



financial matters. In particular, the Agreement provides that AMBAG may be dissolved at any time upon a 2/3 vote of the Board and ratification by a 2/3 vote of the member agencies.

AMBAG has adopted a set of by-laws, a copy of which is enclosed as Attachment 2. The by-laws provide for, amongst other things, weighted voting, the selection, duties, and terms of office of various officers, meetings, and other financial matters.

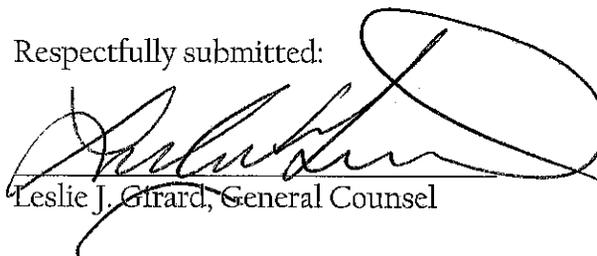
In addition to its authority under the Agreement, AMBAG has been designated as the metropolitan planning organization ("MPO") for the tri-county area pursuant to the Code of Federal Regulations, Title 23, Part 450. The MPO designation is made by the Governor in consultation with affected public entities, and remains in effect until a redesignation is made in essentially the same manner. Significantly, any redesignation requires the concurrence of the largest city in the affected area, in this case the City of Salinas. Also the Agreement allows AMBAG to act as a Council of Governments pursuant to Government Code Section 65580 et. seq. for the purpose of assessing regional housing needs.

Reports have been produced from time to time by other agencies that describe the functions and roles of AMBAG. In 2005, the County of Santa Cruz produced a report analyzing that county's options concerning withdrawal from AMBAG. The report, a copy of which is enclosed as Attachment 3 (without its voluminous attachments) provides a good summary. More recently, a number of other regional entities have been looking at the functions of AMBAG and assessing its future, both as the regional planning agency and the MPO. Enclosed for your review as Attachments 4, 5, 6, 7 and 8, respectively, are reports from the County of Santa Cruz Regional Transportation Commission, the Transportation Agency for Monterey County ("TAMC") (2 reports), the County of San Benito, and AMBAG itself. These reports discuss various options for the carrying out of certain functions should they be removed from AMBAG, or should the structure of AMBAG be modified.<sup>1</sup>

#### CONCLUSION

AMBAG, as a JPA, is not subject to the jurisdiction of LAFCO. The future of AMBAG is a topic of current debate amongst a number of regional entities in the tri-county area, and the functions and structure of AMBAG may change in the future. We will keep the Commission apprised of further developments in this area.

Respectfully submitted:



Leslie J. Girard, General Counsel

LJG:ljk:so  
Enclosures (8)  
cc: Executive Officer Kate McKenna  
Senior Analyst Thom McCue

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<sup>1</sup> AMBAG also maintains a 501 (c) (3) non-profit entity, Regional Analysis and Planning Services, Inc. ("RAPS, Inc."). According to the AMBAG website, RAPS, Inc. annually holds a regional economic forum and a Community Planning Forum.

Attachment I

JOINT POWERS AGREEMENT  
of the  
ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS

THIS AGREEMENT, pursuant to Government Code Sections 6500, et seq., made and entered into by and between the signators hereto, all of whom understand and agree, as follows:

ARTICLE I  
PURPOSE AND POWERS

Section 1.     PURPOSE

The Association of Monterey Bay Area Governments is created as a voluntary agency established by agreement among its members pursuant to this Joint Powers Agreement. The Association is organized for the permanent establishment of a forum for planning, discussion and study of regional problems of mutual interest and concern to the counties and cities in Monterey, San Benito, and Santa Cruz Counties, and for the development of studies, plans, policy and action recommendations.

Section 2.     POWERS

The Association, acting by and through its Board of Directors shall have such powers as are necessary to carry out the purpose hereinabove stated, including, but not limited to the power to contract for goods and services; to employ necessary personnel, experts and consultants; to contract for special reports, surveys and studies; and to accept gifts, loans and grants.

The Association and its Board of Directors have no power or authority to adopt or enforce any police power regulation or to levy any tax.

ARTICLE II  
ORGANIZATION

Section 1. MEMBERSHIP

Membership in the Association shall be voluntary, but only the following governmental agencies shall be eligible for membership:

- a. The Counties of Monterey, San Benito and Santa Cruz.
- b. Any incorporated city within the above counties.

Section 2. BOARD OF DIRECTORS

The Association shall be governed by a Board of Directors which shall consist of two (2) representatives from each county, and one (1) representative from each incorporated city within the above-named counties which has become a signator to this agreement.

Section 3. VOTING

Voting on matters before the Board of Directors shall be conducted in the following manner:

a. A majority of the members of the Board of Directors present at a regular or special meeting, representing at least fifty (50%) percent of the member agencies, shall constitute a quorum for the transaction of business, provided, however, that representatives present and voting shall represent member agencies from at least two counties.

b. Voting shall be conducted by either voice or roll call vote. A roll call vote shall be conducted upon request of any official representative present or at the discretion of the presiding officer.

c. A population weighted vote, as set forth in the By-Laws, shall be conducted upon request of any official representative present, or at the discretion of the presiding officer.

Section 4. ASSOCIATE MEMBERS

Subject to approval of the Board of Directors any governmental entity which is not eligible for membership under Article II, Section 1 may elect to join the Association as an Associate Member. Associate Members shall not be entitled to vote or to hold any office.

Section 5. OFFICERS - ELECTION

The officers of the Board of Directors shall consist of a President and Vice-President chosen by the Board of Directors for one (1) year terms, as defined in the Association By-Laws.

Section 6. APPOINTMENT OF REPRESENTATIVES

The governing body of each member agency shall appoint its representatives and shall notify the Board of Directors of its appointments. A governing body may appoint alternates if it so desires, giving notice thereof to the Board. Representatives and alternates must be elected officials.

Section 7. MEETINGS - CONDUCT

There shall be at least one monthly meeting of the Board of Directors. Special meetings may be called by the President or upon the written request of at least five (5) members of the Board of Directors.

The Board of Directors may adopt rules and By-Laws regulating the conduct of meetings and the business of the Association. All meetings shall be open to the public, as required by State law and no action shall be taken except at a public meeting.

ARTICLE III  
FINANCIAL PROVISIONS

Section 1. MEMBER CONTRIBUTIONS

The Board of Directors shall from time to time determine an equitable method of distributing the costs of the Association among the members. The costs shall be distributed as nearly as possible on the basis of benefit to the members. The Board of Directors may determine that the costs of certain projects are of greater or lesser benefit to certain members and distribute these costs accordingly.

Section 2. BUDGETS

The Board of Directors shall adopt an annual budget to include operating and other costs of the Association. It may also from time to time adopt special budgets for studies or other special projects. The Board shall at the time of the adoption of any budget determine the distribution of costs and the time for payment of member contributions.

Section 3. LIMITATION OF POWERS

The Board of Directors shall have no power to expend funds on any project for which funds have not been budgeted, nor on any item in excess of the budgeted amount.

Section 4. FISCAL ACCOUNTABILITY

The Board of Directors shall designate the Treasurer and the Auditor/ Controller of a member agency to provide fiscal accountability and to perform the fiscal responsibilities for the Association in accordance with Government Code provisions.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 1. AMENDMENTS

The Agreement may be amended at any time by vote of a majority of the Board of Directors, and ratified by a two-thirds (2/3) majority of the member agencies.

Section 2. VOLUNTARY MEMBERSHIP

Membership in the Association shall be voluntary. Any member agency may withdraw its membership on giving of written notice to the Board of Directors. A member withdrawing shall not be liable to the payment of further contributions and shall have no right to reimbursement of any moneys previously paid to the Association, provided, however, that the Board of Directors may authorize reimbursement, if, in its judgment such reimbursement is fair and equitable and can be made without jeopardy to the operation of the Association. If any member fails to pay its contribution, as determined by the Board of Directors, said agency shall be deemed to have voluntarily withdrawn from the Association.

Section 3. DISSOLUTION

The Association may be dissolved at any time by a two-thirds (2/3) vote of the Board of Directors, and ratified by two-thirds of the member agencies. The

Board of Directors, prior to dissolution, shall provide for the orderly payment of all outstanding debts and obligations and for the return of any surplus funds.

Section 4. EFFECTIVE DATE - TERM OF AGREEMENT

The Agreement shall become effective when entered into by any ten agencies eligible for membership, and shall continue in full force and effect until dissolved pursuant to the provisions herein.

We hereby enter into the JOINT POWERS AGREEMENT for formation of the ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS, as revised and approved this \_\_\_\_\_ day of \_\_\_\_\_, 1971.

By: Gerrard Fry  
Title: MAYOR

Agency: City of Monterey

Attested by: Beth C. Lyons  
Title: City Clerk

Agency: City of Monterey

JOINT POWERS AGREEMENT  
OF THE  
ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS

FIRST AMENDMENT

I

THIS AMENDMENT, to that certain JOINT POWERS AGREEMENT which created the ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS is hereby made upon the majority vote of the Board of Directors of the ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS at its regular meeting of April 11, 1979 and the ratification of a two-thirds (2/3) majority of the member agencies in accordance with the JOINT POWERS AGREEMENT, ARTICLE IV, SECTION 1.

II

Section 2 OF ARTICLE I OF THE JOINT POWERS AGREEMENT of the ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS is hereby amended in its entirety to be and read as follows:

Section 2. POWERS

The Association, acting by and through its Board of Directors shall have such powers as are necessary to carry out the purpose hereinabove stated, including but not limited to the power to contract for goods and services; to employ necessary personnel, experts and consultants; to contract for special reports, surveys and studies; to accept gifts, loans and grants; and to incur such debts, liabilities and obligations in such manner and amount as may be from time to time approved by the Board of Directors.

The Association and its Board of Directors have no power or authority to adopt or enforce any police power regulation or to levy any tax.

