



SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS
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Los Angeles, CA 90017
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www.scag.ca.gov

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Jorge Marquez, Covina

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David Pollock, Moorpark

Transportation
Cheryl Viegas-Walker, El Centro

REMOTE PARTICIPATION ONLY

COMMUNITY, ECONOMIC AND HUMAN DEVELOPMENT COMMITTEE

Thursday, October 1, 2020
10:00 a.m. – 12:00 p.m.

To Participate on Your Computer:
<https://scag.zoom.us/j/116153109>

To Participate by Phone:
Call-in Number: 1-669-900-6833
Meeting ID: 116 153 109

***Please see next page for detailed
instructions on how to participate in the meeting.***

PUBLIC ADVISORY

Given recent public health directives limiting public gatherings due to the threat of COVID-19 and in compliance with the Governor's recent Executive Order N-29-20, the meeting will be held telephonically and electronically.

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Peter Waggonner at (213) 630-1402 or via email at waggonner@scag.ca.gov. Agendas & Minutes are also available at: www.scag.ca.gov/committees.

SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation in order to participate in this meeting. SCAG is also committed to helping people with limited proficiency in the English language access the agency's essential public information and services. You can request such assistance by calling (213) 630-1402. We request at least 72 hours (three days) notice to provide reasonable accommodations and will make every effort to arrange for assistance as soon as possible.



Instructions for Public Comments

Submit written comments via email to: CEHDPublicComment@scag.ca.gov by 5pm on Wednesday, September 30, 2020.

Written comments received after 5pm on Wednesday, September 30, 2020 will be read by SCAG staff during the Public Comment Period (up to 3 minutes, with the presiding officer retaining discretion to adjust time limits as necessary to ensure efficient and orderly conduct of the meeting). All written comments received by SCAG will be included as part of the official record of the meeting.

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

Instructions for Participating in the Meeting

SCAG is providing multiple options to view or participate in the meeting:

To Participate by Computer

1. Click the following link: <https://scag.zoom.us/j/116153109>
2. If Zoom is not already installed on your computer, click "Download & Run Zoom" on the launch page and press "Run" when prompted by your browser. If Zoom has previously been installed on your computer, please allow a few moments for the application to launch automatically.
3. Select "Join Audio via Computer."
4. The virtual conference room will open. You will receive a message, "Please wait for the host to start this meeting," simply remain in the room until the meeting begins.

To Participate by Phone

1. Call **1-669-900-6833** to access the conference room. Given high call volumes recently experienced by Zoom, please continue dialing until you connect successfully.
2. Enter the **Meeting ID: 116 153 109**, followed by #.
3. Indicate that you are a participant by pressing # to continue.
4. Remain on the line if the meeting has not yet started.



CEHD - Community, Economic and Human Development Committee
Members – October 2020

- 1. Hon. Jorge Marquez**
CEHD Chair, Covina, RC District 33
- 2. Hon. Frank Yokoyama**
CEHD Vice Chair, Cerritos, RC District 23
- 3. Hon. Al Austin**
Long Beach, GCCOG
- 4. Hon. David Avila**
Yucaipa, SBCTA
- 5. Hon. Megan Beaman-Jacinto**
Coachella, RC District 66
- 6. Hon. Drew Boyles**
El Segundo, RC District 40
- 7. Hon. Wendy Bucknum**
Mission Viejo, RC District 13
- 8. Hon. Juan Carrillo**
Palmdale, North LA County
- 9. Hon. Michael Carroll**
Irvine, RC District 14
- 10. Hon. Paula Devine**
Glendale, RC District 42
- 11. Hon. Steve DeRuse**
La Mirada, RC District 31
- 12. Hon. Rose Espinoza**
La Habra, OCCOG
- 13. Hon. Margaret Finlay**
Duarte, RC District 35
- 14. Hon. Micheal Goodland**
Jurupa Valley, WRCOG
- 15. Hon. Mark Henderson**
Gardena, RC District 28

OUR MISSION

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

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous



- 16. Hon. Bill Hodge**
Calexico, ICTC
- 17. Hon. Tim Holmgren**
Fillmore, RC District 47
- 18. Hon. Peggy Huang**
TCA Representative
- 19. Hon. Cecilia Hupp**
Brea, OCCOG
- 20. Hon. Bill Jahn**
Big Bear Lake, RC District 11
- 21. Hon. Bob Joe**
So.Pasadena, AVCJPA
- 22. Hon. Kathleen Kelly**
Palm Desert, RC District 2
- 23. Hon. Jed Leano**
Claremont, SGVCOG
- 24. Hon. Marisela Magana**
Perris, RC District 69
- 25. Hon. Anni Marshall**
Avalon, GCCOG
- 26. Hon. Andrew Masiel**
Tribal Govt Regl Planning Board Representative
- 27. Hon. Lauren Meister**
West Hollywood, WSCCOG
- 28. Hon. Bill Miranda**
Santa Clarita, SFVCOG
- 29. Hon. John Mirisch**
Beverly Hills, President's Appointment (Member at Large)
- 30. Hon. James Mulvihill**
San Bernardino, President's Appointmnet (Member at Large)
- 31. Hon. Steve Nagel**
Fountain Valley, RC District 15

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COMMUNITY, ECONOMIC AND HUMAN DEVELOPMENT COMMITTEE AGENDA

- 32. Hon. Kim Nguyen**
Garden Grove, RC District 18
- 33. Hon. Trevor O'Neil**
Anaheim, RC District 19
- 34. Hon. Ed Paget**
Needles, SBCTA
- 35. Hon. Sunny Park**
Buena Park, OCCOG
- 36. Hon. Michael Posey**
Huntington Beach, OCCOG
- 37. Hon. Jim Predmore**
ICTC
- 38. Hon. Jan Pye**
Desert Hot Springs, CVAG
- 39. Hon. Rita Ramirez**
Victorville, RC District 65
- 40. Hon. Rex Richardson**
Long Beach, RC District 29
- 41. Hon. Paul Rodriguez**
Chino, President's Appointment (Member at Large)
- 42. Hon. Sonny Santa Ines**
Bellflower, GCCOG
- 43. Hon. Lyn Semeta**
Huntington Beach, RC District 64
- 44. Hon. David Shapiro**
Calabasas, RC District 44
- 45. Hon. Becky Shevlin**
Monrovia, SGVCOG
- 46. Hon. Mark Waronek**
Lomita, SBCCOG
- 47. Hon. Acquanetta Warren**
Fontana, SBCTA

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COMMUNITY, ECONOMIC AND HUMAN DEVELOPMENT COMMITTEE AGENDA

48. Hon. Tony Wu
West Covina, SGVCOG

49. Hon. Frank Zerunyan
Rolling Hills Estates, SBCCOG

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COMMUNITY, ECONOMIC AND HUMAN DEVELOPMENT COMMITTEE AGENDA

Southern California Association of Governments
Remote Participation Only
Thursday, October 1, 2020
10:00 AM

The Community, Economic and Human Development Committee may consider and act upon any of the items on the agenda regardless of whether they are listed as Information or Action items.

CALL TO ORDER AND PLEDGE OF ALLEGIANCE *(The Honorable Jorge Marquez, Chair)*

PUBLIC COMMENT PERIOD

Submit written comments via email to: CEHDPublicComment@scag.ca.gov by 5pm on Wednesday, September 30, 2020. Written comments received after 5pm on Wednesday, September 30, 2020 will be read by SCAG staff during the Public Comment Period (up to 3 minutes, with the presiding officer retaining discretion to adjust time limits as necessary to ensure efficient and orderly conduct of the meeting). All written comments received by SCAG will be included as part of the official record of the meeting.

REVIEW AND PRIORITIZE AGENDA ITEMS

CONSENT CALENDAR

Approval Item

1. Minutes of the September 3, 2020 Meeting

Receive and File

2. Selections from Broadband Opportunity Review Project

INFORMATION ITEMS

3. Future of the Office After COVID-19 20 Mins.
(Amber Schiada, Sr. Director, Research & Insight, JLL)
4. Updates on Regional Data Platform (RDP) 20 Mins.
(Tom Vo, Senior Regional Planner)

CHAIR'S REPORT

(The Honorable Jorge Marquez, Chair)

STAFF REPORT

(Ma'Ayn Johnson, SCAG Staff)

FUTURE AGENDA ITEMS

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COMMUNITY, ECONOMIC AND HUMAN DEVELOPMENT COMMITTEE AGENDA

ANNOUNCEMENTS

ADJOURNMENT

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Southern California Association of Governments
Remote Participation Only
October 1, 2020

**MINUTES OF THE REGULAR MEETING
COMMUNITY, ECONOMIC AND HUMAN DEVELOPMENT COMMITTEE (CEHD)
THURSDAY, September 3, 2020**

THE FOLLOWING MINUTES IS A SUMMARY OF ACTIONS TAKEN BY THE COMMUNITY, ECONOMIC AND HUMAN DEVELOPMENT COMMITTEE (CEHD). A VIDEO AND AUDIO RECORDING OF THE ACTUAL MEETING IS AVAILABLE AT: <http://scag.iqm2.com/Citizens/>

The Community, Economic and Human Development (CEHD) of the Southern California Association of Governments (SCAG) held its regular meeting telephonically and electronically given public health directives limiting public gatherings due to the threat of COVID-19 and in compliance with the Governor’s recent Executive Order N-29-20. A quorum was present.

Members Present:

Hon. Jorge Marquez, Chair
Hon. Frank Yokoyama, Vice Chair
Hon. Megan Beaman Jacinto
Hon. Wendy Bucknum
Hon. Michael C. Carroll
Hon. Steve De Ruse
Hon. Paula Devine
Hon. Margaret E. Finlay
Hon. Micheal Goodland
Hon. Mark Henderson
Hon. Bill Hodge
Hon. Tim Holmgren
Hon. Peggy Huang
Hon. Cecilia Hupp
Hon. Bill Jahn
Hon. Robert “Bob” Joe
Hon. Kathleen Kelly
Hon. Jed Leano
Hon. Anni Marshall
Hon. Lauren Meister
Hon. Bill Miranda
Hon. John Mirisch

Covina
Cerritos
Coachella
Mission Viejo
Irvine
La Mirada
Glendale
Duarte
Jurupa Valley
Gardena
Calexico
Fillmore

Brea
Big Bear Lake
South Pasadena
Palm Desert
Claremont
Avalon
West Hollywood
Santa Clarita
Beverly Hills

RC District 33
RC District 23
District 66
District 13
District 14
GCCOG
District 42
District 35
WRCOG
District 28
ICTC
District 47
TCA
OCCOG
District 11
AVCJPA
District 2
SGVCOG
GCCOG
WSSCOG
SFVCOG
Pres. Appt., Member-at-Large

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Hon. James Mulvihill	<i>San Bernardino</i>	<i>Pres. Appt., Member at Large</i>
Hon. Steve Nagel	<i>Fountain Valley</i>	<i>District 15</i>
Hon. Kim Nguyen	<i>Garden Grove</i>	District 18
Hon. Trevor O’Neil	<i>Anaheim</i>	District 19
Hon. Sunny Park	<i>Buena Park</i>	OCCOG
Hon. Jim Predmore		ICTC
Hon. Jan Pye	<i>Desert Hot Springs</i>	CVAG
Hon. Rex Richardson	<i>Long Beach</i>	District 29
Hon. Paul Rodriguez	<i>Chino</i>	<i>Pres. Appt., Member-at-Large</i>
Hon. Sonny Santa Ines	<i>Bellflower</i>	GCCOG
Hon. David Shapiro	<i>Calabasas</i>	LVMCOG
Hon. Becky Shevlin	<i>Monrovia</i>	SGVCOG
Hon. Mark Waronek	<i>Lomita</i>	SBCCOG
Hon. Acquanetta Warren	<i>Fontana</i>	SBCTA
Hon. Tony Wu	<i>West Covina</i>	SGVCOG
Hon. Frank Zerunyan	<i>Rolling Hills Estates</i>	SBCCOG

Members Not Present

Hon. Al Austin, II	<i>Long Beach</i>	GCCOG
Hon. David Avila	<i>Yucaipa</i>	SBCTA
Hon. Drew Boyles	<i>El Segundo</i>	District 40
Hon. Juan Carrillo	<i>Palmdale</i>	North L.A. County
Hon. Rose Espinoza	<i>La Habra</i>	OCCOG
Hon. Marisela Magana	<i>Perris</i>	District 69
Hon. Andrew Masiel, Sr.	<i>Tribal Gov’t Regl Planning Rep.</i>	
Hon. Edward Paget	<i>Needles</i>	SBCTA
Hon. Michael Posey	<i>Huntington Beach</i>	OCCOG
Hon. Rita Ramirez	<i>Victorville</i>	District 65
Hon. Lyn Semeta	<i>Huntington Beach</i>	District 64

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

The Honorable Jorge Marquez, called the meeting to order at 9:01 a.m. and asked Councilmember Jed Leano, Claremont, SGVCOG to lead in the Pledge of Allegiance.

PUBLIC COMMENT PERIOD

Chair Marquez opened the public comment period and reminded the public to submit comments via email to CEHDPublicComment@scag.ca.gov.

Ma'Ayn Johnson, SCAG staff, commented that there were two public comments received after the 5pm deadline. Chair Marquez asked that public comments be heard at the specific time item is discussed.

Chair Marquez closed the public comment period.

REVIEW AND PRIORITIZE AGENDA ITEM/S

There were no reprioritizations made.

ACTION/DISCUSSION ITEMS

1. Subregional Partnership Program Guidelines

Sarah Jepson, Planning Director, provided a brief introduction of the Subregional Partnership Program guidelines that is being forwarded for consideration. Ms. Jepson asked Ma'Ayn Johnson, SCAG staff, to provide an overview of the REAP guidelines.

Ms. Johnson provided background information of the program commenting that the Subregional Partnership Program will provide project funding through subregions and is intended to benefit all jurisdictions through these projects. She noted that \$47 million is a one-time funding grant through SCAG's share of the state's Regional Early Action Program (REAP), designed to help cities, counties and regions address the critical housing shortage across California.

Ms. Johnson focused her presentation on the REAP Partnership and Outreach programs, which included discussions on some of the guidance listed below:

- \$23 million was set aside for the REAP Subregional Partnership Program;
- Subregional Partners and its eligible activities, including the eligibility for strategy and operation plans of the regional housing trust fund;
- The Ineligible Activities of the REAP program;
- The Application Process and Assessment Criteria due by September 30th with final applications due December 1, 2020. Deadlines will be posted online;
- The Overview of the Subregional Partnership Program Timelines

Ms. Johnson noted that the first date for subregions to file applications is Sept. 17, that applications are due by Dec. 1, 2020, and that SCAG will review all applications to determine eligibility and assess alignment with regional priorities.

Ms. Johnson responded to the comments and questions expressed by the Committee members, including questions regarding HCD guidelines, the housing trusts' allowance for eligible operational and administrative cost; and questions regarding the basis or formula used to estimate the Sub-allocations.

Ms. Johnson clarified that the funding allocated for each subregional partner will be based on the final RHNA allocation. She also clarified that per the published REAP notice of funding availability (NOFA), operational costs were ineligible for REAP funding. However, there are a number of eligible activities that a regional housing trust fund could get funding for as long as it is an eligible activity, such as creating a strategy or business plan. Ms. Johnson added that eligible activities cannot start work prior to the approval of program guidelines in order to ensure that funded projects meet the approved guidelines and minimize a risk of audit or repayment of expended funds.

The complete report with the PowerPoint presentation was included in the agenda packet.

After discussions and additional comments made, Chair Marquez asked for a motion on the item.

A MOTION was made by President Rex Richardson and SECONDED by Vice-Chair Frank Yokoyama to approve staff's recommendation.

Hon. Trevor O'Neil requested an amendment to the original motion, stating, "to backdate project eligibility to October 1, 2019 and provide clarifying language that operational activities of housing trust are eligible expenses."

After clarification of the amendment process by Board Counsel Ruben Duran and the comment from President Richardson to add to his original motion for staff to work with RC members to resolve the outstanding issues, a roll call vote was requested on the substitute motion.

A Substitute MOTION was made (O'Neil) amending staff's recommendation to include, "to backdate project eligibility to October 1, 2019 and provide clarifying language that operational activities of housing trust are eligible expenses." Motion was SECONDED (Huang) and failed by the following roll call votes:

AYES: BUCKNUM, CARROLL, DE RUSE, GOODLAND, HOLMGREN, HUANG, HUPP, MIRANDA, MIRISCH, NAGEL, O'NEIL, PARK, (12)

NOES: BEAMAN JACINTO, DEVINE, FINLAY, HENDERSON, JAHN, JOE, KELLY, LEANO, MARQUEZ, MARSHALL, MULVIHILL, NGUYEN, PREDMORE, PYE, RICHARDSON, SANTA INES, SHAPIRO, SHEVLIN, WARONEK, WARREN, WU, YOKOYAMA AND ZERUNYAN (23).

