH 20, 2014.

**SAN BENITO COUNTY
COUNCIL OF GOVERNMENTS
REGULAR MEETING**

March 20, 2014, 3:00 P.M.

MEMBERS PRESENT:

Chair Gomez, Director Boch, Director Botelho, Director De La Cruz, and Director Scattini

STAFF PRESENT:

Deputy County Counsel, Shirley Murphy; Executive Director, Lisa Rheinheimer; Administrative Services Specialist, Kathy Postigo; Transportation Planner, Betty LiOwen; Transportation Intern, Regina Valentine; Secretary, Monica Gomez

OTHERS PRESENT:

Heather Adamson, Association of Monterey Bay Area Governments (AMBAG); Aileen Loe, John Olejnik, Caltrans District 5; Steve Wittry, Director of Public Works

CALL TO ORDER:

Chair Gomez called the meeting to order at 3:01 P.M.

B. PLEDGE OF ALLEGIANCE

B. CERTIFICATE OF POSTING

Upon a motion duly made by Director Scattini, and seconded by Director Botelho, the Directors unanimously acknowledged the Certificate of Posting.

C. PUBLIC COMMENT:

Marty Richman

Mr. Richman provided his comments in writing. He mentioned that in his opinion AMBAG is not addressing San Benito County's critical issues with the priority our situation demands; that has to change or it will be a waste of time and money. He stated that AMBAG may be able to help San Benito County if they address its most critical problem, economic underdevelopment and recognize that San Benito County has special needs and is not the same as the rest of the region.

REGULAR AGENDA

TRANSPORTATION ITEMS:

3:00 P.M. Public Hearing (Or As Soon Thereafter As The Matter May Be Heard)

6. Unmet Transit Needs Hearing – Lezama

- a) **RECEIVE** Report on Unmet Transit Needs Hearing
- b) **OPEN** Public Hearing
- c) **CLOSE** Public Hearing
- d) **DIRECT Staff** to Return to Council of Governments with Recommendation.

Betty LiOwen presented this item on behalf of Veronica Lezama. Ms. LiOwen stated that COG holds two annual hearings to receive public testimony on the bus services provided by County Express and Jovenes de Antaño. The first hearing was held on March 18, 2014 at the Hollister Community Center.

Chair Gomez opened the Public Hearing at 3:38 p.m. There was no public comment. Chair Gomez closed the Public Hearing at 3:38 p.m.

The COG Board thanked staff for the way the Public Hearing process was structured on Tuesday. They were able to sit down and engage with the public and listen to their input. They stated that it was an effective experience that should be repeated in the future.

Ms. LiOwen stated that after the hearings process and review of testimony received, staff will return to the Board with a recommendation at a future meeting.

Upon a motion duly made by Director Botelho, and seconded by Director Scattini, the Directors unanimously approved Item 6. Vote: 5/0 motion passes

APPENDIX

Social Services Transportation Advisory Council Meeting Minutes June 20, 2014

TO BE INSERTED

COUNCIL OF SAN BENITO COUNTY GOVERNMENTS RESOLUTION

**TO BE INSERTED AFTER THE LTA BOARD ADOPTES THE
2014 UNMET TRANSIT NEEDS REPORT**