By: Garrett J. Zy

Title: Mayor

Agency: City of Monterey

Attested by: Deborah C. Lyons

Title: City Clerk

Agency: City of Monterey

Attachment 2

**BY-LAWS  
of the  
ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS  
(AMBAG)**

**Section 1. PURPOSE**

The purpose of the Association of Monterey Bay Area Governments is to:

- A. Exercise the authority delegated to it under federal and state laws as the Metropolitan Planning Organization (MPO) for the AMBAG region encompassing Monterey, San Benito and Santa Cruz Counties;
- B. Qualify eligible agencies for programming of federal, state and local transportation projects contained in the Transportation Improvement Program;
- C. Provide technical assistance to Member Agencies;
- D. Serve as the regional clearinghouse for local project applications, environmental documents and census data; and
- E. Engage in regional cooperative comprehensive planning, programming, education and, where authorized, implementation.

**Section 2. VOTING**

Voting on matters before the Board of Directors is established by the Joint Powers Agreement (Section 3), except as follows:

- A. The Joint Powers Agreement (Section 3e) requires that a population weighted vote procedure be set forth in the By-Laws. Pursuant to this requirement, the following population weighted vote shall be conducted upon request of any one official representative present or at the discretion of the presiding officer. When used, this weighted vote shall take precedence over a vote or votes taken in any other manner on the question.
- B. The population used for each agency in determining the population vote weight shall be that population certified by the State Department of Finance or the U.S. Census Bureau, whichever is more recent, effective the first day of April immediately preceding.

1) Cities

<u>Population</u>	<u>Weighted Vote</u>
0 - 9,999	1
10,000 - 24,999	2
25,000 - 44,999	3
45,000 - 79,999	4

80,000 – 109,999	5
110,000 – 149,000	6
Over 150,000	7

2) Counties (1)

<u>Population</u>	<u>Weighted Vote</u>
25,000 – 44,999	3
45,000 - 79,999	4
80,000 – 109,999	5
110,000 – 149,000	6
Over 150,000	7

(1) Where two members of the Board of Directors representing a County are present, each shall be entitled to one-half of the votes allotted to that County.

C. The President of the Association shall have the right to vote on all matters before the Board of Directors, whether the vote is by ballot or by voice.

**Section 3. OFFICE**

The office of the Association shall be located within one of the three counties (Monterey, San Benito and Santa Cruz) constituting the AMBAG region.

**Section 4. OFFICERS AND TERMS**

- A. The officers of the Association shall be the President, Vice President, Second Vice President, and Secretary.
- B. The President, Vice President, and Second Vice President shall be elected for one (1) year terms no later than the January meeting of the Board. The Executive Director of the Association shall serve as Secretary to the Board and each standing committee.
- C. At least 45-days in advance of the January meeting, the President shall appoint a nominating committee consisting of at least three Board Members. The Committee shall include a representative from within each of the three counties of the AMBAG region. The committee shall nominate candidates for the positions of President, Vice President and Second Vice President no later than the January meeting of the Board. Additional candidates may be nominated at the same meeting by any Member provided the nomination is seconded.

**Section 5. DUTIES OF OFFICERS**

- A. The President shall preside over Board meetings and the Executive, Finance and Personnel Committee meetings and have general supervision of Board and committee

affairs. The President shall sign official documents when directed to do so by the Board.

- B. The Vice President shall perform the duties of the President in his or her absence.
- C. The Second Vice President shall perform the duties of the President in the absence of the President and Vice President.
- D. In the event of absence of the three officers of the Board, the immediate past President may preside or in the alternative, a quorum of the members present may select a President Pro Tempore to preside over that meeting.
- E. The Secretary to the Board shall be responsible for all mandated functions necessary to conduct public business of the Board of Directors. The Secretary shall be the Executive Director. The Secretary to the Board is not a member of the Board.

#### **Section 6. EXECUTIVE DIRECTOR AND STAFF**

- A. The Executive Director, who is the Association's Chief Administrative Officer, shall be appointed by and serve at the pleasure of the Board of Directors.
- B. Other employees of the Association shall be appointed by and serve at the pleasure of the Executive Director subject to the AMBAG Personnel Rules.

#### **Section 7. COMPENSATION OF THE BOARD OF DIRECTORS**

Except as otherwise provided, each member of the Board of Directors shall be compensated fifty dollars (\$50.00) for each monthly meeting of the Association attended. In addition, any member of the Board of Directors may be reimbursed for necessary expenses connected with activities of the Association, as determined and approved by the Board of Directors.

#### **Section 8. MEETINGS**

##### **A. Regular Meetings:**

The Board of Directors shall meet regularly each month with the exception of July and December at a date, time and place to be determined by the Executive Director. Meetings are generally conducted on the second Wednesday of each month and shall be held within one of the three counties constituting the AMBAG region.

##### **B. Special Meetings:**

A Special Meeting may be called by the President, or by request in writing of any five (5) members of the Board of Directors (Section 7 of Joint Powers Agreement). Only those items set forth in the Notice of the Meeting may be acted upon at a Special Meeting.

##### **C. General Assembly:**

On special occasions, a general assembly meeting may be arranged by the President to invite all elected officials and key staff of the member agencies as well as

representatives from other public agencies to discuss items of major concern to the region.

**D. Notice of Regular Meetings:**

Notice of the date, time and place of all Regular Meetings shall be given by the Executive Director. The agenda for a regular meeting shall be posted at the AMBAG office and on the AMBAG website no less than five (5) days before the meeting date.

**E. Notice of Special Meetings:**

Notice of date, time and place of a special meeting shall be provided via regular mail, e-mail, facsimile or hand delivery to each Board member no less than 72-hours prior to the meeting. The agenda shall be posted at the AMBAG office and on the AMBAG website no less than 72-hours before the meeting.

**F. Rules of Order:**

Except as otherwise provided herein or at the discretion of the presiding officer, with approval of the Board of Directors all proceedings of the Association shall be governed by the current edition of Robert's Rules of Order Newly Revised.

## **Section 9. FINANCING**

**A. Fiscal Year:**

The fiscal year of the Association shall commence on July 1<sup>st</sup>.

**B. Budget:**

A draft budget of the Association shall be submitted by the Executive Director to the Executive, Finance and Personnel Committee on or before the regular April Committee meeting. The Executive, Finance and Personnel Committee shall forward a final draft budget to the full Board by the regular June meeting.

The Board of Directors shall review the final draft budget and no later than its regular meeting in June of each year and shall approve a final fiscal year budget no later than June 30<sup>th</sup>. As part of the budget, the Board of Directors shall also determine the dues and assessments for each Member. Dues and assessments may be established annually to support the Association's operations. Such dues shall be apportioned as follows:

- 1) One-half of the dues shall be apportioned according to the population of each member agency; and
- 2) One-half of the dues shall be apportioned according to the assessed valuation of each member agency based upon the current available tax role of the Assessor of the County in which the jurisdiction is located.

All dues and assessments shall be payable no later than August 31<sup>st</sup> each fiscal year. Any member agency whose current and payable dues and assessments have not been paid shall not be entitled to vote.

**C. Gifts, Contributions and Grants:**

The Association shall have, as a Joint Powers Authority, the power to accept gifts, contributions, grants and other payments, whether in the form of money, services, real or personal property, or any other form.

**Section 10. ACCOUNTING OF FUNDS**

- A. The Executive Director shall cause a record of all financial transactions of the Association to be made and shall prepare such reports as the Board of Directors may require.
- B. All contracts or other legal documents authorized by the Board of Directors committing the Association to expenditure of funds shall be signed by the Executive Director and by the President, or by the Vice President in the absence of the President.
- C. The Association's Finance Officer shall be designated as Association Treasurer (The President of the Board, Executive Director and Finance Officer shall be authorized to sign two-party disbursement checks). The Board of Directors shall annually adopt a resolution designating additional Board and staff members who are also authorized to sign two-party disbursement checks.

**Section 11. LIABILITY INSURANCE**

The Executive Director shall ensure that the Association has and maintains adequate liability insurance including appropriate errors and omissions coverage.

**Section 12. ANNUAL AUDIT**

The Board of Directors shall cause an annual audit of financial affairs of the Association to be made at the end of each fiscal year, in accordance with Section 6505, Government Code. The Audit report shall be made public and available to all Association members within one hundred eighty (180) days after the close of each fiscal year.

**Section 13. ADVISORY COMMITTEE STRUCTURE**

The following committees are hereby established, with duties and membership as stated:

**A. Executive Committee**

- 1) The Executive Committee of the Board of Directors shall be composed of the President, Vice President, and Second Vice President, the most recent Past President still serving on the Board of Directors and such other members as may be appointed by the President with the consent of the Board of Directors.

- 2) The Executive Committee shall transact routine business between meetings of the Board of Directors to expedite administration of established policies and programs, make recommendations to the Board on Association policies, and act on such other matters as may be delegated to it by the Board.
- 3) The President and Vice President of the Association shall be Chairperson and Vice-Chairperson, respectively, of the Executive Committee.

#### B. Finance Committee

- 1) The Executive Committee shall also serve as the Finance Committee.
- 2) The Finance Committee shall:
  - a. Assist and advise the Executive Director in developing an annual budget for review and approval by the Board.
  - b. Review and evaluate on a continuing basis the financial management practices of the Association.
  - c. Evaluate potential financial problems and recommend alternatives for responding to these problems.
  - d. Submit periodic reports as appropriate to the Board on the Association's financial affairs and management system.

#### C. Personnel Committee

- 1) The Executive Committee shall also serve as the Personnel Committee.
- 2) The Personnel Committee shall:
  - a. Assist and advise the Executive Director in developing and revising Personnel Rules and employee salaries and benefits.
  - b. Serve as appeal board for grievances and other actions as specified in the AMBAG Personnel Rules.
  - c. Assist the Board in the annual review of the Executive Director.