ABSTAIN: (0).

A MOTION was made (Richardson) to Recommend that the Regional Council approve the Subregional Partnership Program Guidelines, with an amendment to include that SCAG staff work with RC members to find an alternate path to resolve the eligible operational expenses and project dating eligibility concerns; and, authorize the SCAG Executive Director or his designee to enter into agreements with the designated subregional partners under this Program, as applicable. Motion was SECONDED (Yokoyama) and passed by the following roll call votes:

AYES: BEAMAN JACINTO, BUCKNUM, CARROLL, DE RUSE, DEVINE, FINLAY, GOODLAND, HENDERSON, HOLMGREN, HUPP, JAHN, JOE, KELLY, LEANO, MARQUEZ, MIRANDA, MIRISCH, MULVIHILL, NGUYEN, O'NEIL, PARK, PREDMORE, PYE, RICHARDSON, RODRIGUEZ, SANTA INES, SHAPIRO, SHEVLIN, WARONEK, WARREN, WU, YOKOYAMA AND ZERUNYAN (33).

NOES: HUANG, NAGEL (2).

ABSTAIN: (0).

INFORMATION ITEMS

2. Housing Production Study

Jason Greenspan, SCAG staff, introduced Richard France, Principal, Estolano Associates, who provided a presentation outlining the initial findings from the Regional Housing Production Study. Mr. France' update focused on the advancement of housing production, strengthening resident protections and prioritizing affordable housing preservation.

Chair Marquez thanked Mr. France for his presentation.

The complete report with the PowerPoint presentation was included in the agenda packet.

CONSENT CALENDAR

Approval Item

3. Minutes of the July 2, 2020 Meeting

Receive and File

4. California Climate Investments (CCI) 2020 Update
 5. Draft Regional housing Needs Assessment (RHNA) Allocations
 6. Final Connect SoCal Technical Refinements and PEIR Addendum
 7. 2020/2021 Sustainable Communities Program Guidelines – Active Transportation & Safety Call for Applications
-

Ma'Ayn Johnson, SCAG staff, read the public comments into the record. Public Comments were received from the following: Michael Hughes, President—Hills For Everyone, Support for Connect SoCal plan; Kevin C. Shin, Sr. Director, Los Angeles County Bicycle Coalition-Support for Connect SoCal plan; Eugene D. Seroka, Exec. Director, Port of Los Angeles, Support of the Connect SoCal plan

Chair Marquez pulled Agenda Items No. 5 and 6 for further discussion. Discussion ensued. Hon. Peggy Huang, Hon. John Mirisch and Hon. Trevor O'Neil expressed opposition and concerns related to HCD's \$1.3+ million RHNA allocation for Southern California, as well as concerns regarding the selected stakeholders who participate; also concerns regarding Connect SoCal's pre- and post-COVID-19 forecasts. Consensus supported policies that would lead to affordable housing and the advantages of remote work to bridge the gap.

Kome Ajise, Executive Director, responded to the questions and concerns regarding the HCD allocation and the pre- and post-COVID-19 Connect SoCal housing refinement and regional challenges. He noted that SCAG must adhere to the state mandates and that HCD has the ultimate determination. Mr. Ajise commented that SCAG may take another look at the post-COVID-19 trends in 18-24 months.

A MOTION was made (Shapiro) to approve the Consent Calendar. Motion was SECONDED (Jahn) and passed by the following roll call votes:

AYES: BEAMAN JACINTO, DE RUSE, DEVINE, FINLAY, GOODLAND, HENDERSON, HOLMGREN, HUANG, HUPP, JAHN, JOE, KELLY, MARQUEZ, MIRANDA, MULVIHILL, NAGEL, O'NEIL, PARK, PREDMORE, PYE, RICHARDSON, RODRIGUEZ, SANTA INES, SHAPIRO, SHEVLIN, WARONEK, WARREN, WU, YOKOYAMA AND ZERUNYAN (30).

NOES: MEISTER, MIRISCH (2).

ABSTAIN: (0).

CHAIR'S REPORT

In the essence of time, the Chair's report was not given.

STAFF REPORT

There was no staff report given.



FUTURE AGENDA ITEMS

There were no future agenda items requested.

ADJOURNMENT

There being no further business, Chair Marquez adjourned the CEHD Committee meeting at 10:34 a.m.

Respectfully submitted by:

Carmen Summers
Community, Economic and Human Development Committee Clerk

[MINUTES ARE UNOFFICIAL UNTIL APPROVED BY THE CEHD COMMITTEE]

//

CEHD Members

2020-2021

MEMBERS	CITY	Representing	2020-2021												Total Mtgs Attended To Date	
			JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY		
Austin, Al	Long Beach	GCCOG														0
Avila, David	Yucaipa	SBCTA														0
Beaman Jacinto, Megan	Coachella	District 66		1			1									2
Boyles, Drew	El Segundo	District 40														0
Bucknum, Wendy	Mission Viejo	District 13		1			1									2
Carrillo, Juan	Palmdale	North LA County														0
Carroll, Michael, C.	Irvine	District 14					1									1
DeRuse, Steve	La Mirada	District 31		1			1									2
Devine, Paula	Glendale	District 42		1			1									2
Espinoza, Rose	La Habra	OCCOG		1												1
Finlay, Margaret	Duarte	District 35		1			1									2
Goodland, Micheal	Jurupa Valley	WRCOG		1			1									2
Henderson, Mark	Gardena	District 28		1			1									2
Hodge, Bill	Calexico	ICTC					1									1
Holmgren, Tim	Fillmore	District 47		1			1									2
Huang, Peggy	Yorba Linda	TCA		1			1									2
Hupp, Cecilia	Brea	OCCOG		1			1									2
Jahn, Bill	Big Bear Lake	District 11		1			1									2
Joe, Robert	So. Pasadena	AVCJPA		1			1									2
Kelly, Kathleen	Palm Desert	District 2		1			1									2
Leano, Jed	Claremont	SGVCOG		1			1									2
Magana, Marisela	Perris	District 69														0
Marquez, Jorge, CHAIR	Covina	District 33		1			1									2
Marshall, Anni	Avalon	GCCOG					1									1
Masiel, Andrew		Tribal Govt Regl Planning Rep.		1												1
Meister, Lauren	West Hollywood	WSCCOG		1			1									2
Miranda, Bill	Santa Clarita	SFVCOG		1			1									2
Mirisch, John	Beverly Hills	President's Appointment		1			1									2
Mulvihill, James	San Bernardino	President's Appointment		1			1									2
Nagel, Steve	Fountain Valley	District 15					1									1
Nguyen, Kim	Garden Grove	District 18		1			1									2
O'Neil, Trevor	Anaheim	District 19		1			1									2
Paget, Ed	Needles	SBCTA														0
Park, Sunny	Buena Park	OCCOG		1			1									2
Posey, Michael	Huntington Beach	OCCOG														0
Predmore, Jim		ICTC					1									1
Pye, Jan	Desert Hot Springs	CVAG		1			1									2
Ramirez, Rita	Victorville	District 65		1												1
Richardson, Rex	Long Beach	District 29		1			1									2
Rodriguez, Paul	Chino	President's Appointment		1			1									2
Santa Ines, Sonny	Bellflower	District 24					1									1
Semeta, Lyn	Huntington Beach	District 64		1												1
Shapiro, David	Calabasas	LVMCOG					1									1
Shevlin, Becky	Monrovia	SGVCOG					1									1
Waronek, Mark	Lomita	SBCCOG		1			1									2
Warren, Acquanetta	Fontana	SBCTA		1			1									2
Wu, Tony	West Covina	SGVCOG		1			1									2
Yokoyama, Frank	Cerritos	District 23		1			1									2
Zerunyan, Frank	Rolling Hills Estates	SBCCOG		1			1									2

Attachment: CEHD 090320 Attendance (Minutes of the September 3, 2020 Meeting)



Southern California Association of Governments
Remote Participation Only
October 1, 2020

To: Community
Economic & Human Development Committee (CEHD)
Transportation Committee (TC)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Scott Strolecki, Senior Regional Planner,
(213) 236-1893, strelecki@scag.ca.gov

Subject: Selections from Broadband Opportunity Review Project

RECOMMENDED ACTION FOR TC:

Information Only – No Action Required

RECOMMENDED ACTION FOR CEHD:

Receive and File

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians. 2: Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

EXECUTIVE SUMMARY:

Freight flow efficiency continues to be a key focal point for the SCAG region, especially as new technologies including zero-emission and near zero-emission (ZE/NZE) vehicles and equipment, and autonomous and connected vehicles (AV/CV) increasingly are being tested and commercially deployed, with near-term integration into freight operations for various industries on the horizon. The kinds of infrastructure and connectivity required for these technologies continues to be an important consideration in order to support and enable widescale adoption.

To support regional freight flow efficiencies, SCAG’s systemwide goods movement strategies have consistently incorporated emerging technologies in addition to capital infrastructure improvements with the most recent trends and information being incorporated into Connect SoCal. In particular, the East West Freight Corridor (EWFC) Project examined the potential financial and delivery strategies targeting potential for ZE/NZE and other technologies to improve regional air quality and the efficient movement of goods.

In late 2019, the EWFC Project expanded the assessment of potential strategies to include broadband opportunities across the SCAG region, with a specific focus on major freight corridor facilities and infrastructure. This work has been timely in light of impacts from the COVID-19

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pandemic and subsequent stay-at-home orders driving increases for telecommuting, online job searching, remote learning, telemedicine, remote services and online shopping—consequently revealing the breadth of the digital divide.

Representatives from Ernst & Young will present their preliminary findings to the Committee focused on addressing the following key topical areas:

- *Broadband demand drivers and locations;*
- *Type of wireline broadband available to homes;*
- *Competitive landscape;*
- *Quality of cellular wireless service;*
- *Core Internet infrastructure within the SCAG service area;*
- *Attractiveness of areas to telecommunication firms for deploying infrastructure; and*
- *Implications of commercial findings and strategies to support broadband initiatives that could facilitate greater affordability and access.*

BACKGROUND:

The SCAG region has two critical elements which impact freight flow efficiency. First, the region is home to a large population which drives an abundance of freight activity to meet local consumption. Second, the region serves national demand as well, and is home to the largest seaport complex in North America and ninth largest in the world, and other major air cargo and railroad facilities, including supporting highway networks, warehouse, distribution, fulfillment and other transportation and logistics services.

To support regional freight flow efficiencies, SCAG's systemwide goods movement strategies have consistently incorporated emerging technologies in addition to capital infrastructure improvements with the most recent trends and information being incorporated into Connect SoCal. In particular, the EWFC Project examined potential financial and delivery strategies targeting the potential for ZE/NZE and other technologies to improve regional air quality and the efficient movement of goods.

In late 2019, the EWFC Project expanded the assessment of potential strategies to include broadband opportunities across the SCAG region, with a specific focus on major freight corridor facilities and infrastructure. The pivot to assessing broadband within the EWFC Project and more broadly across the SCAG region focused on leveraging the financial strategy work to date, including some options for public private partnerships and asset monetization. The current study highlights the distinction between broadband infrastructure and supply, customer demand, and the competitive landscape of service providers. In order to frame broadband opportunities, the assessment considers the dynamics between consumers and service providers to uncover possible gaps, and then scrutinizes the investment viability through both capital costs of required infrastructure along major corridors, as well as the expected annual return on investment, leading to initial levels of prospective areas.

In identifying the opportunities for broadband deployment in the region, the technical analysis can serve as a foundational assessment of affordability and access considerations as well. Though internet usage and broadband availability are at all-time highs, there has been much discussion of late on the digital divide and its challenges—the breadth of which has been revealed as a result of impacts from the COVID-19 pandemic and subsequent stay-at-home orders. Key findings from this study suggests that even in the densest parts of the region, there is a lack of competition that allows cost to rise, often resulting in affordability and accessibility issues. Although more information and analysis are needed on where broadband household access gaps exist, the work to date serves as a technical foundation for understanding broadband supply and demand as well as opportunities for investments and public private partnerships.

SCAG’s work with Ernst & Young through the EWFC Project sets a foundational step in identifying broadband investment issues and opportunities at the corridor level, including characteristics for counties and cities. Upcoming SCAG work with the Inland Empire Regional Broadband Consortium is anticipated to complement these efforts, demonstrating the benefits of broadband planning, including broadband infrastructure in Caltrans’s “dig once” policy.

FISCAL IMPACT:

Work associated with this item is included in the FY 2020-21 Overall Work Program (OWP) budget under project number 21-130.0162.13, Southern California P3 Financial Capacity Analysis and Business Case Development.

ATTACHMENT(S):

1. PowerPoint Presentation - Selections from Broadband Opportunity Review Project



DRAFT

Emerging Technology Presentation

Selections from Broadband Opportunity Review Project

October 1, 2020

Project Objectives and Key Activities

DRAFT

The Southern California Association of Governments (“SCAG”) is performing a broadband market assessment for the 6 county service area

Project Background

- SCAG is in the process of guiding regional policy and supporting members to enable and maximize the benefits of current and future broadband applications, while also minimizing required public investment and disruption to other initiatives.
- This report intends establish SCAG’s effort by providing 1 a baseline perspectives on the state of broadband in the SCAG area, 2 broadband investment opportunities, and 3 deployment strategy deployment.

Key Project Questions

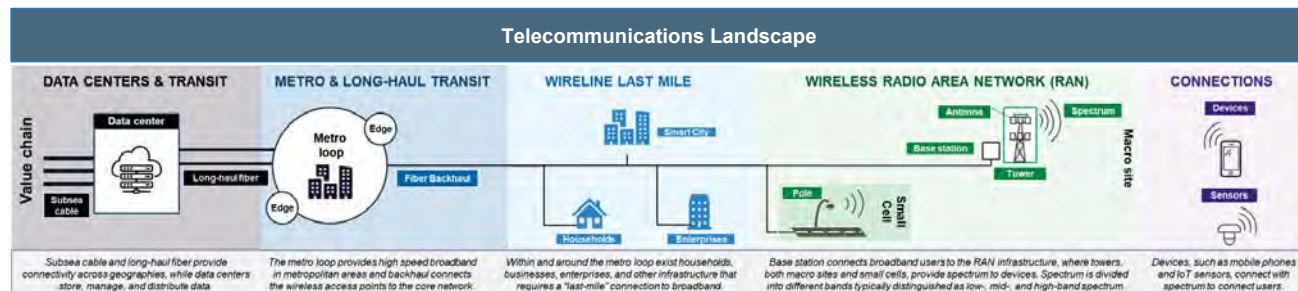
- ▶ Where are **broadband demand centers** located, and what drives demand in these areas?
- ▶ What **types of wireline broadband are available to homes** across various SCAG members?
- ▶ How much **customer choice** of providers is available for wireline home broadband?
- ▶ What is the general **quality of cellular wireless service** across carriers and SCAG geography?
- ▶ What core internet infrastructure exists and where is it located within SCAG’s service area?
- ▶ What areas, may be **attractive to telecommunication firms** for deploying various types of infrastructure?
- ▶ How attractive are these areas and why?
- ▶ What are the **implications of the commercial findings**, and what strategies should be explored to **support broadband initiatives**?
- ▶ What **other considerations** should be kept in mind as SCAG and its members plan a path forward?