### **Section 14. OTHER COMMITTEES**

- A. The President may, from time to time, appoint an ad hoc subcommittee to advise or assist the Board of Directors in its function. Members shall be appointed by the President with the consent of the Board of Directors.
- B. Each Committee shall, at its first meeting, choose a Presiding Officer and such other Officers as it deems necessary, except as otherwise provided in Section 13, above.
- C. The Executive Director shall be ex-officio, a member of all Committees, both standing and special, but shall have no vote.

## **Section 15. PROCEDURES AND APPOINTMENTS**

As provided elsewhere in these By-Laws, the President is authorized to make appointments to all committees and to external boards and commissions to which AMBAG is entitled representation. Such appointments shall be effective upon the formal motion by the President, subject to the consent of a majority of the Board of Directors. Appointments are to be made annually no later than the regular meeting in February and at such other times as may be required. Unless otherwise stipulated or agreed to, any resignation of a Board Member from any appointment, either internal or external, shall be effective as of the date of the resignation and the office or appointment shall be vacant.

## **Section 16. AMENDMENTS**

These By-Laws may be amended at any regular or special meeting of the Board of Directors by a 2/3 majority of the Board of Directors present and voting, provided; however, that a copy of the proposed amendment has been mailed to each Member Agency at least fifteen (15) days prior to the meeting which the vote to amend is taken.

The By-Laws and any subsequent amendments shall be adopted by resolution of the Board of Directors.





# County of Santa Cruz

## COUNTY ADMINISTRATIVE OFFICE

701 OCEAN STREET, SUITE 520, SANTA CRUZ, CA 95060-4073

(831) 454-2100 FAX: (831) 454-3420 TDD: (831) 454-2123

SUSAN MAURIELLO, J.D., COUNTY ADMINISTRATIVE OFFICER

September 26, 2005

AGENDA: October 4, 2005

Board of Supervisors  
County of Santa Cruz  
701 Ocean Street  
Santa Cruz, California 95060

### County Membership in AMBAG

Dear Members of the Board:

On June 16, 2005, your Board directed this office to prepare a report regarding the ramifications of the County withdrawing its membership with the Association of Bay Area Governments (AMBAG). Representatives from the Planning Department, County Counsel, the Transportation Commission and this office have worked together to prepare information for your Board's consideration.

AMBAG is a council of governments, which are multi-purpose policy organizations established to enable local governments to prepare regional plans, deal with regional issues, set regional policy, strengthen the effectiveness of local government, and develop and maintain regional databases. Councils of government (COGs) have various state and federal statutory responsibilities. The two most prevalent responsibilities are serving as the regional transportation planning agency under state law and as the federal metropolitan planning organization (MPO) for transportation. In addition, state law provides that where there are councils of government, the councils provide the allocations of regional housing needs to all cities and counties within its boundaries. Councils of government can be single-county or multi-county organizations. The roles of each COG vary, based on the local needs of the region. Attachment A, a chart provided by the California Council of Governments (CALCOG), demonstrates the varied responsibilities of its member COGs.

AMBAG was organized to establish a forum for planning, discussion, and study of regional problems of mutual interest and concern to the counties and cities in Monterey, San Benito, and Santa Cruz Counties, and for the development of studies, plans, policy, and action recommendations. The Board of Directors is composed of two representatives from each county and one representative from each city. The San Benito Board of Supervisors recently voted (September 13, 2005) to join AMBAG. Prior to that, the cities of Hollister and San Juan Bautista were members of AMBAG, and the Council of San Benito County Governments, which included the two cities and the county, was an Associate Member of AMBAG. The decision to join AMBAG will give San Benito County two votes on the AMBAG Board.

The majority of AMBAG's \$1.5 million annual budget comes from state and federal funding sources, with about \$151,000 per year coming from membership dues. Membership dues are allocated one-half by population ratio and one-half by assessed valuation ratio. The County's dues for 2005-06 are \$28,247. AMBAG employs a staff of nine. Attachment B identifies the activities included in AMBAG's 2005/06 Monterey Bay Region Overall Work Program. Transportation, Water, and Housing are areas of importance in the County's relationship to AMBAG. Each of these is discussed in greater detail below and in attachments.

### **Water Resources**

AMBAG has played various roles over the years in water quality protection and water resources planning for the Monterey Bay Region, including:

- Lead agency for development and implementation of the Monterey Bay Regional Nonpoint Pollution Control Plan pursuant to Section 208 of the federal Clean Water Act in the late 1970's and early 1980's.
- Only local government signatory to the Memorandum of Understanding for water quality protection for the Monterey Bay National Marine Sanctuary. (Other local agencies have informal, but active and effective participation, as presently encouraged by Sanctuary staff)
- Grant recipient and lead agency for various water quality grants for stormwater management, Watsonville Sloughs Management, and Pajaro River Watershed protection.
- Coordinator for Pajaro River Watershed Council
- Coordinator for Monterey Bay area Stormwater Task Force
- Cosponsor of annual Monterey Bay Area Sanctuary Currents educational conference
- Organizer of Monterey Bay Area Regional Water Forum (2005)

In recent years, the level of effort and AMBAG staff devoted to water issues has declined. However, AMBAG is currently promoting the concept of developing a Monterey Bay Region Integrated Regional Water Management Plan, which would serve as an umbrella for the four other regional plans that have been developed for geographic subareas of the Monterey Bay region. At this time, Santa Cruz County staff and most water agencies within the County, have not determined whether devoting local resources to such an umbrella regional plan is justified, given other local priorities.

In conclusion, AMBAG continues to play a useful role in coordinating information sharing regarding water resources among the various local, state, and federal agencies of the Monterey Bay region. AMBAG also has a formal role in representing local agencies as the only local agency signatory to the Sanctuary's Water Quality Protection Program.

### **Transportation**

AMBAG is the federally-designated Metropolitan Planning Organization (MPO) for the urbanized counties of Monterey and Santa Cruz. The boundary of the MPO also includes the county of San Benito. AMBAG works in partnership with three state-designated Regional Transportation Planning Agencies (the Santa Cruz County Regional Transportation Commission (SCCRTC), the Transportation Agency for Monterey County (TAMC) and the San Benito Council of Governments (SBCOG)) to fulfill its responsibilities.

AMBAG, the SCCRTC and TAMC have a Memorandum of Understanding (MOU) that addresses the sharing of transportation planning responsibilities for these Santa Cruz and Monterey Counties. The transit agencies for Santa Cruz and Monterey Counties are also signatories for this MOU. Additional information on the role of AMBAG in local transportation planning is provided in Attachment D, which was prepared by staff of the Transportation Commission.

### **Housing**

County Counsel has prepared the following information on the role played by AMBAG in the development of the County's housing element. A summary of the information is provided in the body of this report, and more detailed information is provided as Attachment C.

State Law requires cities and counties to prepare and adopt a general plan to guide the future growth of a community. Every general plan must contain seven elements including a housing element that analyzes existing and projected housing needs, identifies adequate sites with appropriate zoning to meet the housing needs of all income segments of the community, and ensures that regulatory systems provide opportunities for, and do not unduly constrain, housing development.

As stated above, state law provides that where there is a council of government (COG), the COG provides the allocations of regional housing needs to all cities and counties within its boundaries. Once the COG receives the housing needs determination from California Department of Housing and Community Development (HCD), it prepares and adopts a final regional housing need plan that allocates a share of the regional housing need to each member city and county. Significantly, if a city or county does not belong to a COG both the housing needs determination and the jurisdiction's share of the regional housing needs are prepared and adopted by the HCD. Additional information is provided in Attachment C.

If the County were to end membership in AMBAG, there are two primary ways in which the County might organize and still be in compliance with the Government Code regarding the housing element.

a) Withdraw from and join another existing COG

It is possible that the County could withdraw from membership in AMBAG and join another COG such as the Association of Bay Area Governments (ABAG). ABAG members include the cities and counties of the San Francisco Bay Area, including the Counties of Alameda, Contra Costa, San Mateo, Santa Clara, Marin, Napa, San Francisco, Solano, and Sonoma and the cities within these counties.

b) Withdraw from AMBAG and form a new Council of Government (COG) including the cities within Santa Cruz County

In order to establish a new COG, the County would need to create a new governing entity by entering into a new Joint Powers Agreement, and hire or assign staff to carry out its responsibilities. The Joint Powers Agreement would define a decision-making process and would determine how the voting rights of the participating entities would be allocated. This new City/County COG would take the place of AMBAG in determining the allocation of regional housing need. It is unknown at this time whether the cities of Capitola, Scotts Valley, and Watsonville would leave AMBAG and join the new COG.

### Discussion

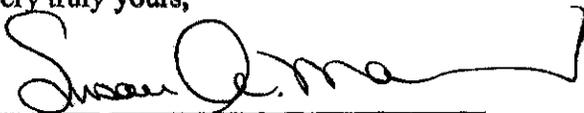
This County's relationship with AMBAG has been difficult recently, primarily over matters related to the regional housing needs allocations. Because of the way AMBAG votes are structured, it was and continues to be possible for the jurisdictions in Monterey County to vote as a bloc against the interests of Santa Cruz County. In the most recent round of housing allocation actions, bloc voting resulted in AMBAG approving a housing allocation that was unacceptable to Santa Cruz County. AMBAG's action in this instance clearly favored Monterey County over Santa Cruz County, in direct contradiction to the recommendations of AMBAG technical advisory staff. The County clearly has grounds for leaving AMBAG due to this decision. However, it remains unclear as to whether the County would be in a more advantageous position if it left AMBAG and began interacting directly with HCD.

The County's experience with AMBAG related to water resources has been generally positive, and there are no compelling reasons to consider withdrawing from AMBAG based on its role in water resources. It would be possible for the Santa Cruz County Regional Transportation Commission to assume many if not all of the responsibilities currently carried out by AMBAG, which could increase the amount of program funding which could be expended within the County to meet transportation needs. However, the decision to shift transportation responsibilities from AMBAG to the Transportation Commission would be under the jurisdiction of the Commission itself rather than the County.

After evaluating the options available to the Board, it is the recommendation of this office that the County's best option is to remain in AMBAG. The Planning Director concurs with this recommendation as it pertains to the housing element, and the Director of Environmental Health concurs in terms of water resource management. This office believes that it is in the County's best interest to continue working with AMBAG staff and representatives to improve the internal process of the agency so as to avoid future actions that disadvantage Santa Cruz County.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD accept and file this report on the County's membership in AMBAG.

Very truly yours,



Susan Mauriello  
County Administrative Officer

Attachments:

- A: California Association of Councils of Government Functional Responsibilities Chart
- B: AMBAG's 2005/06 Monterey Bay Region Overall Work Program
- C: County Counsel report on Statutory Requirements for the Allocation of Regional Housing Need
- D: Transportation Commission report on the role of AMBAG in Local Transportation Planning

cc: Nicolas Papadakis, Executive Director, AMBAG  
Tom Burns, Planning Director  
Pat Dellin, Executive Director, Santa Cruz County Regional Transportation Commission  
City Selection Committee

Attachment 4

**AGENDA:** June 16, 2011

**TO:** Regional Transportation Commission Transportation Policy Workshop  
**FROM:** George Dondero, Executive Director  
**RE:** Metropolitan Planning Organization (MPO) Responsibilities

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## **RECOMMENDATIONS**

Staff recommends that the Regional Transportation Commission (RTC):

1. Receive this report on meeting the responsibilities of a Metropolitan Planning Organization (MPO) which are now fulfilled by the Association of Monterey Bay Area Governments (AMBAG) and discuss potential options for the RTC.
  2. Give staff further direction on how the RTC wishes to proceed.
- 

## **BACKGROUND**

The Association of Monterey Bay Area Governments (AMBAG) was created in 1968 and in 1975, it was designated as the Metropolitan Planning Organization (MPO) for the three county region of San Benito, Santa Cruz and Monterey to meet certain transportation planning requirements as defined under federal law. In California, MPOs vary in size of jurisdiction, with several serving single counties such as in Santa Barbara, San Luis Obispo and Shasta counties. Others serve larger urbanized areas, such as the Metropolitan Transportation Commission serving the nine-county San Francisco Bay area. AMBAG is the smallest multi-county MPO (by population) in the state. The depressed economy since 2008 coupled with some challenging ongoing issues between AMBAG and the member agencies have stimulated discussion around how the members can best meet the challenges ahead. The RTC chair has requested staff to provide information regarding available options to fulfill the functions currently performed by AMBAG. This report will explain the mandated duties of an MPO, staffing and financial requirements to meet those duties, and the revenues available to fulfill them. The implications of creating single-county MPOs will then be analyzed.

## **DISCUSSION**

AMBAG'S current menu of services can be divided into two groups – those that are mandated, and those acquired over time to meet various other regional interests and needs. This report will primarily focus on the mandated services. These include:

- **Serve as a clearing house** for information, including environmental reviews and census data; this function is primarily clerical in nature.

- Implement the state **Regional Housing needs Assessment**, in its role as the Council of Governments; this function is historically contentious in nature. The state recently changed the frequency of making the assessment from once every four years to once every eight years. AMBAG provides this service to Monterey and Santa Cruz counties; San Benito County COG performs their own assessment.
- **Conduct forecasts** of regional growth in population, housing and jobs
- Develop and maintain the **Regional Travel Demand Model**. The model provides critical data for making informed decisions about prioritizing transportation projects for funding and construction. It is a foundation for many of the planning and funding decisions that come before the RTC. Modeling is being pushed to become more sophisticated and sensitive to reflect multiple mode choices, changes in land use and application of multiple strategies to reduce greenhouse gas emissions.
- Ensure that transportation projects with federal funding are properly programmed in the **Federal Transportation Improvement Program (FTIP)**, primarily a clerical function typically performed by a transportation planner. The FTIP is similar in nature to the RTC's Regional Transportation Improvement Program (RTIP). Currently, RTC staff programs State Transportation Improvement Program (STIP) funded projects within the county by working with the California Transportation Commission.
- **Preparing federal and state required planning documents**, including: Metropolitan Transportation Plan (MTP), the Sustainable Communities Strategy (SCS), a Public Participation Plan, and the Overall Work Program (OWP). RTC staff provides a good deal of effort in developing and maintaining all of these documents. The MTP consists essentially of a fusing of the regional transportation plans of the three counties into one document, and similarly the OWP does the same for the three individual work programs. The Public Participation Plan is updated every few years. The SCS is a recent addition to the MTP, as required under SB375.
- For many years, AMBAG also ensured that the region's Metropolitan Transportation Plan could meet federal air quality conformity standards. Since 2004 the region's air quality has been deemed by the US Environmental Protection Agency to meet federal standards, and thus the conformity analysis is no longer required. However, conformity may become an issue if the EPA adopts more stringent ozone standards.

### **Other Roles**

AMBAG also manages an Energy Watch program, to provide energy saving assistance to governments, non-profits and the hospitality industry. AMBAG staff works on contract for the Pajaro River Watershed Flood Prevention Authority, and

provides some coordination for Rideshare Week. Recently an AMBAG representative has been attending meetings of the Monterey Bay Sanctuary.

### **Other Structures**

There has been some discussion among member agencies about the feasibility of merging with AMBAG to form one entity. After some research and discussion with Caltrans staff, it appears that the restructuring process most applicable in the Monterey Bay region would evolve as follows.

First, the member agencies would each vote at their respective city council or board of supervisors whether to retain membership in AMBAG or to withdraw. If 75% of the region (by population) including the largest city (Salinas) were to vote to withdraw from AMBAG, then a restructuring could occur. The change would need agreement from the Governor, most likely through the Caltrans Director.

The RTC and the Transportation Agency for Monterey County (TAMC) would each become an MPO and each would take on the mandated functions which AMBAG currently provides. These would require some additional staffing, probably one full time planner position at each agency to cover most of the duties, with the exception of the Regional Travel Demand Model.

San Benito County would no longer be a member of an MPO. Similar to 26 other rural counties in the state, San Benito would not need to meet the MPO requirements for planning. The key function that would concern San Benito would be replacing or retaining the Regional Travel Demand Model.

### **Managing the Regional Travel Demand Model**

In past years the credibility of the model has varied over time. As the one element of MPO duties requiring the greatest resources to manage and maintain, it is critical to approach this thoughtfully. Without AMBAG, this function could be provided in one of three ways:

1. Each county could run their own one-county model in house, hiring staff to do so.
2. The three counties could hire a consultant to run and manage the three-county model.
3. The three counties could jointly manage the three-county model, through an MOU or Joint Powers Agreement. Qualified staff would be hired to perform the work.

Of the three approaches, the last provides the best possibility for minimizing cost while supporting a high quality of work that will engender confidence among all users. It would also provide a workable platform to develop the model further to incorporate currently evolving practices sensitive to land use changes, multi-modal options and other improvements in transportation, as desired. This approach would minimize any duplication of effort to near zero, and give the partner agencies opportunity to manage the program for improved quality performance.

Travel demand modeling is a specialized skill set. Building a new program from the ground up will require some consultant assistance to ensure a well defined scope of duties is developed, appropriate software and hardware are selected, and other details are met accordingly. Coincidentally, a formal peer review of the AMBAG model was recently conducted. The technical report is in draft, and could provide useful recommendations to help improve the utility and reliability of the model. At this date it is not clear if the partnership would build a new model or try to work with the existing AMBAG model. In either case, startup costs would be involved to make the transition.

**Fiscal Impacts**

In considering any restructuring of MPO duties, a major concern is the potential impact to budgets. Staff has done some research on this issue, and the RTC would receive approximately \$293,000 more under a post-AMBAG scenario. The following data has been provided by Caltrans Planning Division staff, and represents estimates for the current fiscal year.

<b>Current FY 10-11 Planning Funds Distribution with AMBAG</b>					
	AMBAG	SCCRTC	TAMC	ABtCOG	Total
PL*	\$ 600,504	\$ 257,600	\$ 300,523		\$ 1,158,627
FTA 5303	\$ 272,666				\$ 272,666
RPA		\$ 315,000	\$ 395,000	\$ 275,000	\$ 985,000
<b>Total</b>	<b>\$ 873,170</b>	<b>\$ 572,600</b>	<b>\$ 695,523</b>	<b>\$ 275,000</b>	<b>\$ 2,416,293</b>
<b>FY 10-11 Planning Funds Distribution without AMBAG</b>					
	AMBAG	SCCRTC	TAMC	ABtCOG	Total
PL*		\$ 741,318	\$ 786,018		\$ 1,527,336
FTA 5303		\$ 124,017	\$ 163,381		\$ 287,398
RPA				\$ 304,000	\$ 304,000
<b>Total</b>	<b>\$ -</b>	<b>\$ 865,335</b>	<b>\$ 949,399</b>	<b>\$ 304,000</b>	<b>\$ 2,118,734</b>
AMBAG budgets ~\$42,381 of PL to SBtCOG services					
PL - Federal Planning funds					
FTA 5303 - Federal Transit Planning funds					
RPA - State Rural Planning Assistance funds					

Note that as MPOs, both the RTC and TAMC would lose their current allotment of RPA funds. The PL allotment to the two agencies increases however, due to the federal formula which provides a base allotment to each MPO, plus an additional amount based upon population. The same is true for the FTA 5303 funds, to a lesser extent.

*"[Click here and insert the subject of your report]"*

*Page 5*

Staff is developing a work program and budget for the projected expenses of assuming MPO duties including the travel demand model. This information will be made available as soon as feasible, possibly at the June 16 meeting.

## **SUMMARY**

The RTC is examining options to provide the services required of a Metropolitan Planning Organization (MPO). These services include several functions that could probably be provided by a full time planner. The Regional Travel Demand Model could be maintained by one modeler through a cooperative arrangement between the three transportation agencies. If the RTC and TAMC were to become MPOs the annual planning revenues would increase over the current allocations. Staff is working on details of a draft budget to include all of these services, and will present that information to the RTC at the June 16 meeting. Staff requests further direction after discussion of the issue on June 16<sup>th</sup>.