Attachment: PowerPoint Presentation - Selections from Broadband Opportunity Review Project 2spp (Selections from Broadband Opportunity

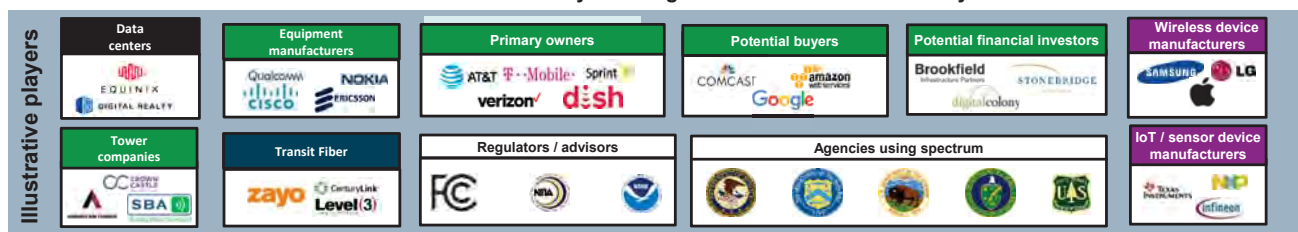
Telecommunication Landscape

The telecom space is diverse, with significant subsegment interdependencies required to enable BB networks

ILLUSTRATIVE



Stakeholders directly affecting the telecommunication ecosystem



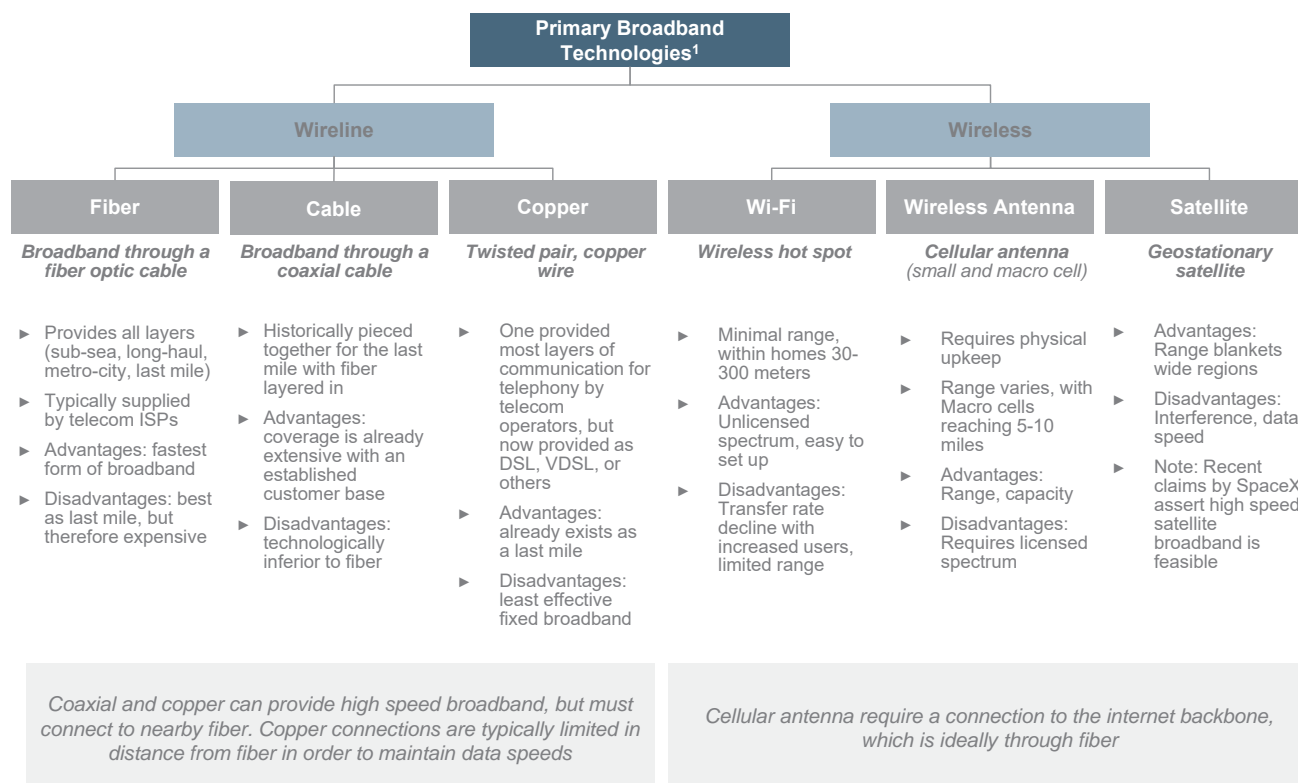
The telecommunications landscape continues to evolve as technology improves, demand evolves, new use cases are developed

Notes: Telecommunications in this context refers primarily to infrastructure
Sources: NTIA, Company websites, SCAG team analysis

Market Technologies

Fiber is a key enabler of improved service across networks for numerous technology types

ILLUSTRATIVE

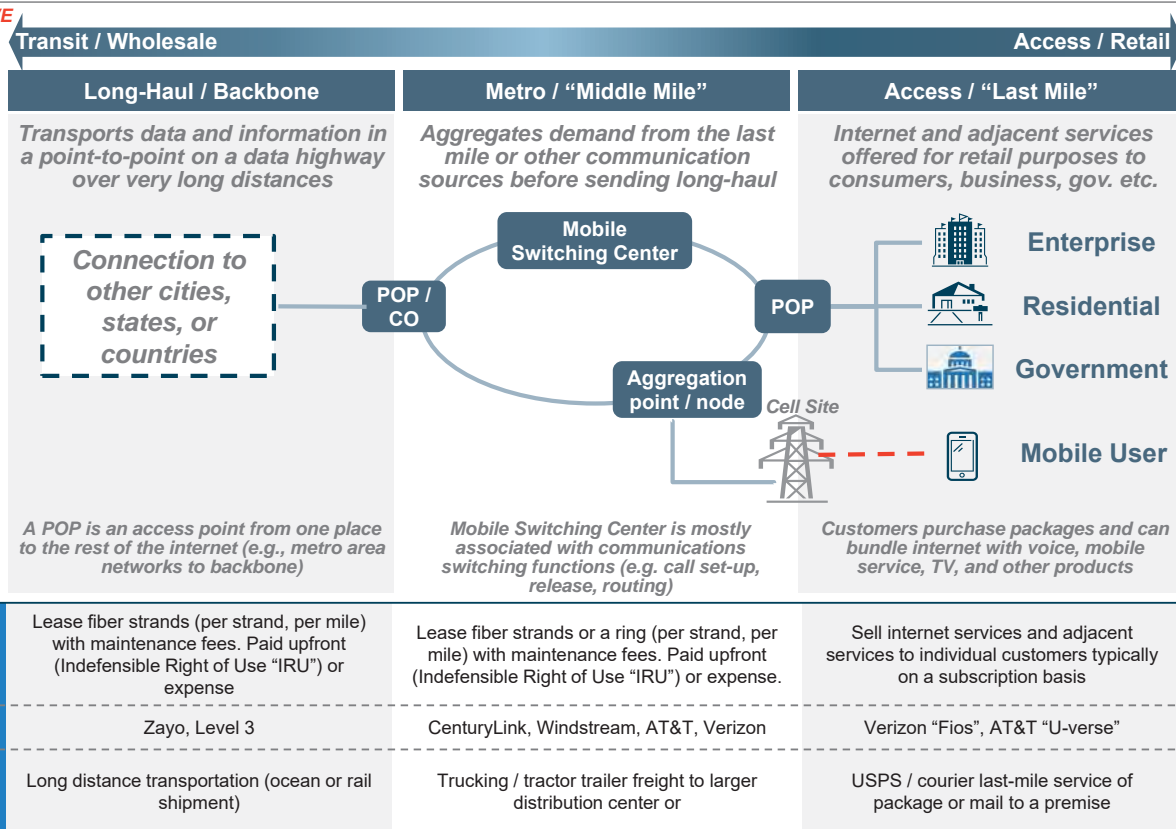


Notes: Speeds continue to improve on the same physical infrastructure through technological advancements; does not include fixed wireless
Sources: IDC Worldwide Blackbook 3rd Platform Addition, IDC Outlook for 5G¹ Stepwise Development and Commercialization, Credit Suisse

Wireline Overview

Broadband networks consist of long-haul, middle-mile, and last-mile, each with varied functions and business models

ILLUSTRATIVE



Note: Point of presence = "POP"

Source: Market Research Fiber to the Home: Capital Costs and Viability of Verizon's FIOS

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Wireline Customer Sets

Wireline customers are highly varied, but all are increasing their demand for fiber

ILLUSTRATIVE

Customer Type	Demand	Providers
Consumer	Households with a fiber connection (or DSL/Cable that use fiber backbone) now require a high speed data connection	<ul style="list-style-type: none"> Incumbent local exchange carriers ("ILEC") and most competing local exchange carriers ("CLEC") providing fiber to the X ("FTTX")
Office/Home Office and Small/Medium Sized Enterprises	Companies with up to 250 FTEs with a fiber connection (or DSL/Cable that use fiber backbone) require high speed data to operate	<ul style="list-style-type: none"> ILECs or CLECs providing FTTX
Corporate Enterprises	Companies with up to 250 FTEs with a fiber connection (or DSL/Cable that use fiber backbone) require high speed data to operate and some have a dedicated fiber line.	<ul style="list-style-type: none"> ILECs or CLECs providing FTTX Providers or resellers of dark fiber
Government, Public, Other Sites	Local authorities and public institutions (e.g. libraries, schools hospitals) with a fiber connection (or DSL/Cable that use fiber backbone) in increasingly required	<ul style="list-style-type: none"> ILECs, CLECs, other middle mile internet service provider ("ISP") with ethernet, dark fiber or other solutions
Datacenters / Web-hosts	Datacenters providing cloud and hosting services typically use fiber to address their broadband network needs and often leverage a dedicated fiber line.	<ul style="list-style-type: none"> Typically a CLEC, middle mile ISP, or long-haul provider able to offer a dedicated line
Large Telco Operators	Operators provide B2B/B2C services and offer direct to the customer, resell to the customer, or connect their network. The demand is to handle trunk traffic.	<ul style="list-style-type: none"> Typically a CLEC, with middle mile / long haul off-net offerings
Wireless and Tower Operators	Mobile operators often use or pay for access to fiber backhaul to transport wireless derived data.	<ul style="list-style-type: none"> ILECs and CLECs transport to the control center through backhaul (often fiber)

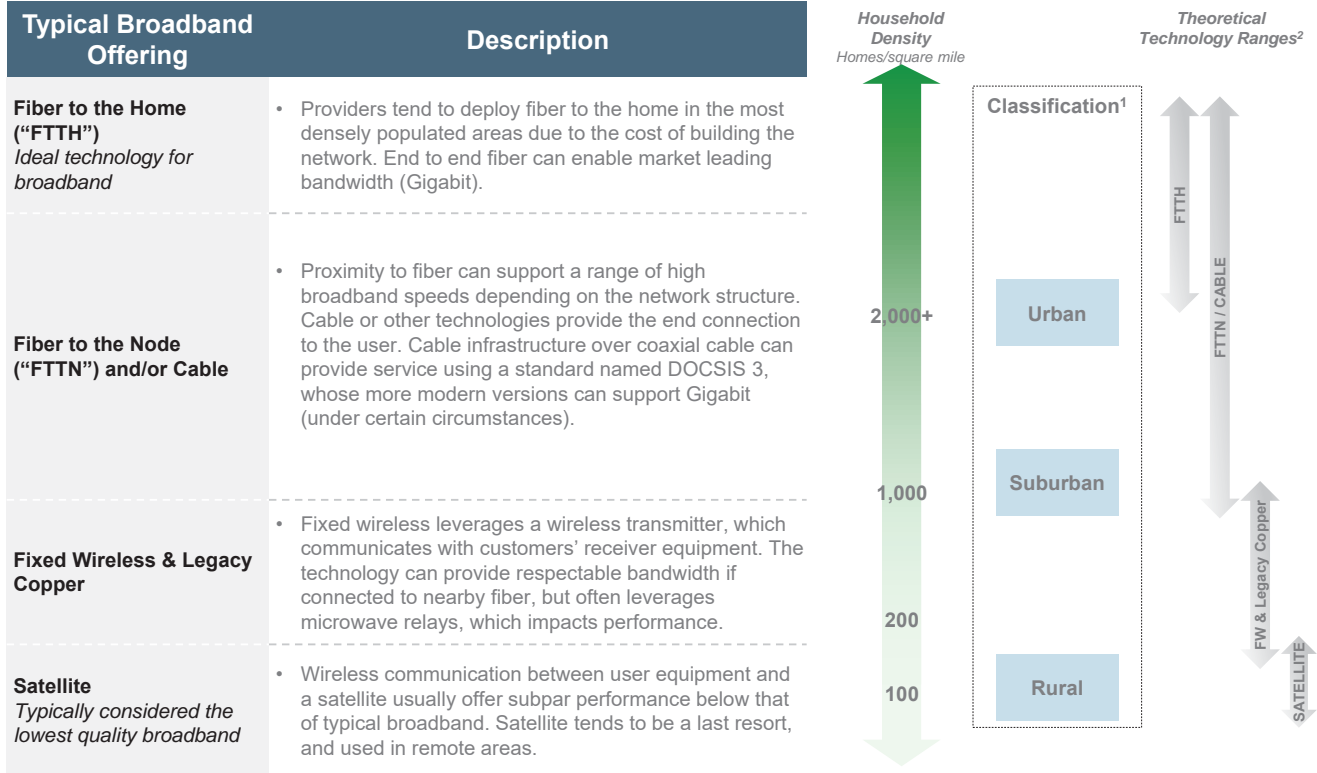
Sources: Pew Research, Vertical Systems Group

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Wireline Availability Drivers

BB availability is typically driven by user density and the average cost to build per household or business passed

ILLUSTRATIVE

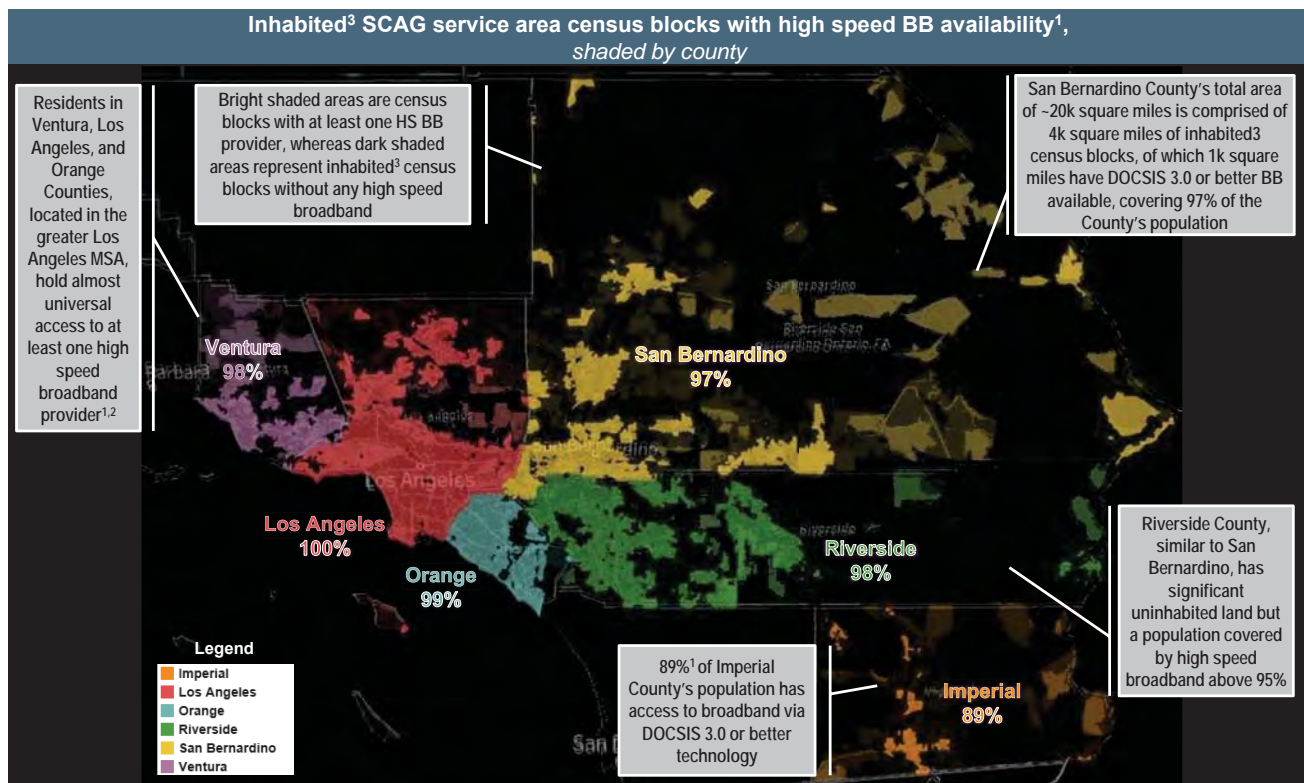


Notes: 1) Official classifications lack formal definitions. FiveThirtyEight survey definition is Rural = >100 households per square mile, Sub-urban = ~100-2000 households per square mile, and Urban = +2,000 households per square mile. 2) Cost/household passed or connected and customer lifetime value would also be considered

Sources: FiveThirtyEight, US Census, US Department of Agriculture, Statista, S&P Market Intelligence

Executive Summary: SCAG Baseline – Last Mile Consumer Broadband

The majority of the SCAG service area population reportedly has availability of at least one high speed broadband provider^{1,2} in the last mile access network



Notes: 1) Availability based on company reported data to FCC on offerings by census block 2) High speed BB referenced here based on technology offering and may not always translate to user experience of high speeds 3) Population >=1