TRANSPORTATION AGENCY FOR MONTEREY COUNTY

## Memorandum

**To:** Board of Directors  
**From:** Debra L. Hale, Executive Director  
**Date:** June 22, 2011  
**Subject:** Follow Up to Strategic Planning Session: Institutional Roles

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### RECOMMENDATION

**RECEIVE** report on the potential for realigning the activities of the Transportation Agency, the Association of Monterey Bay Area Governments and Monterey Salinas Transit; and **PROVIDE** direction to staff on next steps.

### SUMMARY

Given the current funding environment, it is increasingly critical that agencies maximize performance and minimize expenditures. For this reason, the Transportation Agency Board of Directors at its May, 2011 strategic planning session asked staff to evaluate the potential for reducing time and resources utilized by three agencies that oversee transportation planning and implementation in Monterey County. This report presents initial information on the potential for the more effective conduct of transportation planning, modeling and project delivery in the region.

### FINANCIAL IMPACTS

The primary result of a realignment of transportation responsibilities would be improved coordination of activities that would likely save staff time and administrative costs and result in improved work products. Approximately \$681,000 in state rural planning funds would likely be lost to the region, but this loss would be offset by a gain of approximately \$383,000 in federal planning funds and a significant reduction in administrative costs. In addition, unless other non-transportation related activities continued at the organization, \$173,699 paid annually in dues to Association of Monterey Bay Area Governments (AMBAG) by member agencies would no longer be collected, representing a portion of the savings in administrative costs. The result would be improved coordination and probably a cost neutral budget for TAMC. It is important to note that MST could gain transit planning funds from AMBAG under the proposed realignment. **Attachment 1** provides the details of such a funding shift. **Attachment 2** shows the current AMBAG dues structure.

## DISCUSSION

Transportation Agency staff has prepared this technical analysis of a scenario for realigning transportation planning activities across AMBAG, TAMC and Monterey-Salinas Transit. In order to proceed further with this scenario, additional financial and legal analyses are required. In addition, confirmation of the willingness of involved elected officials to eventually approve realignment is critical. Staff is seeking direction from the Board of Directors on whether to proceed with its analysis of this scenario and assistance in confirming the political support for such realignment.

### Association of Monterey Bay Area Governments

The Association of Monterey Bay Area Governments (AMBAG) was created in 1968 and in 1975 it was designated as the Metropolitan Planning Organization (MPO) for the three county Monterey Bay region. This designation requires the Association to conduct certain transportation planning activities and in turn it receives certain federal planning funds. The Transportation Agency for Monterey County, the Santa Cruz County Regional Transportation Commission (SCCRTC) and the San Benito Council of Governments (San Benito COG) are the state-designated Regional Transportation Planning Agencies that receive state rural planning assistance funds and prepare state short and long-range planning documents, as well as allocate funds to projects. In many small/medium-sized regions, such as San Luis Obispo, Shasta or San Joaquin Counties, the state and federal planning functions are combined within a single county transportation planning agency. In fact, AMBAG is the smallest multi-county MPO by population in the state.

Given financial constraints across government, the Transportation Agency Board of Directors asked its staff to evaluate the opportunity for streamlining activities across AMBAG and TAMC. The Santa Cruz County RTC and the San Benito COG are also actively researching this proposal. There have been initial discussions among the three agency directors, and with federal and state representatives.

*Activities Involved:* AMBAG currently conducts activities that can be grouped into roughly three categories: transportation planning, travel forecast modeling and related data gathering, and other non-transportation activities. It is the first two categories of activities that could be consolidated into the single county transportation planning agencies, resulting in important cost savings. **Attachment 3** details the programs within these categories as well as the benefits of a realignment of assignments. Overall, a better coordination of transportation planning with reduced overhead costs and an improved regional travel forecast model is the expected result.

*Proposed Action: Two Single-County MPOs:* The proposed action would be to designate the Santa Cruz County Regional Transportation Commission and the Transportation Agency for Monterey County as single-county Metropolitan Transportation Organizations. Due to its size, the San Benito COG would become one of 26 other counties that rely on the state to meet these federal requirements.

The most cost-effective structure would have the single-county transportation agencies taking on the all the transportation, travel forecast model and data gathering functions. AMBAG or another agency(ies) could take on the non-transportation-related activities and serve as a forum for regional collaboration. Administration and update of the regional travel forecast model would preferably take place through a joint powers

agreement among the single-county agencies or with the assistance of another related regional agency. The Sustainable Communities Strategy could be managed and prepared either by the single-county agencies in collaboration with one another, by AMBAG during a transition period, or by a consultant.

*Seventy-Five Percent of Cities/County Must Support:* Moving to two single-county MPOs would require a vote of the various city councils and county boards of supervisors of 75% of the region by population, including the largest city (Salinas) to withdraw from AMBAG as the federally-designated MPO. The designation of the single county MPOs would then require agreement of the Governor, most likely through the Caltrans Director. The Santa Cruz County RTC and TAMC would then become the MPOs and would take on the mandated transportation functions. While approval by the AMBAG board of directors does not appear to be required, concurrence from the AMBAG board would make the realignment easier to implement.

*Costs and Revenues:* The shift in responsibilities would likely require the Transportation Agency to add two to three additional staff persons, two for the transportation planning/data gathering responsibilities and one for ridesharing. Additional temporary staff would likely be needed if administration of the Sustainable Communities Strategy were also delegated (presumably paid for out of that grant). There would also be one time travel forecast model upgrade costs that could potentially come from existing or future grants and ongoing travel forecast modeling consultant or staff costs. All of the ongoing planning costs could likely be covered by the reallocation of federal planning with potentially some money left over for transit planning. If transferrable, CMAQ funds could fund the rideshare staff position. Staffs at both the Santa Cruz and Monterey agencies are continuing to develop estimates for the costs of such a structure.

### Monterey-Salinas Transit

MST oversees bus transit services and planning for the Monterey County region. Because AMBAG utilizes all the federal formula funds for transit planning, their planning activities (for new routes and realignments) must be funded by separate, one-time grants. Last year, state legislation designated MST as a countywide transit district, with a statutorily-defined Board of Directors composed of one representative from each city and the County.

*Transit-Related Activities:* The overlap between MST and TAMC responsibilities is small. TAMC conducts regional planning activities for all modes, is the project manager for the Commuter Rail to Salinas and Monterey Branch Line Light Rail projects, and oversees certain transit funds through its state designation in 1972 as the Local Transportation Authority. MST does some short-range transit planning, oversees the administration of federal transit funds, conducts route planning and area studies to improve bus service, and has some bus capital projects (i.e. the rapid bus corridors in Seaside and Marina). Both agencies have multiple projects underway and so the ability to reduce staff would be small, but the ability to increase productivity and coordination could be high.

*Areas for Streamlining:* The Transportation Agency Executive Director and the MST General Manager met and discussed how these two agencies could better coordinate and streamline activities. In order to avoid weakening the strengths of each agency, they envisioned a scenario in which both entities could remain with separate operations, with a combined Board of Directors, more integrated administration and better-coordinated transit planning where appropriate. Some of this realignment would involve MST taking on

activities that are currently performed by AMBAG. **Attachment 4** outlines TAMC's transit-related roles and greater details on the potential for realigning activities across the agencies.

Conclusion

Staff concludes that there is potential for streamlining activities across all three agencies. The prerequisite for progress is to assure that these changes are financially feasible (as they appear to be at first analysis), and that they are supported politically. These types of changes have been discussed in some form or another the past; in order to make progress this time, it is critical to reach agreement among the boardmembers and elected officials to move forward. Since personnel are involved, it is also important to proceed carefully and sensitively. Staff seeks direction from the TAMC Board on how to proceed with these scenarios.

\_\_\_\_\_  
Debra L. Hale, Executive Director

\_\_\_\_\_  
Date

Regular Agenda

Counsel Review: N/A

Attachments:

1. Federal Funding Scenario
2. AMBAG Dues Structure
3. AMBAG Role and Opportunities for Realignment
4. MST – TAMC Roles and Opportunities for Realignment

**Metropolitan Planning Organization (MPO)**  
Federal and State Planning Funds

FY 10-11 Funding With AMBAG as MPO					
	AMBAG	SCCRTC	TAMC	SBtCOG	Total
PL*	\$ 600,504	\$ 257,600	\$ 300,523	\$ -	\$ 1,158,627
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RPA	\$ -	\$ -	\$ -	\$ 304,000	\$ 304,000
<b>Total</b>	<b>\$ -</b>	<b>\$ 865,335</b>	<b>\$ 949,399</b>	<b>\$ 304,000</b>	<b>\$ 2,118,734</b>