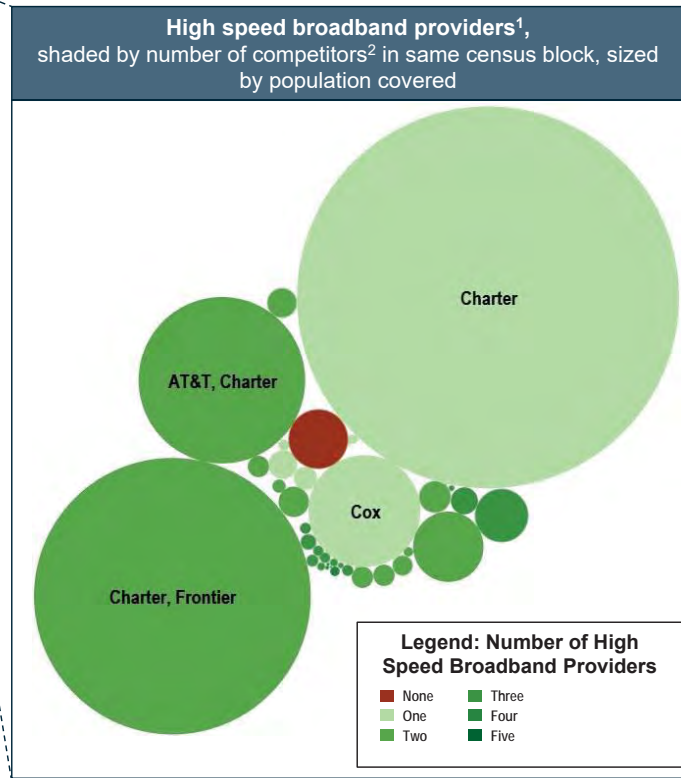
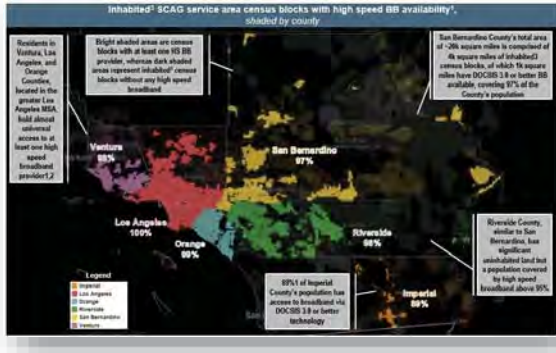
Sources: US Census, FCC, Market Research, SCAG, SCAG team analysis

Executive Summary: SCAG Baseline – Last Mile Consumer Broadband

Despite having at least one provider, low competitive intensity suggest that the broadband quality is likely poor

DRAFT

Attachment: PowerPoint Presentation - Selections from Broadband Opportunity Review Project 2spp (Selections from Broadband Opportunity



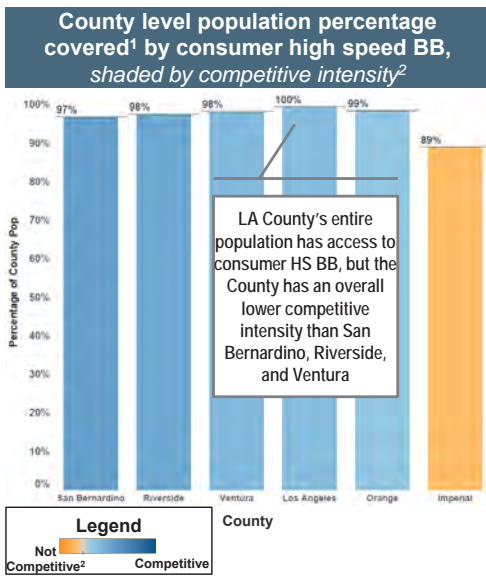
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Sources: US Census, FCC, Market Research, SCAG, SCAG team analysis

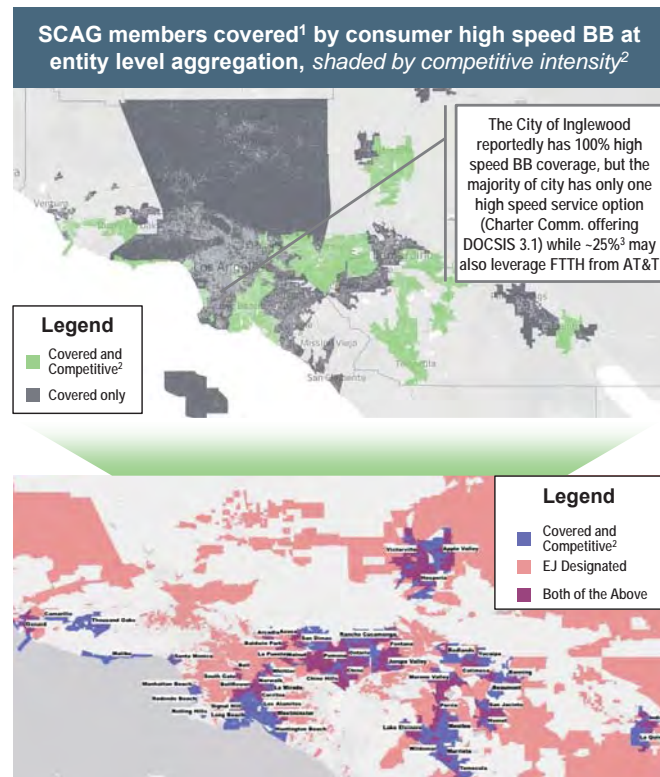
Supply: Competitive Intensity & Consumer Choice

Competitive intensity, evaluated primarily by breadth of customer choice, enables further differentiation

DRAFT



Of those covered by high speed BB only a subset benefit from provider competition



- ▶ San Bernardino County appears to experience more intense competition due to the presence of multiple providers in a handful of cities, particularly Ontario, Upland, and Rancho Cucamonga
- ▶ Imperial County's demand center around El Centro sits far from urban areas, impacting BB availability and competitive intensity

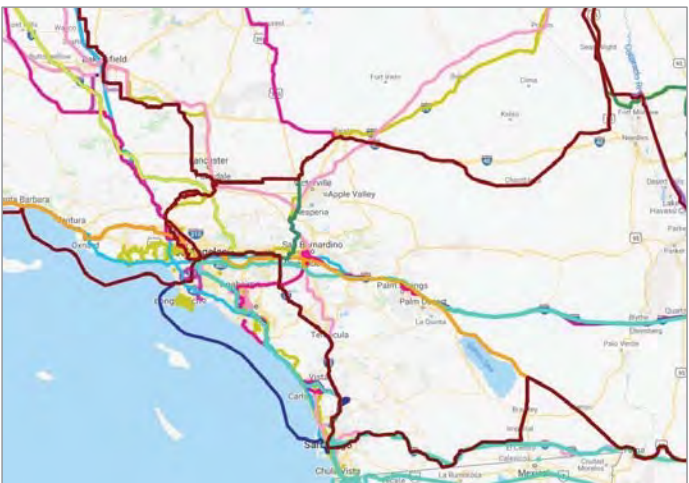

Notes: 1) Availability based on company reported data to FCC on offerings by census block 2) Competitive intensity based on score driven by number of providers by broadband technology offering by census block, aggregated to city or county level; score cutoff for competitive intensity is 1.6; 3) An additional ~50% of Inglewood pop also has AT&T VDSL offering, which may provide HS BB, made more likely by AT&T's nearby offering of FTTH

Sources: US Census, FCC, Market Research, SCAG, SCAG team analysis

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Packet Pg. 24

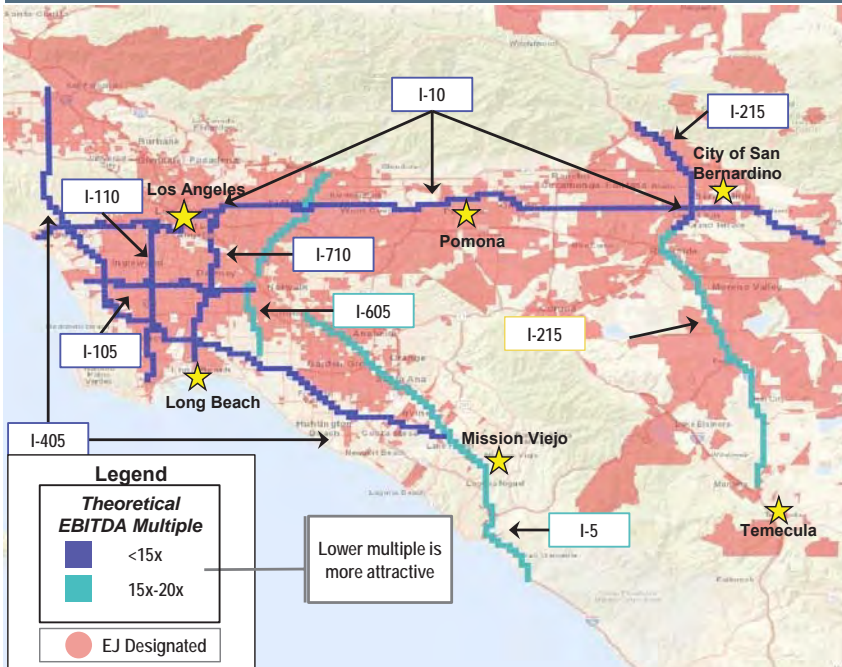
Long haul and middle-mile fiber provide the infrastructure that enables both the access networks for consumers and SCAG infrastructure connectivity

Long Haul Fiber	Middle-Mile Fiber
	 <p>Crown Castle shaded black</p>
<ul style="list-style-type: none"> ▶ Major fiber providers such as AT&T, CenturyLink, Level 3, Sprint, Windstream and Zayo have long-haul networks running alongside major interstates connecting the region such as I-5, I-15, I-10, I-8, I-40. ▶ Smaller players also have long-haul network assets in the service area. 	<ul style="list-style-type: none"> ▶ Outside of Los Angeles, San Bernardino and Irvine cities, middle-mile fiber presence in the rest of Riverside, San Bernardino and Imperial counties is relatively sparse ▶ Crown Castle has a very dense middle-mile network in the LA and San Bernardino region

Notes: Review of fiber located on interstate RoW is preliminary and not exhaustive
 Source: Fiberlocator, Market Research, SCAG, SCAG team analysis

Executive Summary: SCAG Opportunities Commercially attractive segments may encourage a private sector build for middle-mile fiber, a key enabler of high speed access broadband

Interstates in SCAG Service Area split by county, shaded by theoretical run rate EBITDA multiple



Segments that may be viable without public subsidy
 (Investment to anticipated EBITDA run rate multiple <15x)

County	Interstate Name	CapEx/Run Rate EBITDA (Idealized Multiple)	Total CapEx Per Mile
Los Angeles	I-10	13	\$1.6M
	I-105	11	\$1.6M
	I-110	13	\$1.6M
	I-405	14	\$1.6M
	I-710	12	\$1.6M
San Bernardino	I-10	8	\$0.4M
	I-215	9	\$0.4M
Grand Total		12	\$1.3M

Segments that may be viable with public subsidy
 (Investment to anticipated EBITDA run rate multiple 15x-20x)

County	Interstate Name	CapEx/Run Rate EBITDA (Idealized Multiple)	Total CapEx Per Mile
Los Angeles	I-605	19	\$1.6M
Orange	I-5	18	\$1.6M
	I-405	15	\$1.6M
Riverside	I-215	17	\$0.3M
Grand Total		17	\$1.3M

Notes: Miles referenced are a simplified estimation of route miles based on assumption of rd.. length of 1 km ≈ .6 miles for every mgrs grid square; results of analysis have not yet been finalized and delivered
 Sources: US Census, FHWA, FCC, Fiberlocator, OpencellID, CPUC, SCAG, Caltrans, Market Research, ITU, SCAG team analysis

Target Metric

A run rate EBITDA multiple of 15x¹ serves as a cutoff filter to provide preliminary views on RoW commercial viability

ILLUSTRATIVE

Commentary

- ▶ There is data available for a handful of deals for purchase of fiber routes announced around 2016 and 2017¹
- ▶ Deal prices can be viewed through the lens of a forward year cash flow multiple, meaning that a buyer values a fiber route mile to be worth a certain number of years of future cashflows²
- ▶ Of 10-15 deals reviewed³ two were valued at a multiple of 15, six valued at a multiple between 10-14, and four below 10

▶ After incorporating simplifying assumptions, the above multiple can be used as a directional cutoff to identify RoW that may be commercially attractive based on a segment build cost equal to **15x run rate EBITDA**^{4,5}

Illustrative Example

Metric	Caltrans District α	Caltrans District β
Estimated Wireline Capital Cost	\$1,500k per mile	\$300k per mile
Cutoff Multiple	15x	15x
Minimum EBITDA ^{4,5}	\$100k per mile per year	\$20k per mile per year

Notes: 1) Based on historical fiber deal values combined with simplified modeling assumptions; 2) One deal referenced herein was announced in 2015; 3) This is a simplified interpretation of the CF metric, and doesn't describe all details including assumed inflation, price changes, other value derived from an asset, etc.; 4) Only minimal information was available on the transactions, and the deals had a mix of metro and long haul fiber; 5) EBITDA is used as a directional proxy for cash-flow, and uses simplified assumption of no ramp period, for customer acquisition, construction, etc.; 6) The small cell lease direct contribution to financials is included in EBITDA based on the observation that it has a far less meaningful impact than wireline; Caltrans districts blinded

Sources: S&P Market Intelligence, Caltrans, Market Research, SCAG team analysis



Southern California Association of Governments
Remote Participation Only
October 1, 2020

To: Community
Economic & Human Development Committee (CEHD)
Transportation Committee (TC)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Philip Law, Manager of Mobility Planning and Management,
(213) 236-1841, LAW@scag.ca.gov

Subject: Future of the Office After COVID-19

RECOMMENDED ACTION FOR CEHD AND TC:

Information Only – No Action Required

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians.

EXECUTIVE SUMMARY:

Ms. Amber Schiada, Senior Director of Research and Insight at JLL, will provide the committee with a macro level overview of the future of the office, including a discussion of the cyclical and secular (ie. persisting over a long period) drivers of demand for office space, and the potential long-term impacts from the COVID-19 pandemic. Ms. Schiada specializes in real estate economics, industry trends and real estate forecasting and leads all research initiatives for JLL's U.S. High-Tech Practice Group.

BACKGROUND:

As reported in the September 3, 2020 staff report to the Joint Policy Committees and Regional Council on emerging issues and trends, it is estimated that 35.2 percent of workers who were employed in early March switched to working at home by the first week of April.¹ To the extent that teleworking levels may remain elevated once the pandemic is contained, this could have a multitude of implications for planning, including reconsidering land use needs (e.g., less demand for office space and repurposing old office space), and transportation (e.g., reduced congestion, VMT and emissions). While it is important to recognize that 63 percent² of jobs cannot be performed entirely from home, the increased participation rates of those who *can* telework may push the

¹ <https://www.nber.org/papers/w27344.pdf>

² https://bfi.uchicago.edu/wp-content/uploads/BFI_White-Paper_Dingel_Neiman_3.2020.pdf

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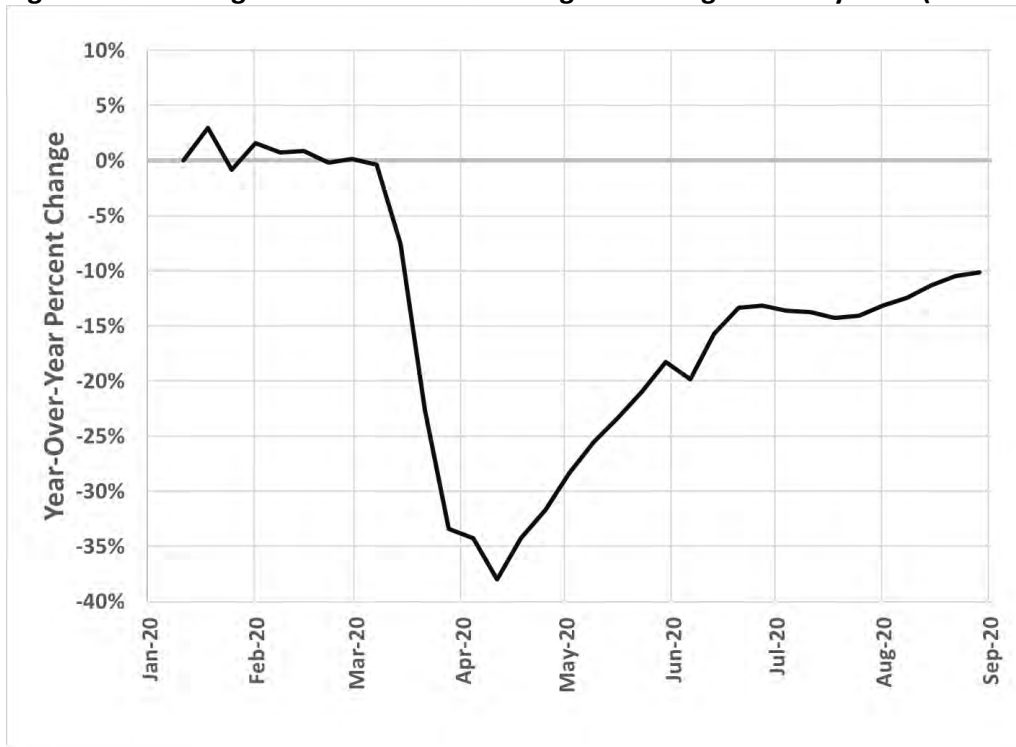
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digitalization of our economies and society even further and potentially alter our transportation and land use needs.

Data showing increases in vehicle miles traveled (VMT), however, should be cause for some concern in this regard. Despite double-digit unemployment rates, restrictions in place for what businesses can reopen, and most schools closed for in-person instruction, by August 2020, VMT was nearing pre-pandemic levels³. See Figure 1 below.

Figure 1. SCAG Region Year-Over-Year Change in Average Freeway VMT (2019 versus 2020)



Source: Caltrans Performance Measurement System (PeMS)

As reported in the September 3 staff report, the question of whether the significantly higher levels of teleworking will persist post-pandemic does not have a clear answer. Some researchers maintain that these higher levels of teleworking are unlikely to persist post-pandemic. They point to past events such as earthquakes and transit stoppages that have not resulted in sustained changes, and they note that there are clear benefits to in-person work, such as face-to-face interactions and communication, and limitations to telework such as home/internal constraints.⁴ Others assert that

³ http://www.scag.ca.gov/Documents/scag-COVID-19-Transportation_Impacts.pdf

⁴ <https://uttri.utoronto.ca/files/2020/06/Mokhtarian-iCity-CATTS-symp-Wkg-from-home-will-it-be-different-thistime.pdf>

this sustained experience (ie., not a short-term event, with a clear beginning and end) is different from past work disruptions and cannot be considered a temporary aberration. They argue that the experience this time has been different because in many organizations, everyone has been required to telework and all employees have strived to figure out how to overcome the challenges.

The answer will likely fall somewhere in between. A Gensler survey of over 2,300 office workers from April 16 to May 4, 2020, found that only 12 percent of workers want to work from home full-time.⁵ Gensler noted that most people want to return to the workplace, but with significant changes to address distancing and concerns over noise and cleaning protocols, and notably, more flexibility and opportunity to work from home than existed prior to the pandemic.

FISCAL IMPACT:

None.

ATTACHMENT(S):

1. PowerPoint Presentation - Future of the Office After COVID-19

⁵ <https://www.gensler.com/research-insight/blog/insights-from-genslers-u-s-work-from-home-survey-2020>

The Future of Office in a Post-Pandemic World

Amber Schiada
Senior Director
JLL Research

Prepared for SCAG
October 1, 2020



Topics

- Economic landscape
- Office trends and the future of work
- Retail disruption accelerates



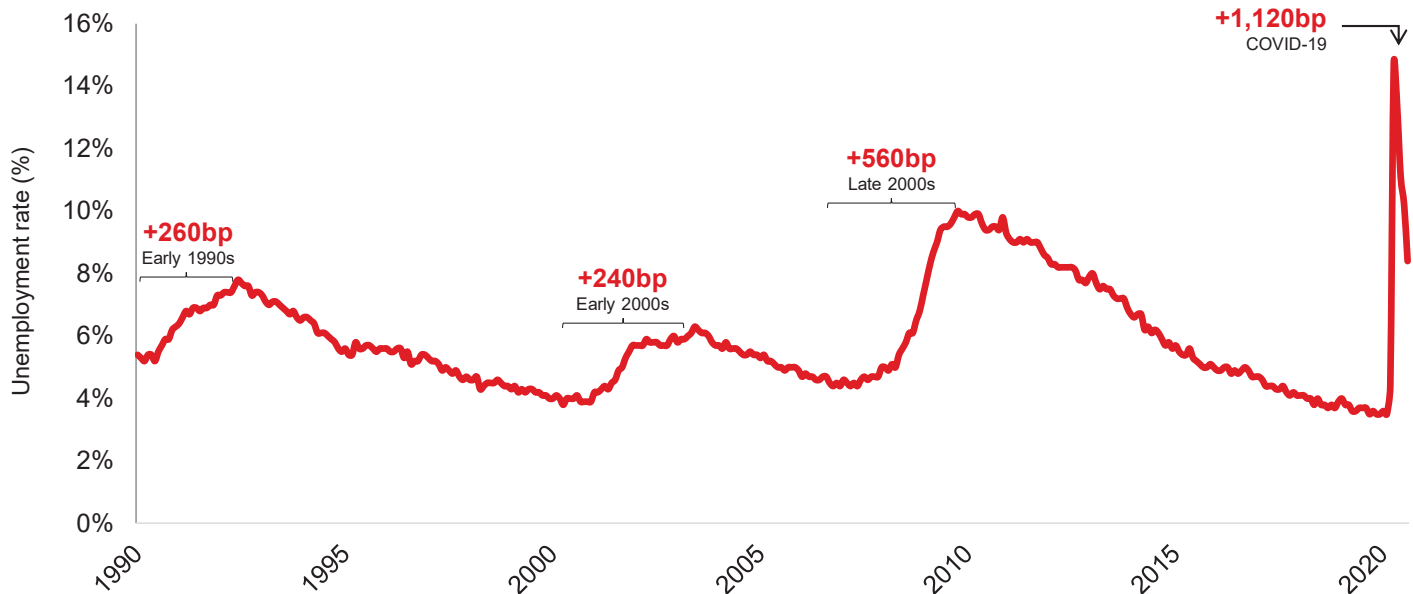
Pandemic containment issues are shifting the labor market trajectory to a check mark rather than a V



Source: JLL Research, Bureau of Labor Statistics, September 2020

3

At 8.4%, U.S. unemployment is back in the single digits for the first time since March

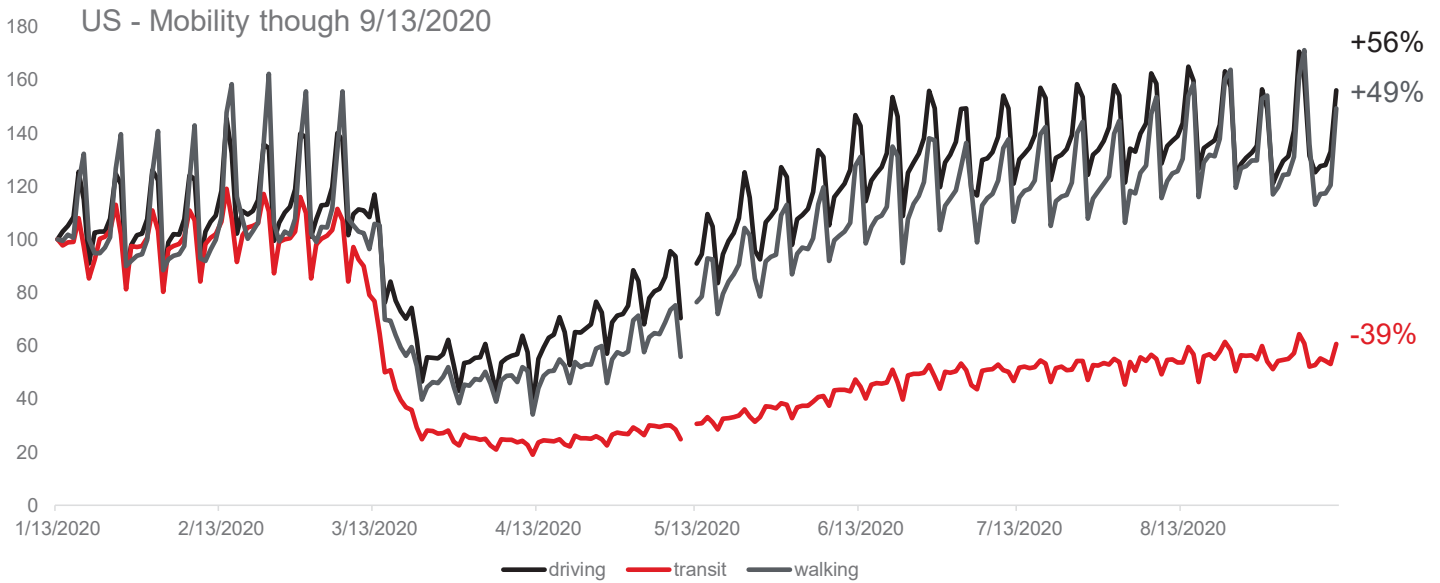


Source: JLL Research, Bureau of Labor Statistics, September 2020

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Attachment: PowerPoint Presentation - Future of the Office After COVID-19

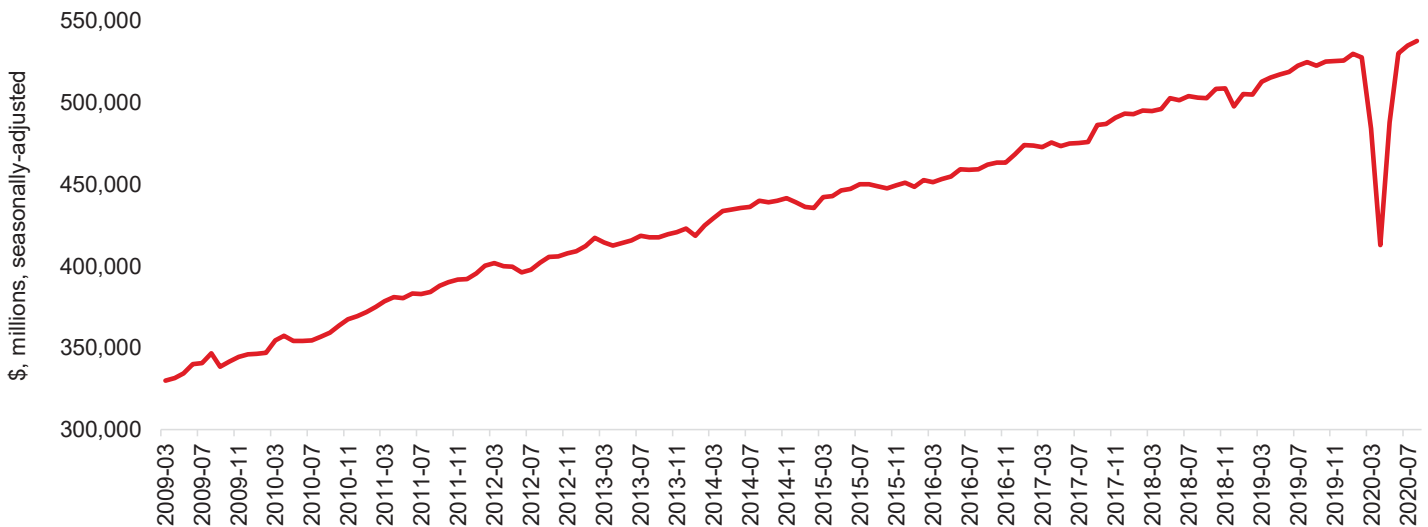
Mobility trends are encouraging, but public transit use lags amid continued work-from-home trends and health concerns



<https://www.apple.com/covid19/mobility>
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5

U.S. retail sales rebound shows the release of pent-up demand Consumers re-engage when they feel safe

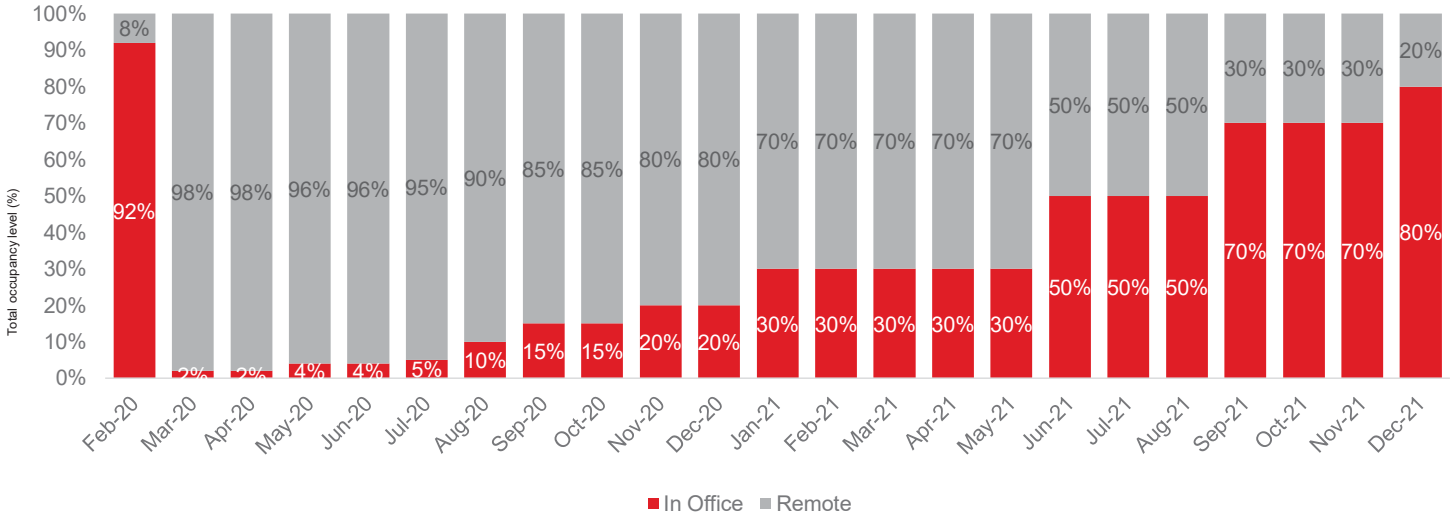


Sources: JLL Research, Census Bureau, August 2020

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Attachment: PowerPoint Presentation - Future of the Office After COVID-19

U.S. office re-entry levels and forecast



Office re-entry is generally expected to be slow and methodical

Source: JLL Strategic Consulting Group

Corporate office re-entry timelines (as of 8/31/2020)

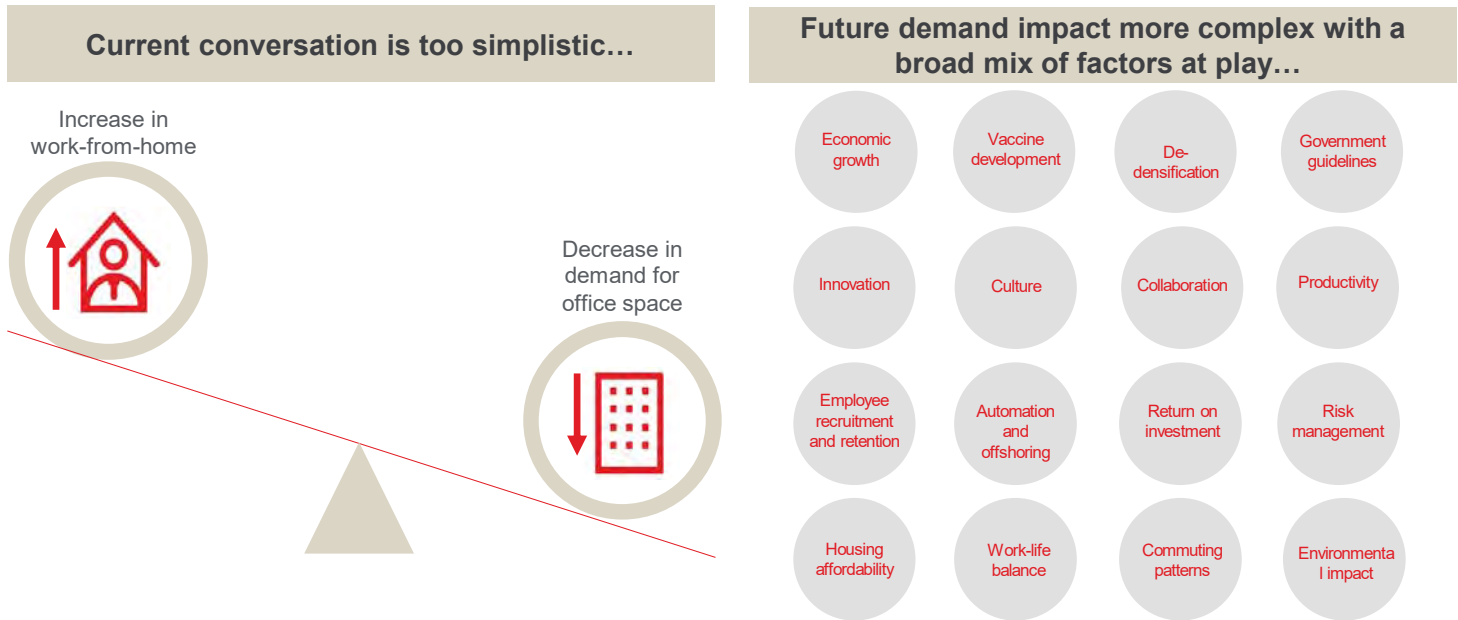


Q3 2020	Q4 2020	Q1 2021	Q2 2021	Indefinitely
<p>Blackstone: Return-to-office plans strongly encourage investment teams to come to the office, unless there's a "valid reason" to remain remote.</p>	<p>Amazon: "employees can come back around October"</p>	<p>Google: "Reopening more offices globally as early as June, but most Google employees would likely work from home until the end of this year."</p>	<p>Facebook: "Announced plans for permanent remote work for up to half of its staff of 45,000 employees."</p>	<p>Walmart: Announced that tech workers, who have been working remotely during the pandemic, don't have to return to the office anytime soon — or potentially, ever.</p>