PL = Federal Highway Administration planning funds

FTA 5303 = Federal Transit Administration planning funds

### AMBAG Dues Structure

	Population	Dues per Population	Fall Assessed Valuation in Thousands	Dues per Assessed Valuation	Total Dues	Board Mtg Allowance	Total Assessed Dues/ Mtg Allowance
Capitola	10,015	\$ 1982	\$ 1,895,281	\$ 1,520	\$ 2,611	\$ 500	\$ 3,111
<b>Carmel</b>	<b>4049</b>	<b>\$ 438</b>	<b>\$ 2,698,334</b>	<b>\$ 2,434</b>	<b>\$ 2,872</b>	<b>\$ 500</b>	<b>\$ 3,372</b>
Del Rey Oaks	627	\$ 176	\$ 254,324	\$ 229	\$ 405	\$ 500	\$ 905
<b>Gonzales</b>	<b>8903</b>	<b>\$ 951</b>	<b>\$ 462,524</b>	<b>\$ 417</b>	<b>\$ 1,368</b>	<b>\$ 500</b>	<b>\$ 1,868</b>
Greenfield	17,316	\$ 1,871	\$ 763,190	\$ 688	\$ 2,558	\$ 500	\$ 3,058
<b>Hollister</b>	<b>37,051</b>	<b>\$ 4,004</b>	<b>\$ 3,073,714</b>	<b>\$ 2,773</b>	<b>\$ 6,777</b>	<b>\$ 500</b>	<b>\$ 7,277</b>
King City	11,352	\$ 1,261	\$ 761,538	\$ 687	\$ 1,968	\$ -	\$ 1,968
<b>Marina</b>	<b>19,071</b>	<b>\$ 2,072</b>	<b>\$ 1,447,351</b>	<b>\$ 1,306</b>	<b>\$ 3,378</b>	<b>\$ 500</b>	<b>\$ 3,878</b>
Monterey	29,322	\$ 3,168	\$ 4,305,915	\$ 3,685	\$ 7,053	\$ 500	\$ 7,553
<b>Pacific Grove</b>	<b>15,472</b>	<b>\$ 1,472</b>	<b>\$ 2,380,024</b>	<b>\$ 2,147</b>	<b>\$ 3,899</b>	<b>\$ -</b>	<b>\$ 3,899</b>
Salinas	150,898	\$ 14,305	\$ 10,642,582	\$ 9,600	\$ 25,905	\$ 500	\$ 26,405
<b>San Juan Bautista</b>	<b>1,074</b>	<b>\$ 202</b>	<b>\$ 149,743</b>	<b>\$ 135</b>	<b>\$ 337</b>	<b>\$ 500</b>	<b>\$ 837</b>
Sand City	298	\$ 32	\$ 217,901	\$ 197	\$ 229	\$ 500	\$ 729
<b>Santa Cruz</b>	<b>38,125</b>	<b>\$ 4,281</b>	<b>\$ 6,627,122</b>	<b>\$ 5978</b>	<b>\$ 12,259</b>	<b>\$ 500</b>	<b>\$ 12,759</b>
Scotts Valley	1,697	\$ 1,264	\$ 2,138,743	\$ 1,929	\$ 3,193	\$ 500	\$ 3,693
<b>Seaside</b>	<b>34,194</b>	<b>\$ 1,693</b>	<b>\$ 2,083,033</b>	<b>\$ 1,061</b>	<b>\$ 3,278</b>	<b>\$ 500</b>	<b>\$ 3,778</b>
Soledad	27,905	\$ 3,015	\$ 792,452	\$ 715	\$ 1,730	\$ 500	\$ 2,230
<b>Watsonville</b>	<b>5,703</b>	<b>\$ 5,287</b>	<b>\$ 1,691,120</b>	<b>\$ 3,330</b>	<b>\$ 8,917</b>	<b>\$ 500</b>	<b>\$ 9,417</b>
County of Monterey	107,642	\$ 11,831	\$ 33,779,617	\$ 31,451	\$ 33,082	\$ 1,000	\$ 34,082
<b>County of San Benito</b>	<b>18,839</b>	<b>\$ 2,038</b>	<b>\$ 3,024,214</b>	<b>\$ 2,728</b>	<b>\$ 4,766</b>	<b>\$ 1,000</b>	<b>\$ 5,766</b>
County of Santa Cruz	114,979	\$ 14,585	\$ 19,188,898	\$ 17,310	\$ 31,895	\$ 1,000	\$ 32,895
<b>Total</b>	<b>753,052</b>	<b>\$ 8,130</b>	<b>\$ 60,079,932</b>	<b>\$ 6,149</b>	<b>\$ 163,600</b>	<b>\$ 11,000</b>	<b>\$ 174,600</b>

**Note:** As prescribed by Section 88 of the AMBAG By-Laws, dues are allocated one half by population in the, and one half by assessed valuation rate. Population figures are those published by the California State Department of Finance for January 2000. Assessed valuations are those reported by County Assessors and Auditor-Controller for FY 2006/2007. There are ten regular meetings scheduled for FY 2008/2009.

### AMBAG Dues Structure

	Population	Dues per Population	Full Assessed Valuation in Thousands	Dues per Assessed Valuation	Total Dues	Board Mtg Allowance	Total Assessed Dues/ Mtg Allowance
Capitola	10,015	\$ 1,002	\$ 1,895,751	\$ 1,529	\$ 2,811	\$ 500	\$ 3,311
<b>Carmel</b>	<b>4,040</b>	<b>\$ 438</b>	<b>\$ 2,498,334</b>	<b>\$ 2,434</b>	<b>\$ 2,872</b>	<b>\$ 500</b>	<b>\$ 3,372</b>
Del Rey Oaks	3,627	\$ 176	\$ 2,543,394	\$ 229	\$ 405	\$ 500	\$ 905
<b>Gonzales</b>	<b>6,903</b>	<b>\$ 951</b>	<b>\$ 452,524</b>	<b>\$ 417</b>	<b>\$ 1,368</b>	<b>\$ 500</b>	<b>\$ 1,868</b>
Greenfield	11,318	\$ 1,871	\$ 762,183	\$ 858	\$ 2,599	\$ 500	\$ 3,099
<b>Hollister</b>	<b>37,051</b>	<b>\$ 4,004</b>	<b>\$ 2,073,754</b>	<b>\$ 2,773</b>	<b>\$ 6,777</b>	<b>\$ 500</b>	<b>\$ 7,277</b>
King City	11,852	\$ 1,291	\$ 761,538	\$ 687	\$ 1,968	\$ -	\$ 1,968
<b>Marina</b>	<b>9,671</b>	<b>\$ 2,072</b>	<b>\$ 1,447,351</b>	<b>\$ 1,306</b>	<b>\$ 1,378</b>	<b>\$ 500</b>	<b>\$ 1,878</b>
Monterey	28,322	\$ 3,668	\$ 4,308,925	\$ 3,885	\$ 7,053	\$ 500	\$ 7,553
<b>Pacific Grove</b>	<b>15,472</b>	<b>\$ 1,672</b>	<b>\$ 2,380,874</b>	<b>\$ 2,147</b>	<b>\$ 3,819</b>	<b>\$ -</b>	<b>\$ 3,819</b>
Salinas	150,898	\$ 16,405	\$ 10,642,582	\$ 2,600	\$ 25,905	\$ 500	\$ 26,405
<b>San Juan Bautista</b>	<b>1,874</b>	<b>\$ 202</b>	<b>\$ 149,743</b>	<b>\$ 135</b>	<b>\$ 337</b>	<b>\$ 500</b>	<b>\$ 837</b>
Seaside City	298	\$ 37	\$ 217,901	\$ 197	\$ 239	\$ 500	\$ 739
<b>Santa Cruz</b>	<b>58,125</b>	<b>\$ 6,281</b>	<b>\$ 6,627,122</b>	<b>\$ 5978</b>	<b>\$ 12,259</b>	<b>\$ 500</b>	<b>\$ 12,759</b>
Scotts Valley	1,897	\$ 1,264	\$ 2,138,743	\$ 1,929	\$ 3,193	\$ 500	\$ 3,693
<b>Seaside</b>	<b>34,294</b>	<b>\$ 3,693</b>	<b>\$ 2,002,023</b>	<b>\$ 1,881</b>	<b>\$ 2,378</b>	<b>\$ 500</b>	<b>\$ 2,878</b>
Soledad	27,905	\$ 3,015	\$ 792,452	\$ 715	\$ 3,730	\$ 500	\$ 4,230
<b>Watsonville</b>	<b>5,703</b>	<b>\$ 5,387</b>	<b>\$ 3,091,120</b>	<b>\$ 3,330</b>	<b>\$ 8,917</b>	<b>\$ 500</b>	<b>\$ 9,417</b>
County of Monterey	107,642	\$ 11,651	\$ 23,779,617	\$ 21,451	\$ 33,082	\$ 1,000	\$ 34,082
<b>County of San Benito</b>	<b>6,859</b>	<b>\$ 2,938</b>	<b>\$ 1,024,214</b>	<b>\$ 2,728</b>	<b>\$ 4,766</b>	<b>\$ 1,000</b>	<b>\$ 5,766</b>
County of Santa Cruz	134,979	\$ 14,385	\$ 12,188,898	\$ 17,310	\$ 31,895	\$ 1,000	\$ 32,895
<b>Total</b>	<b>753,853</b>	<b>\$ 8,150</b>	<b>\$ 60,670,932</b>	<b>\$ 8,149</b>	<b>\$ 163,400</b>	<b>\$ 11,000</b>	<b>\$ 174,400</b>

**Note:** As prescribed by Section 88 of the AMBAG By-Laws, dues are allocated one half by population in the, and one half by assessed valuation ratio. Population figures are those published by the California State Department of Finance for January 2000. Assessed valuations are those reported by County Assessors and Auditor-Controllers for FY 2006/2007. These are the regular meeting scheduled for FY 2008/2009.

## AMBAG Role and Opportunities for Realignment

### AMBAG Tasks

#### *Transportation Planning Activities*

AMBAG largely compiles and consolidates the information prepared by the countywide transportation planning agencies (TAMC/SCCRTC/San Benito COG) into three-county documents:

- **Metropolitan Transportation Plan:** AMBAG prepares this 25-year long-range planning document which is largely based on the three county Regional Transportation Plans. The Sustainable Communities Strategy is a newly-required part of these plans, for which AMBAG is leading the outreach and development, with significant involvement of the other transportation agencies.
- **Metropolitan Transportation Improvement Program:** AMBAG prepares this three county document largely based on each county's Regional Transportation Improvement Plan, to assure that projects qualify for federal funds.
- **Public Participation Plan:** AMBAG prepares this document which compiles the activities that each of the agencies engage in to provide information and gather input from the public.
- **Overall Work Program:** AMBAG compiles the information which is prepared by each of the three planning agencies, plus its own information, into a three-county document that is the basis for approval of federal funding.
- **Regional Vanpool Authority:** AMBAG recently obtained a Monterey Bay Air Pollution Control District grant for the regional vanpool authority and just joined that authority.
- **Monterey County Transportation Activities:** AMBAG has taken on several transportation activities that are single-county, within Monterey County. These include the ridesharing program and the intermodal transportation facility study.