Companies across sectors are setting different timelines for office re-entry

Attachment: PowerPoint Presentation - Future of the Office After COVID-19

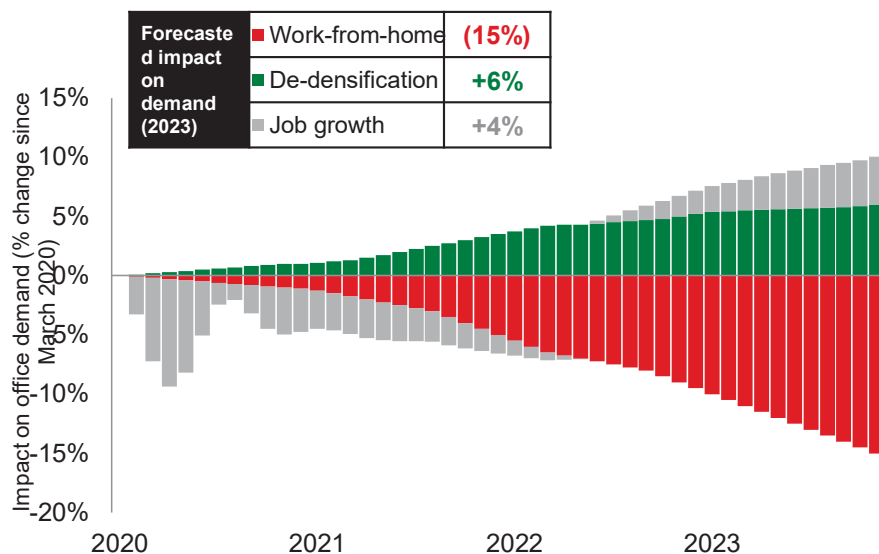
Future office demand will be determined by myriad factors



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9

Structural and cyclical shifts will both contribute to demand over the next three years



- Prior to the pandemic, approximately 10% of office employees worked primarily from home
- We expect the share of white-collar employees working primarily from home will more than double to 25% post pandemic
- We anticipate a rollback of the office densification movement and that some companies will redesign spaces to provide more distancing, as well as incorporate larger collaboration spaces
- Current job losses are concentrated in non-office sectors and economic forecasts project office-occupying job gains beginning in mid-2022





Future job creation and de-densification will counterbalance the impact of expanded work-from-home programs

Source: JLL Research, Bureau of Labor Statistics, Moody's

10

Structural shifts impacting office demand



Theme	Impact
 Work from home	<ul style="list-style-type: none"> • Increase in WFH policies • Enhanced technologies and adoption • More employee flexibility and control
 Space design	<ul style="list-style-type: none"> • De-densification of office space • Rethinking of amenities
 Distributed work	<ul style="list-style-type: none"> • Hub-and-spoke models • Accelerated movement to lower-cost markets • Shifting back-office roles to lower-cost cities
 Urban vs. Suburban	<ul style="list-style-type: none"> • Suburban satellite offices • Urban footprints for talent acquisition

Future office demand will be impacted by a confluence of headwinds and tailwinds

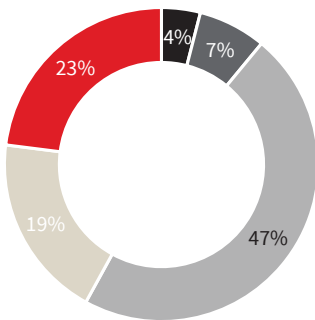
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11

Remote work will expand, but won't decimate office demand



What do your future office space needs look like?



- We will need a lot more space (an increase of more than 20%)
- We will need a little more space (an increase of 20% or less)
- Our company will need the same amount of office space
- We will need a little less space (a reduction of 20% or less)
- We will need a lot less space (a reduction of more than 20%)

47%

Expect to use about the same amount of space post-COVID

23%

Expect to *significantly reduce* the size of their office portfolio

11%

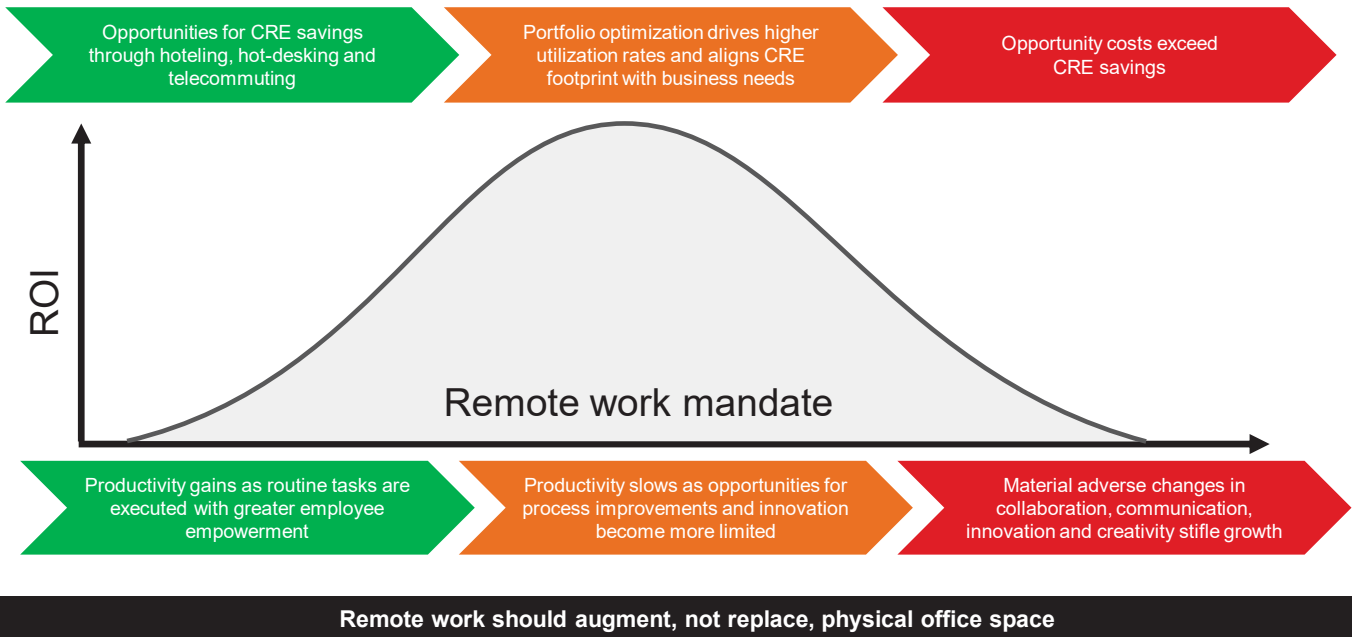
Expect to *expand* their office footprint to accommodate growth and provide greater distancing

Only 23% of companies plan to significantly reduce the size of their office portfolio

Source: JLL Research survey of 98 senior CRE corporate decision makers

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Diminishing returns of work-from-home policies



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Early advocates of WFH have underperformed



THE WALL STREET JOURNAL.

Some Companies Rethink The Telecommuting Trend
At Yahoo, Working from Home Doesn't Work
IBM, a Pioneer of Remote Work, Calls Workers Back to the Office
Big Blue says move will improve collaboration and accelerate the pace of work

IBM YAHOO! xerox hp

20%
10-year return of early advocates of WFH

THE WALL STREET JOURNAL.

Apple's New Headquarters Is a Sign of Tech's Boom, Bravado
Lavish Perks Spawn New Job Category
At Tech Companies, Aim-to-Please Specialists Provide Yoga Classes, Jeff O Shots, 'We're Like Little Elves'

405%
10-year return of NASDAQ-100

Companies that initially championed WFH reversed course after experiencing a quantifiable decline in growth & innovation

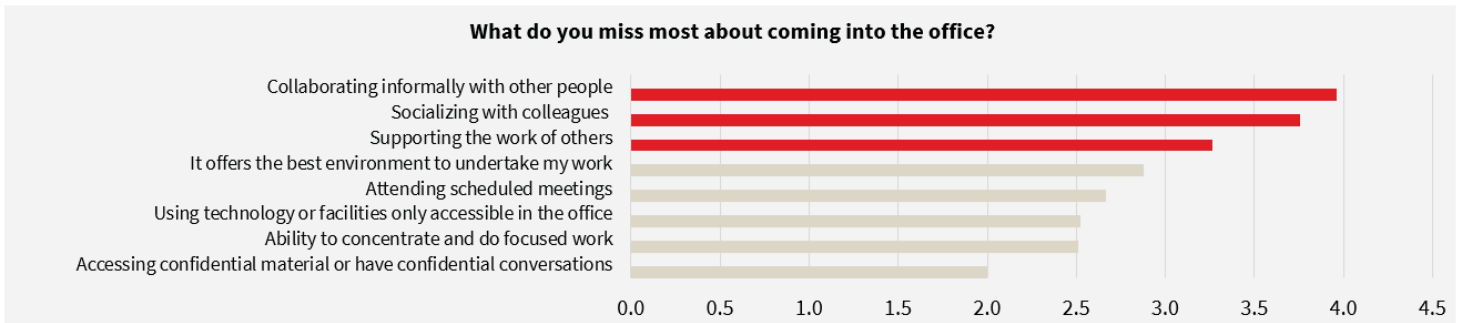
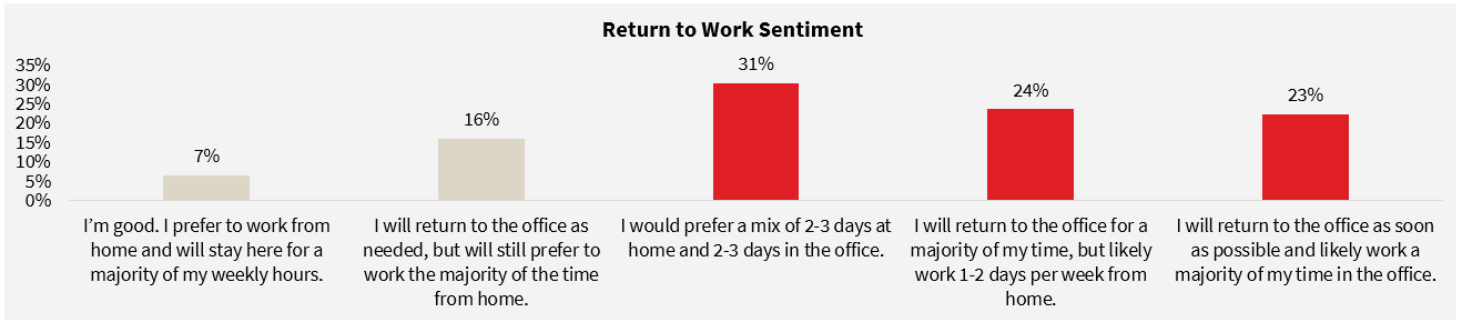
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INTERNAL USE ONLY

Attachment: PowerPoint Presentation - Future of the Office After COVID-19 2 (Future of the Office After COVID-19)

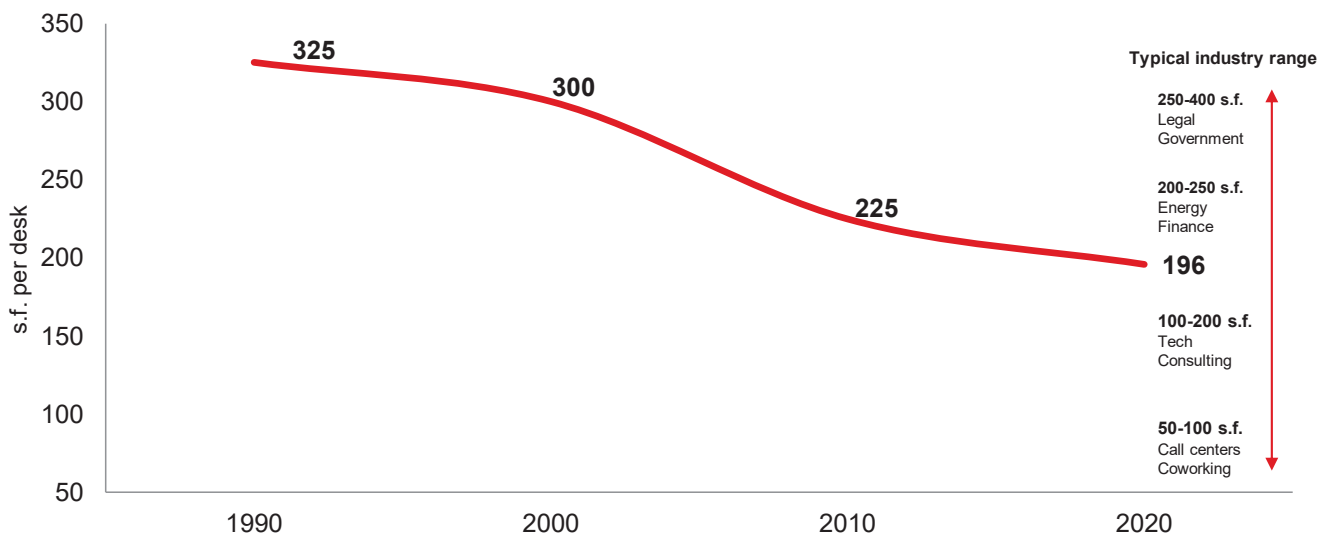
Employee sentiment on remote work highlights potential risks to company culture and collaboration



Source: JLL Workplace Employee Survey. Responses from more than 1,200 employees in 20 industries collected from April to July.