#### *Travel Forecast Model and Related Data Gathering*

- **Travel Forecast Model Administration and Updates:** AMBAG administers the regional travel forecast model, which is a critical tool for environmental review of major roadway and rail projects, air quality forecasting, greenhouse gas emissions estimating and local land use plans. The model is also an important part of the Sustainable Communities Strategy project.
- **Information Gathering and Distribution:** AMBAG serves as a clearinghouse for information, including environmental reviews, population/housing/employment forecasts and census data, much of which is important information for the regional travel model. AMBAG also implements the Regional Housing Needs Assessment, an unfunded state mandate required for the development of countywide housing elements. The state recently changed the frequency of making the assessment from once every four years to once every eight years. AMBAG provides this service to Monterey and Santa Cruz counties; San Benito County COG performs its own assessment.
- **Air Quality Planning and Modeling:** When the region did not meet federal air quality standards, AMBAG was responsible for preparing a *State Implementation Plan* for meeting air quality improvements, and certifying a list of transportation control measures

to reach the standards, AMBAG also had to conduct an air quality “conformity” analysis on its planning documents to assure that the proposed projects resulted in meeting the standards in the future. The way of measuring federal air quality changed and the region went into “attainment” status (it now meets or attains federal standards) so these activities are not required. Should the air quality standards change again, these requirements would likely be reactivated for the region and generate an important amount of work.

### *Non-Transportation Activities*

- **Energy Watch:** AMBAG has received a PG&E grant to administer an energy savings assistance program to governments, non-profits and business.
- **Pajaro River Watershed Flood Prevention Authority:** AMBAG provides contract work for the Pajaro River Watershed Flood Prevention Authority.
- **Monterey Bay Sanctuary:** AMBAG has been involved in Monterey Bay Sanctuary Activities, on an unreimbursed basis.

### **AMBAG – TAMC: Opportunities for Realignment of Responsibilities**

The opportunities for shifting responsibilities for the transportation planning and modeling related activities to the single-county agencies are many.

**Reduce the Number of Transportation Plans:** In the Monterey Bay region, short-range and long-range transportation plans are prepared on both a single-county and multi-county basis. Delegating the transportation planning responsibilities to each countywide agency would eliminate the second set of multi-county plans. There are a few options for handling the new Sustainable Communities Strategy plan: AMBAG could complete the plan; each countywide agency could prepare its own plan; or, the countywide transportation agencies could collaborate in the creation of the SCS plan.

**Improve the Accuracy of the Regional Travel Forecast Model:** This model is currently in dire need of updating and improvement, for instance, to reflect current census data. Prior traffic forecasts are also not consistent with current forecasts. The state of the travel forecast model jeopardizes all planning activities and delays transportation projects that rely on it; a federal peer review study that is soon to be released will confirm the extent of the major revisions that are needed. AMBAG has several grants that are designed to pay for adding new features to the model, but these improvements are not appropriate until the base model is updated. Due to its cash flow difficulties and its need to pay high overhead costs, AMBAG does not have adequate resources and staffing to upgrade the base model to the level that is needed.

While some initial investment of outside funds may be needed, a realignment of transportation planning responsibilities as proposed here would free up funding to improve the ongoing operations of this critical transportation, land use and air quality tool. It is possible that existing modeling grants could be repurposed to make both the base model and enhancements (land use, bicycling) to the model, but that would be a decision by the state and regional grantees. The Santa Cruz County Regional Transportation Commission is willing to take a lead role in the upgrade and ongoing maintenance of the regional travel forecast model in concert with TAMC and San Benito COG. The Monterey Bay Regional Air Pollution Control District has historically invested funding in the regional model over the years and may also be willing to assist in an upgrade and administration of the regional model.

**Increase Transit Planning Resources for the Transit Agencies:** AMBAG receives all the federal transit planning funds in the region. In previous years, the agency granted some funds to the transit operators for route and area studies aimed at reducing costs and bringing on new services, but due to ongoing administrative cash flow needs no grants have been made in several years. The transit agencies now must perform these studies with their own funding. AMBAG performs minimal transit planning activities that could be easily absorbed into either the MST or TAMC functions (and their Santa Cruz and San Benito County equivalents). This integration of transit planning activities would increase resources for the transit agencies and improve the speed with which the transit agencies receive federal operating funds.

**Redirect Single-County Activities to the Single-County Agencies:** AMBAG has taken on several transportation activities that are single-county, within Monterey County. These include the ridesharing program and the intermodal transportation facility study. The separation of the rideshare and vanpool programs out of TAMC and MST has weakened these program and diverts AMBAG from its multi-county activities. Location of these activities within TAMC or MST would improve coordination with employers and existing transit service. AMBAG also took on the intermodal facility study, focused on freight rail transportation in Monterey County. The studies identify projects that the Transportation Agency will need to develop and fund. AMBAG conducted the South County Transit Services study, rather than allocate funds for MST to conduct the study of how to best integrate these cities into its existing services. It would be more productive and less costly for these and other single-county activities to be conducted by the single county agencies, rather than have other counties vote on how to conduct these activities in Monterey County.

## MST – TAMC Roles and Opportunities for Realignment

The Transportation Agency for Monterey County is required to conduct regional transportation planning addressing transit needs and funding, to administer the county's local fund sources for transit on an ongoing basis and also to play an oversight role with respect to federal funding programs. The details of TAMC's current responsibilities are listed below, as well as opportunities for realigning responsibilities between TAMC and MST.

### Transit Planning and Funding Responsibilities

#### *Regional Transportation Planning*

- **Regional Transportation Plan:** Identify transit needs and funding in the Regional Transportation Plan for Monterey County and ensure transit projects are consistent with the regional plan.

#### *Transportation Development Act (Local transit funding)*

- **Fund Administration:** Annually estimate and apportion Local Transportation Funds for MST services, approve fund allocations and process MST fund claims.
- **Unmet Transit Needs Finding:** Consult with a Social Services Transportation Advisory Council to identify and adopt a finding on "unmet transit needs" that are reasonable to meet and report findings to the state.
- **Financial Audits & Oversight:** Ensure that financial audits and reporting are submitted to the State Controller within statutory deadlines.
- **Triennial Transit Performance Audits:** Conduct Transit Performance Audits every three years to determine compliance with Transportation Development Act requirements and make recommendations for improving the efficiency and cost-effectiveness of transit services in Monterey County.

#### *Federal Transit Administration Grant Programs*

- **Section 5310 (Elderly and Individuals with Disabilities) Program:** Administer Caltrans Call for Projects, determine eligibility, receive and score grant applications according to program requirements and submit scored applications to Caltrans for review and funding.
- **Section 5311 (rural public transit and intercity transit funding programs):** Annually adopt a program of projects for the Section 5311 program and submit program to the state for funding allocations, adopt required federal funding certifications for Monterey County operators and authorize federal funding of MST grant applications.

#### *Transit Project Management*

- **Monterey Branch Line:** The Transportation Agency is the lead agency for the development of light rail service along the Monterey Branch Line. The Agency owns the line and is responsible for obtaining funding for the proposed light rail project, but anticipates that Monterey-Salinas Transit would run the service as part of its regional transit network.
- **Multimodal Corridor in Former Fort Ord:** TAMC has teamed with a number of agencies, including MST, to apply for state funding to initiate a feasibility study for a multimodal (autos, buses, bikes and pedestrians) between the Marina light rail station on 8<sup>th</sup> street to the commuter rail station in Marina.

## **MST – TAMC: Opportunities for Realignment of Responsibilities**

It is anticipated that any realignment would take place gradually over time, likely at the Board level first, then at the administrative and later at the subject matter area. Any proposed realignment would need review by both agencies' legal counsel. Given the revenues losses that have been experienced MST, it would be important to assure that the TAMC non-transit functions were not jeopardized by a realignment of the agencies.

### ***Board of Directors***

Now that MST is countywide and TAMC is countywide, the question arises as to whether they can share a board of directors. A consolidated board of directors would save time for overlapping boardmembers and could save time in the preparation of dual agenda packets. Funding for bus transit projects could be on a more equal footing with highway and rail projects, since one board would be making the funding decisions. The board make up and voting structure would have to be determined (would it mirror that of TAMC, MST or something else), and would require state legislation. The issue of how to consolidate committee structures would also have to be addressed. Because legislation would be required, support from both existing boards of directors and member agencies would be critical.

### ***Administration/Personnel/Finance***

Under a consolidated agency board of directors, some administration, personnel and finance activities could be combined. Due to a small amount of overlap between the agency grant programs overseen, and the small amount of personnel activities conducted by TAMC, it is not anticipated that this would result in a large cost or staff savings, but better coordination could provide additional staff time for MST-related activities due to its recent administrative staff cuts. An attempt to fully integrate agency policies (i.e. human resources and administrative policies) may result in substantially more work rather than cost savings.

### ***Transit Planning and Funding Responsibilities***

Integration of the longer-range transit planning across the two agencies would likely result in benefits to MST and transit services in the region, and better coordination of the implementation of capital projects such as the planned rail services and multimodal corridor. Oversight responsibilities related to funding activities would continue, but due to the allocation of all Local Transportation Funds to transit, the actions are more ministerial than in the past.

Attachment 6



TRANSPORTATION AGENCY FOR MONTEREY COUNTY

## Memorandum

**To:** Executive Committee  
**From:** Debra L. Hale, Executive Director  
**Date:** August 3, 2011  
**Subject:** Single-County Metropolitan Planning Organization Scenario

### RECOMMENDATION

**RECEIVE** staff report on budgetary impacts of a proposed shift to a single county metropolitan planning organization and presentation from Andrew Chesley, Executive Director of the San Joaquin Council of Governments on single-county metropolitan planning organization operations and regional collaboration efforts in the San Joaquin Valley.