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Seating density has increased 13% over the past decade, but new distancing protocols may reverse this trend

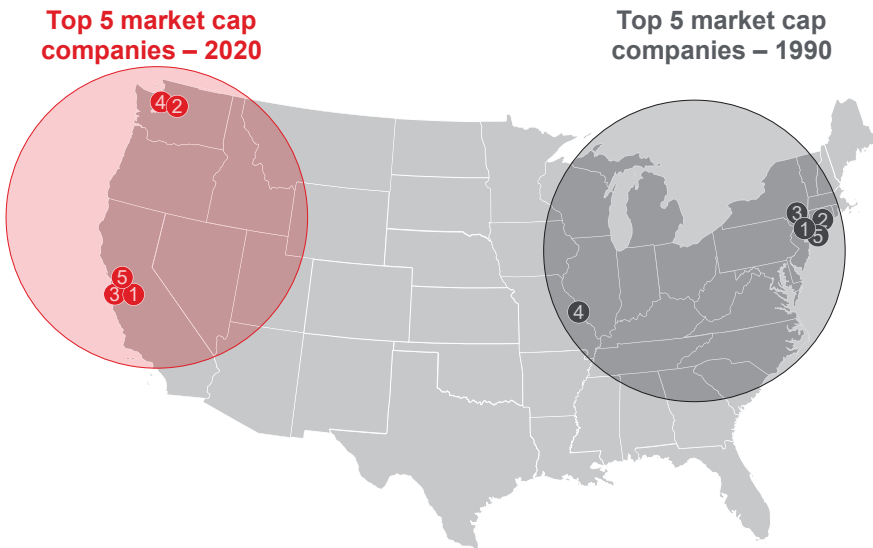


Space redesign may result in more square footage per person

Source: JLL Research

16

The center of the U.S. economy shifted westward over the past 30 years to tech-driven clusters



Rank	Company	HQ location (1990)	Market cap as of 1/1990 (billion USD)
1	Exxon	New York, NY	\$62.6
2	General Electric	Fairfield, CT	\$58.2
3	IBM	Armonk, NY	\$54.5
4	AT&T	St. Louis, MO	\$48.9
5	Philip Morris	New York, NY	\$38.6

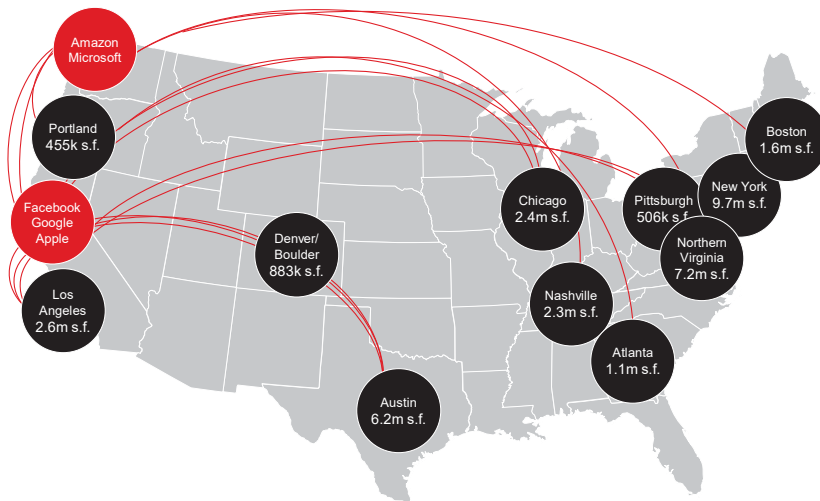
Rank	Company	HQ location (2020)	Market cap as of 1/2020 (billion USD)
1	Apple	Cupertino, CA	\$1,387.5
2	Microsoft	Redmond, WA	\$1,243.9
3	Alphabet	Mountain View, CA	\$986.3
4	Amazon	Seattle, WA	\$940.4
5	Facebook	Menlo Park, CA	\$624.1

Labor scarcity, rising costs and regulatory challenges in West Coast tech hubs have spurred a need for distributed work

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Hub-and-spoke models had already gained significant traction and COVID may accelerate this trend



* Circles represent total market presence by 5 largest tech companies

Distributed work will continue to drive tenant demand across both primary and secondary markets

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Facebook Bets Big on Future of N.Y.C., and Offices, With New Lease

Construction on Amazon HQ2 begins in Northern Virginia

Amazon Inks Massive Operations Center Lease At Nashville Yards

Apple to build new campus in Austin and add jobs across the US

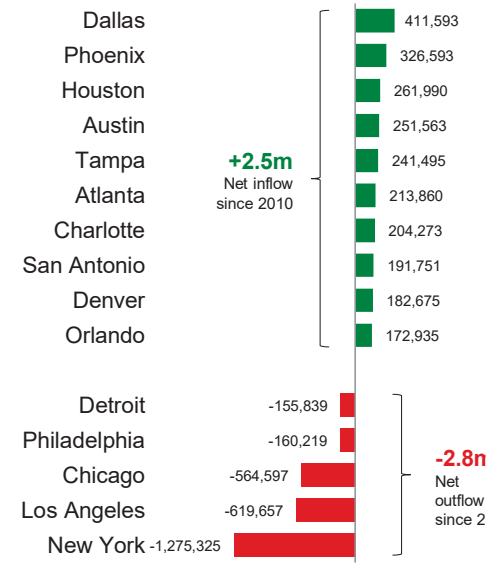
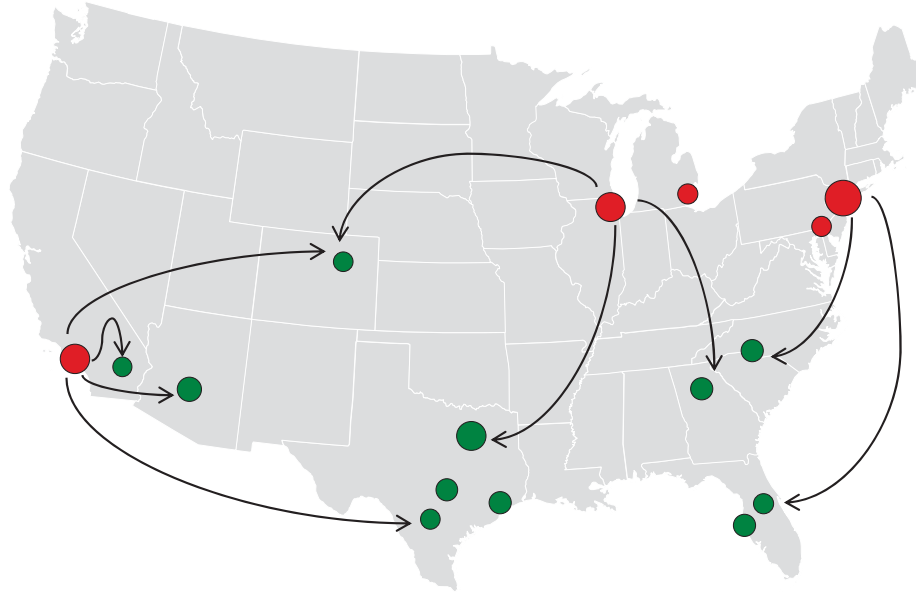
Facebook, Google, Uber and Amazon embrace Manhattan as an East Coast hub

Google eyeing massive Fulton Market expansion

Microsoft expanding in Atlanta, creating 1,500 jobs

Attachment: PowerPoint Presentation - Future of the Office After COVID-19 2 (Future of the Office After COVID-19)

Talent movement to lower-cost geographies may accelerate post-COVID

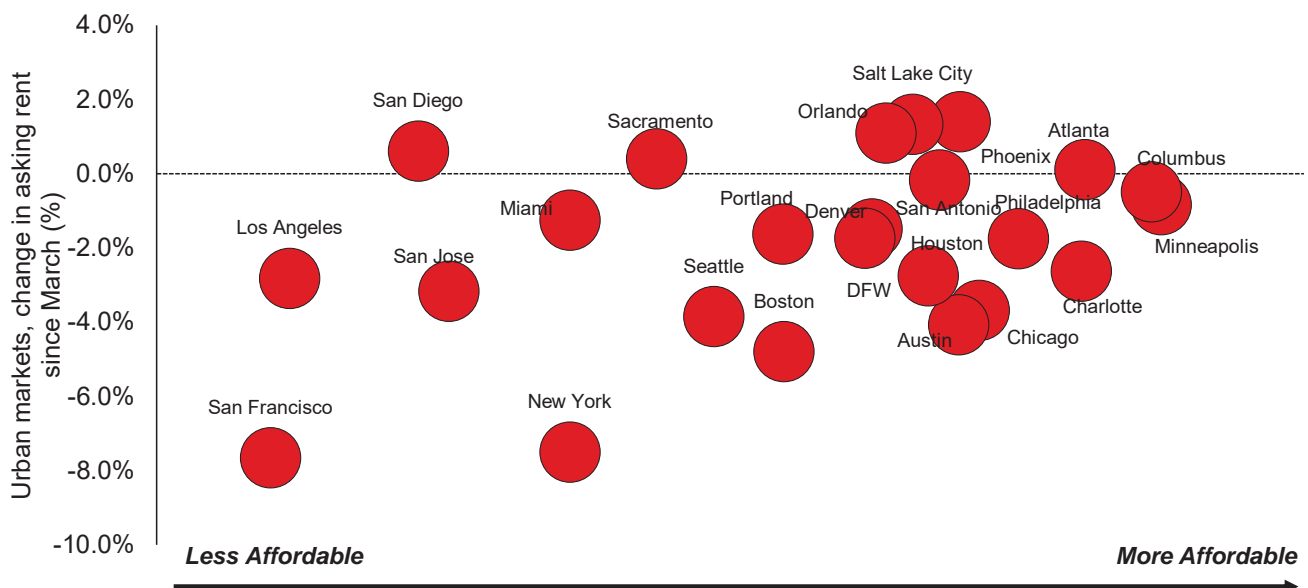


Acceleration of talent movement to lower-cost locales may emerge with more companies adopting work from home policies

Source: JLL Research, U.S. Census Bureau

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Softening of average apartment rents more pronounced in expensive urban markets



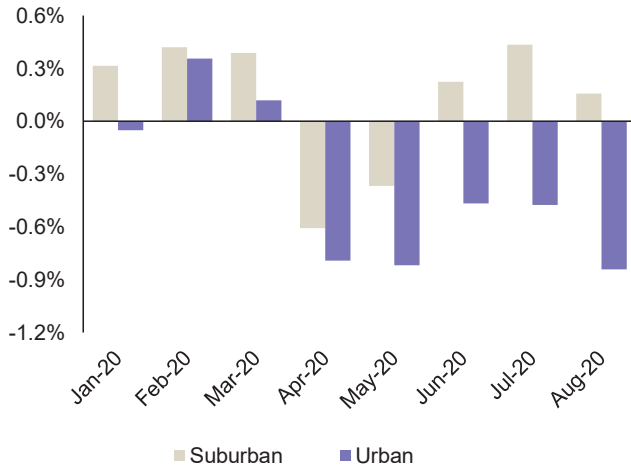
Source: JLL Research, Axiometrics
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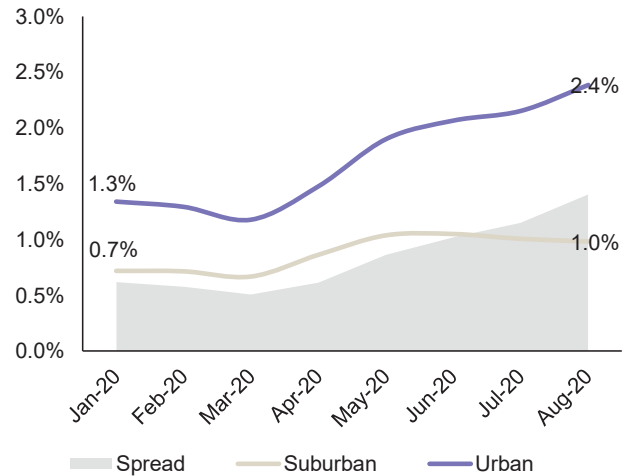
Rent gap between urban and suburban apartments widens during the pandemic



Asking rent growth, month-over-month (%)
Urban vs. Suburban



Concessions as a % of monthly rent (%)
Urban vs. Suburban



Source: JLL Research, Axiometrics
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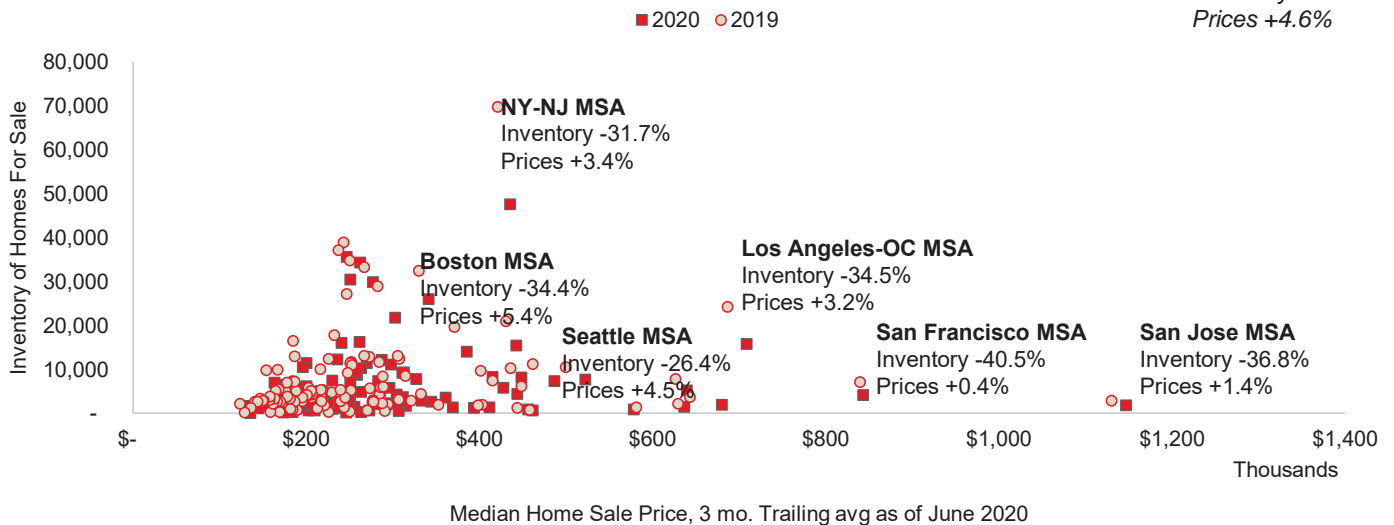
Homebuying maintains a strong clip through the crisis

Inventory is down significantly, and low rates are keeping buyers interested...for now



Median single family sale price versus available homes for sale, June 2020

United States
Inventory -17.7%
Prices +4.6%



Source: JLL Research, Zillow

22

Could more homebuyers seek out the suburbs?

Urbanites working from home may drive this trend further post-COVID



**Click to go to articles*



REAL ESTATE | HOMES

East Coasters Are Snapping Up Vacation Homes Amid Coronavirus

Sales in resort and rural areas are surging as home buyers look for getaways from Covid

U.S.

Suburban Home Prices Are Rising. But So Are Most Urban Home Prices

Median urban home prices were flat from a year earlier, dragged down by weak demand in San Francisco and Manhattan

MONEY

Buying Their First Home During Coronavirus



Markets **Bloomberg**

Manhattan Lags With Suburban Shift Fueling Region's Home Sales

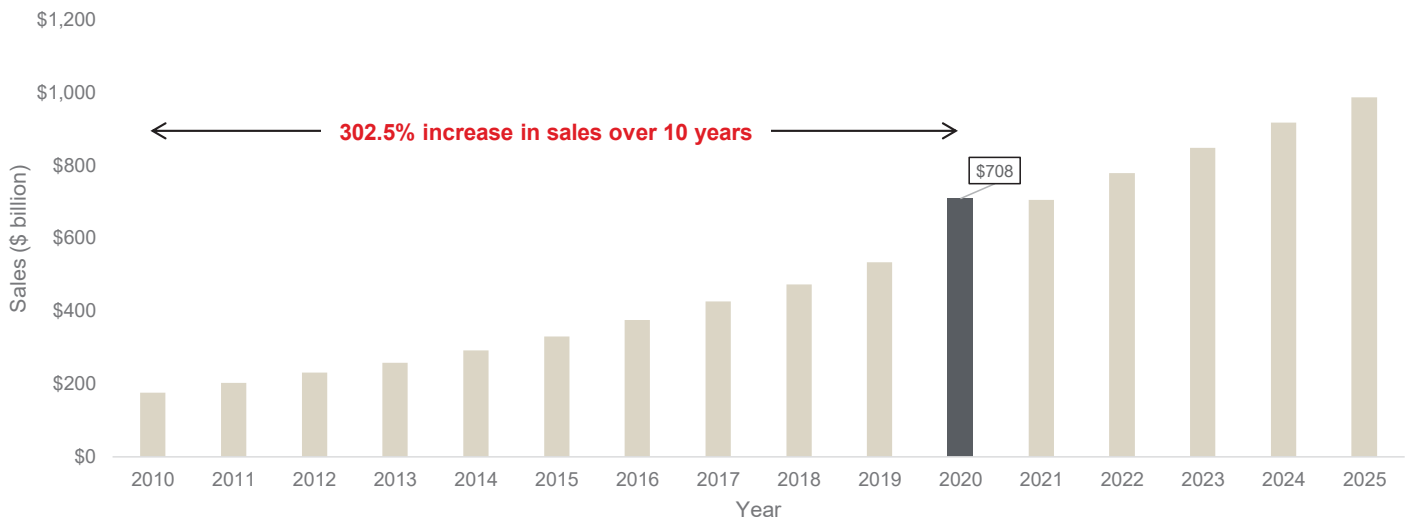
By Qshrat Carmiel
August 5, 2020, 9:01 PM PDT

Source: JLL Research

23

E-commerce sales surge in response to COVID-19

Since 2019 e-commerce sales have increased 32.7 percent and are expected to continue an upward trajectory as consumers adopt new shopping habits



Source: JLL Research, IBISWorld

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Creative supply chain solutions and space conversions



Kroger Co. plans to set up an e-commerce marketplace open to third-party merchants this fall with non-perishable grocery items

JCPenney

J.C. Penney has started to transform under-performing retail properties into fulfillment centers



Walmart converted its retail space into mini distribution hubs to shorten the last mile for customers.



Target converted its retail space into mini distribution hubs to shorten the last mile for customers



Lowe's announced plans to add four additional e-commerce fulfillment centers and seven bulk distribution sites to its portfolio.

Source: JLL Research, U.S. Census Bureau

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COVID-19 will impact each retail sector differently



	Sector	Viewpoint	Real estate impact
Positive	Mass merchandise	Mass merchandisers will benefit from price-sensitive shoppers as economic hardships continue.	Power centers, freestanding retail
	Grocery	Grocery saw unprecedented demand at the start of the pandemic but demand has begun to return to pre-COVID levels and should remain constant.	Neighborhood centers
	Home improvement	More time at home means consumers will continue with home projects.	Power centers
	Pharmacies & drugstores	Pharmacies and drugstores are essential businesses that have continued operations during the pandemic and demand for their services will continue.	Neighborhood and community centers, freestanding retail
Neutral	Sporting goods & outdoor	Outdoor stores have a steadier outlook as people return to outdoor (socially-distant) activities. Sporting goods stores rely on student teams and will rebound when schools and team sports resume.	Power centers and freestanding retail; some operate in malls
	Consumer electronics	Telecommuting and home-schooling has caused a demand for consumer electronics.	All property types
	Cosmetics & beauty	Salons and cosmetics supply retailers will see dramatically reduced sales in the first half of the year but will rebound as people return to work and social gatherings resume.	All property types
	Home décor & furniture	Budget-conscious consumers will be less likely to purchase big-ticket items like furniture, especially without an in-store experience.	Power centers, malls, freestanding retail
	Dining	Quick-service-restaurants have done well as they are more adept at takeout, delivery and drive-thru. Casual and fine dining will continue to struggle with reduced capacity restrictions.	All property types
Negative	Fitness	Social distancing will significantly reduce gym and studio capacity and consumers are likely to cancel costly gym and studio memberships during a recession.	All property types
	Entertainment & theaters	When movie theaters reopen, social distancing and a lack of new content will significantly hinder the sectors rebound. Demand for entertainment concepts will return, albeit slowly.	All property types
	Apparel & accessories	Cash-strapped consumers will flock to discount and value apparel, while mid-priced apparel will suffer.	Malls, power centers
	Department stores	High-end and value-oriented department stores will more quickly find a footing, while mid-priced department stores will struggle.	Malls

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Attachment: PowerPoint Presentation - Future of the Office After COVID-19

Final thoughts...



1. *The pandemic will dictate all*
2. *Offices will be just as relevant, but new choices regarding location and function will drive demand*
3. *New online habits push retail disruption further along*

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For more information:

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Southern California Association of Governments
Remote Participation Only
October 1, 2020

To: Energy & Environment Committee (EEC)
Transportation Committee (TC)
Community, Economic and Human Development Committee (CEHD)
Regional Council (RC)

EXECUTIVE DIRECTOR'S
APPROVAL

From: John Cho, Senior Regional Planner,
(213) 236-1847, choj@scag.ca.gov

Subject: Updates on Regional Data Platform (RDP)

RECOMMENDED ACTION FOR CEHD:

For Information Only – No Action Required

RECOMMENDED ACTION FOR EEC, TC AND RC:

Receive and File

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians. 3: Be the foremost data information hub for the region.

EXECUTIVE SUMMARY:

The Regional Data Platform (RDP) will provide an online tool for SCAG and local jurisdictions to access data necessary for local general plan development and general decision making by monitoring transportation, land development trends, housing and economic growth, and sustainability conditions. Since the RDP project kick-off in May 2020, SCAG and Esri staff have been working collaboratively to move the project forward in terms of project management, tool prototyping, data orchestration, licensing, outreach, and system architecture. SCAG staff will provide an overview of the RDP and how it will be beneficial to local jurisdictions.

BACKGROUND:

The RDP will provide an online tool for SCAG and local jurisdictions to access data necessary for local general plan development and general decision making by monitoring transportation, land development trends, housing and economic growth, and sustainability conditions. The RDP will also feature a data-driven collaboration hub for local jurisdictions to engage with stakeholders for individual projects, such as local and regional land use planning, active transportation planning, greenhouse gas reduction strategies and development impact assessments.

OUR MISSION

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

OUR VISION

Southern California's Catalyst for a Brighter Future

OUR CORE VALUES

Be Open | Lead by Example | Make an Impact | Be Courageous

The RDP goals will serve local jurisdictions, other partner agencies, and the general public in southern California to:

- Foster collaboration between SCAG, local jurisdictions, stakeholders, the general public, and local communities by making data used for decision-making more transparent and broadly available;
- Support planning for sustainable growth by assessing the local and regional impacts of land use and transportation choices by benchmarking likely outcomes to regional performance metrics (to be informed by SCAG's regional transportation and sustainable communities planning processes);
- Serve as a primary regional data resource to support regional and local planning, and provide forward-thinking dashboards and innovative tools to end-users to improve and enhance workflows;
- Provide an integrated system for data collection through web-based data services (i.e. data in the cloud), automated update processes, standardized and efficient regional data management, and robust data governance structures; and
- Promote partnerships (e.g., with local governments, regional agencies, state and federal agencies, private firms, and universities and international organizations), to establish long term collaborative data sharing practices for regionally significant planning activities in Southern California, with the aim of promoting a common vision, shared goals, and mutual benefits.

PROJECT'S BENEFITS & KEY DELIVERABLES:

The project's benefits and key deliverables include, but are not limited to:

- The RDP will provide an online tool for SCAG and local jurisdictions to access data necessary for local general plan development and general decision making by monitoring transportation, land development trends, housing and economic growth, and sustainability conditions; and
- It will also feature a data-driven collaboration hub for local jurisdictions to engage with stakeholders for individual projects, such as local and regional land use planning, active transportation planning, greenhouse gas reduction strategies, and development impact assessments.

FISCAL IMPACT:

Work associated with this item is included in the current Fiscal Year 2020.21 Overall Work Program (The Regional Data Platform: 280-4832.01, 280-4832.02, and 280-4832.03).

ATTACHMENT(S):

1. PowerPoint Presentation - Regional Data Platform

Regional Data Platform

Past, Current, and Future Milestones

RDP Core Team

Javier Aguilar, Guy Copes, Hao Cheng, Jonathan Holt, and Tom Vo

Committee of Community Economic and Human Development, October 2020

www.scag.ca.gov



Overview

- 1) Regional Data Platform (RDP) Introduction
- 2) Schedule and Progress
- 3) Local Jurisdictions Outreach
- 4) General Plan Update Pilots
- 5) RDP Prototypes
- 6) Expected Benefits
- 7) Conclusion

RDP Introduction

- Why RDP?
 - Most jurisdictions in the SCAG Region have not updated their General Plans since 2004
- What are the current challenges?
 - Local jurisdictions
 - Limited resources and in-house tools
 - SCAG
 - Needs reliable local data for accurate regional forecasting and planning
- What are the RDP goals?
 - Facilitate better planning among SCAG member agencies by providing modern tools and best practices to assist with General Plan Updates
 - Streamline the process of collecting and integrating data from member agencies so SCAG can do better regional planning

A Platform for a Smarter Region

The SCAG Regional Data Platform

- A robust system of systems for regional data sharing and collaboration
- Provides long range planning tools to all member agencies
- Facilitates better planning at all levels



Regional Data Platform Schedule

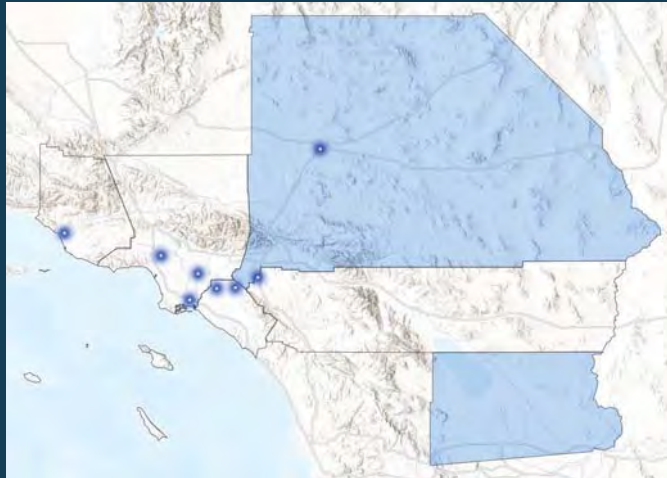


Project Status

Major Project Tracks	Status
Project Coordination	On Track
SCAG Staff Outreach	Slightly Behind → <i>Redistribution of planned on-site meetings and topics due to COVID-19</i>
Local Jurisdiction Outreach	Slightly Behind → <i>Redistribution of planned on-site meetings and topics due to COVID-19</i>
Long Range Planning Tool Development	On Track
System Training	On Track

Local Jurisdictions Outreach

- List of 10 based on mutually developed selection criteria
- Letter and criteria survey sent to 20 candidates on June 26
- Survey results helped narrow down the selection to 10 jurisdictions to participate in outreach interviews

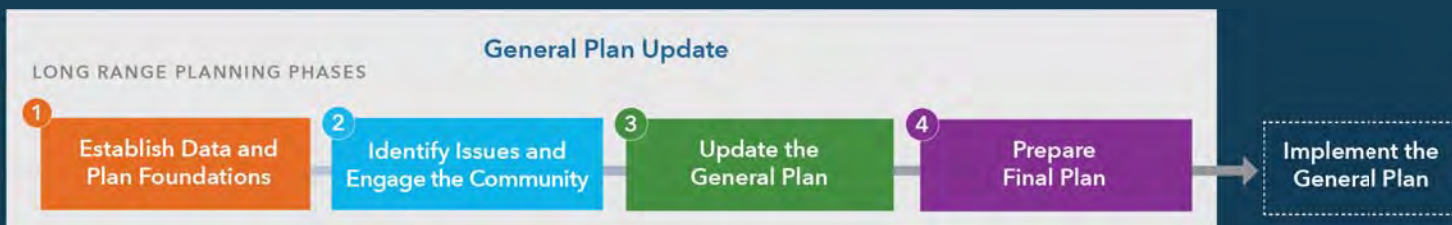


1. Imperial County
2. San Bernardino County
3. City of Los Angeles
4. City of Long Beach
5. City of Pico Rivera
6. City of Fullerton
7. City of Eastvale
8. City of Barstow
9. City of Yorba Linda
10. City of Ventura

RDP Champion Cities:
 City of Garden Grove
 City of Palm Springs
 City of Ontario

General Plan Update Pilots

- Starts developing the RDP in January 2021
- Select five local jurisdictions from the local outreach interviews
- RDP pilot system launch in July 2021
- RDP system launch is scheduled on February 2022



2020 Esri UC Special Interest Group (7/16/2020)

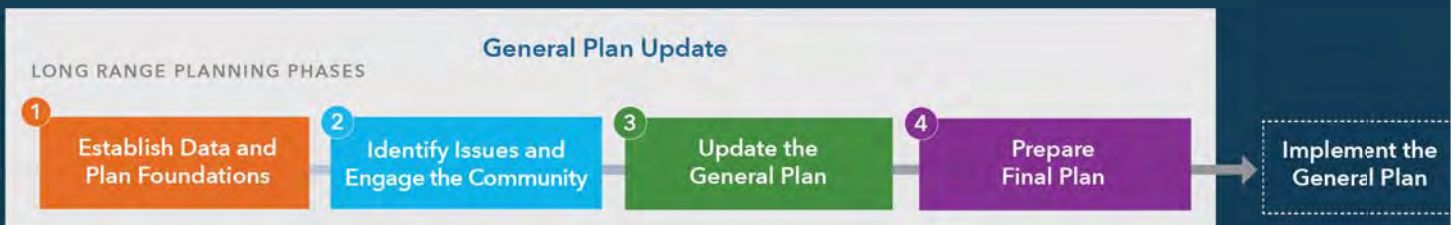


- [Link to the SIG meeting recording](#)
- 170+ people registered
 - 65% from local jurisdictions

Agency Type	Registered	Registered (%)
City	91	53%
COG	3	2%
County	7	4%
CTC	11	6%
DOT	12	7%
Non-Profit	3	2%
Private	5	3%
Resources Agency	9	5%
SCAG	26	15%
Tribal Nation	1	1%
University	3	2%
Unknown	1	1%
Grand Total	172	100%

Attachment: PowerPoint Presentation - Regional Data Platform [Revision 2] (Updates on Regional Data Platform (RDP))

RDP Prototypes



<p>a Resident Engagement <i>(part 1)</i></p> <p>b Planning Tools</p> <p>c Resident Engagement <i>(part 2)</i></p>	<p>Getting to Know Your City Envisioning Your City's Future</p> <p>Forecasting & Analysis Land Use Planning</p> <p>Commenting on Specific Plans Ongoing Conversation with Residents</p>	<p>Hub, Survey 123 Experience Builder</p> <p>Business Analyst Urban</p> <p>Hub Urban</p>	
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a

Resident Engagement (part 1)

Getting to Know Your City
Envisioning Your City's Future

Hub, Survey 123
Experience Builder



At 23:00 of meeting recording

b

Planning Tools

Forecasting & Analysis
Land Use Planning

Business Analyst
Urban

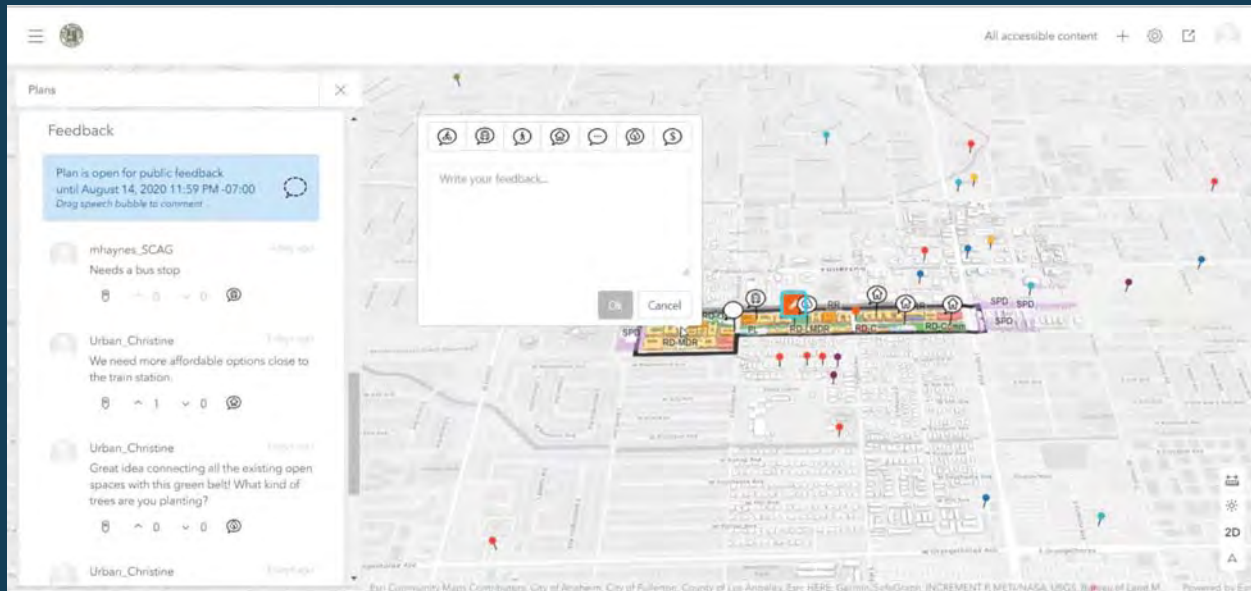


At 32:00 of meeting recording

Metric	Value
Population	2,488
Households	1,345
Jobs	436
Parking Spots	430
Daily Trips	1,272
Required Parking Spots	1,345
Energy Use	18,321
CO2 Emissions	1,177
Internal Water Use	187,852
External Water Use	138,133
Waste Water	138,133
Solid Waste	8,345

Attachment: PowerPoint Presentation - Regional Data Platform [Revision 2] (Updates on Regional Data Platform (RDP))

- At 50:00 of meeting recording



Agency Onboarding with License Rollout

- Including licenses on ArcGIS Pro, ArcGIS Online, Business Analyst, and ArcGIS Urban for each local jurisdiction
- Targeting to have 30-40 jurisdictions onboarded for purposes of utilizing licenses by October 2020
- Remaining are targeted to onboard by December 2020

Expected Benefits

- Provides data, map, and tools to support the General Plan Updates
- Provides Esri GIS licenses (e.g. ArcGIS Pro, ArcGIS Online, Urban, etc.)
- Provides a better workflow between SCAG and local jurisdictions
 - Facilitate better planning among SCAG member agencies by providing modern tools and best practices to assist with General Plan Updates
 - Streamline the process of collecting and integrating data from member agencies so SCAG can do better regional planning

Attachment: PowerPoint Presentation - Regional Data Platform [Revision 2] (Updates on Regional Data Platform (RDP))

Thank You!

Javier Aguilar, aguilar@scag.ca.gov

Tom Vo, vo@scag.ca.gov

RDP Core Team

Javier Aguilar, Guy Copes, Hao Cheng, Jonathan Holt, and Tom Vo

www.scag.ca.gov