### SUMMARY

At its strategic planning session and subsequent follow up at its June, 2011 meeting, the Transportation Agency Board of Directors directed staff to research the notion of taking on the federal metropolitan transportation organization (MPO) responsibilities that are currently handled by the multi-county Association of Monterey Bay Area Governments. The purpose of such a shift to a "single-county MPO" would be to improve cost effectiveness by removing duplication of efforts across the agencies and increasing investment in the regional transportation model. This report summarizes staff analysis of the budgetary impacts of such a change, the options for continuing regional transportation discussions, and the timing of any possible change.

### FINANCIAL IMPACTS

Under a single county metropolitan planning organization designation, the Transportation Agency is estimated to receive an additional \$648,500 in federal highway and transit planning funds, offset by a loss of \$395,000 in more flexible state planning funds. The result would be a net estimated annual amount available to cover increased responsibilities and to increase investment in the travel forecast model of just under \$250,000, but less flexibility in how to use these funds. The net estimated increase to the Santa Cruz County Regional Transportation Commission to cover these costs would be \$292,700, and the net increase in state funding for the San Benito COG is estimated at \$29,000. These amounts are subject to change depending on state and federal allocations.

If the current organizational structure is maintained, there is a possibility that AMBAG will seek to reduce the amount of federal planning funds that are allocated to the Transportation Agency and the Santa Cruz County Regional Transportation Commission to help meet its financial obligations.

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## **DISCUSSION**

The Transportation Agency Board of Directors has asked staff to evaluate the potential for designating our agency as the federal metropolitan planning organization (MPO) effectively to handle all the transportation planning activities in the county. The Santa Cruz County and San Benito County transportation planning agencies are also performing such a review.

### **Budgetary Issues**

Given the financial issues that have been experienced recently at AMBAG, it is likely that the current relationship between the four agencies (AMBAG, TAMC, Santa Cruz County RTC and San Benito COG) will change even if all organizations continue to retain transportation planning responsibilities. Last year, AMBAG staff sent a letter indicating that it would like to reevaluate the memorandum of understanding that sets the distribution of federal planning funds among the four agencies, but the Board deferred action on this until next fiscal year.

The Santa Cruz County and Monterey County transportation agencies have also in the past helped AMBAG utilize its federal planning funds by agreeing to match "in kind" activities funded with non-federal monies. Both agencies have indicated that they would like to revisit this policy to assure that they have enough non-federal match for their own federal grants. In addition, the City Managers have indicated that they feel it is an appropriate time to reevaluate the sharing of responsibilities across transportation agencies, given the shortage of local funding (see letter, **Attachment 1**). For these reasons, now is an appropriate time to review all options for restructuring and improving cost effectiveness.

Below is a list of the transportation and related responsibilities that are currently performed by the Association of Monterey Bay Area Governments that are typically performed by other single-county metropolitan planning organizations in San Luis Obispo County, Santa Barbara County and throughout the San Joaquin Valley.

- Overall Work Program (summary of agency activities for federal funding partners)
- Metropolitan Transportation Plan (25 year planning document)
- Metropolitan Transportation Improvement Plan (5 year programming document)
- Multi-County Travel Forecast Model  
(utilized for general plans, transportation projects, capital improvement plans)
- Regional Environmental Document Clearinghouse
- Regional Housing Needs Assessment (occurs every 8 years)
- Census Data Center (disseminates population information)
- Monterey County Ridesharing Activities
- Sustainable Communities Strategy (part of the Regional Transportation Plan)

Under the proposed scenario, the first three roles would be absorbed into existing Transportation Agency activities with a small amount of additional staff time, primarily relating to the auditing functions for the work program. The latter roles would represent additional work effort by the agency. Staff recommends that under such a scenario the Sustainable Communities Strategy be completed by AMBAG since grants are already allocated and the work is well underway. After its adoption, updates could be handled on a single county basis by the Transportation Agency in coordination with its partners in the neighboring counties.

Staff is in the process of developing a budget for taking on this additional workload. Initial estimates are that it would take 1.0 full-time equivalent (FTE) staff persons to take on the above activities (not including ridesharing), and the level of effort would vary depending on what activities are due to take place. This need could be filled with one additional staff person, some contracted out activities, and a reshuffling of current agency assignments. It is anticipated that the travel forecast model would remain a regional effort towards which the Transportation Agency would make an annual contribution to a coordinating agency. At present, AMBAG's budget includes in federal planning funds \$292,000 for modeling activities, not including the upgrades for land use and bicycle modeling. Monterey County ridesharing activities would take an additional 0.5 to 1.0 FTE of staff time and would likely need to be funded out of new monies; however, the current rideshare grant expires in April 2012 and would require a new funding source regardless of which agency performs the activities.

Another option would be for the three countywide transportation agencies to merge with AMBAG and the single agency would handle all the transportation planning activities and allocation of transportation funding for the region. Staff has not been directed to evaluate this option, although it is likely to be reviewed by others. It is worth noting that while this structure does exist elsewhere in the state (most notably in the 9-county San Francisco Bay Area), there are still single-county agencies that provide input to the multi-county Metropolitan Transportation Commission.

### **Opportunities for Regional Interactions**

Some individuals have expressed a concern that by taking the transportation responsibilities away from AMBAG that there will no longer be an opportunity for regional interactions regarding transportation or other matters. In fact, Santa Cruz and Monterey County agencies are already collaborating on the 511 traveler information system program and are collaborating as part of the Monterey Bay Electric Vehicle Alliance.

Another way to collaborate is through a multi-county regional forum. Staff has invited the Executive Director of the San Joaquin Council of Governments, Andrew Chesley, to come to the Executive Committee to talk about how his agency handles the metropolitan planning organization responsibilities as a single-county agency, as well as discuss the San Joaquin Valley Regional Transportation Planning Agencies. They are an association of the eight MPOs in the San Joaquin Valley. They have a policy forum which represents elected officials from each county. Among other collaborations, they have worked together to secure transportation funding along the Highway 99 corridor in recent state bond measures and also developed a regional plan setting freight project priorities. **Attachment 2** is a copy of their memorandum of understanding. The group meets periodically throughout the year, but is staffed by existing agencies.

This type of a regional forum could be created among the three Monterey Bay Area counties with minimal additional cost. Follow up activities would be conducted by existing agencies. One idea would be for each of the three counties to host a meeting annually, for a total of three meetings a year. Another idea would be to expand to include the Central Coast Coalition region (adding in Santa Barbara and San Luis Obispo counties) and create a policy forum for the five counties that corresponds to the Caltrans District 5 region.

**Attachment 3** is a June 22, 2011 letter signed by three county presidents of the League of Women Voters in the region in support of AMBAG and "regional planning". Staff has not been contacted by any of these presidents nor is aware of any research conducted by these entities regarding this issue.

### Timing and Coordination Issues

To learn more about all the activities that would need to be conducted as a single-county metropolitan planning organization, staff from all four agencies are meeting with Caltrans Planning, Programming and Audits departments, as well as the Federal Highway and Transit Administrations, the State Housing and Community Development Department, the California Air Resources Board. Any new information from these meeting will be provided at the Executive Committee meeting. The Federal Highway Administration indicated that it would be checking with its legal counsel regarding the precise procedure for withdrawing from an existing MPO and forming a new organization. According to the regulations, local governing boards representing 75% of the population within the three-county region (cities and counties), including the largest city (Salinas) and the Governor or his designee must approve withdrawal from the existing MPO and redesignation of the new MPO. **Attachment 4** is an excerpt of the regulations on this process.

One of the issues that arose at our last meeting with Caltrans and Federal Highways planning staff was the timing of any transition to a new federal metropolitan planning organization (MPO). They wanted to make sure that the adoption of the Sustainable Communities Strategy was not affected by a transition; the Strategy is slated for adoption no later than 2013. The federal agencies also noted that they hoped that the federal transportation programming document would not need to be re-adopted before its December 2012 expiration due to any redesignation of MPO status. All projects that receive federal funding must be included in this document. Typically it is amended after adoption of the State Transportation Improvement Program, which will occur in Spring 2012. Based on this information, staff's conclusion is that a formal transition of MPO responsibilities should take place no sooner than the start of the state or federal 2012/13 fiscal year; however, steps toward such a transition, particularly voting by the local governing boards, would need to proceed well before that July/October 2012 date.

### Next Steps

Staff plans to present a more detailed analysis at the August 24, 2011 Transportation Agency Board of Directors meeting, and will continue to attend meetings of other regional agencies on this issue. Staff seeks direction on further information to gather and present at the August Board meeting.

\_\_\_\_\_  
Debra L. Hale, Executive Director

\_\_\_\_\_  
Date

Regular Agenda

Counsel Review: N/A

### Attachments:

1. Letter from Monterey Bay Managers Association
2. San Joaquin Valley Regional Transportation Planning Agencies MOU
3. Letter from League of Women Voters
4. MPO designation and redesignation regulations





Agenda Item: \_\_\_\_\_

## Staff Report

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To: Council of Governments  
From: Mary Gilbert, Transportation Planning Manager Telephone: (831) 637-7665  
Date: June 16, 2011  
Subject: Possible Separation from the Association of Monterey Bay Area Governments

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### Recommendation:

**DISCUSS** and **PROVIDE DIRECTION** on Possible Separation from the Association of Monterey Bay Area Governments.

### Summary:

The Association of Monterey Bay Area Governments (AMBAG) is the federally designated Metropolitan Planning Organization which provides Metropolitan Planning services to San Benito, Monterey, and Santa Cruz counties. Staff has completed preliminary research on the feasibility of separating from AMBAG and conducting these activities in-house and/or via Memorandum of Understanding with other agencies.

### Financial Impact:

Currently, AMBAG performs work on behalf of COG using Metropolitan Planning Funds distributed by the Federal Highway Administration. In fiscal year 2011/2012, these funds total \$38,365. The funds for this fiscal year are matched with \$4,971 in toll credits; in previous years, COG provided the local match.

If COG separated from AMBAG, it would not be eligible to receive the Metropolitan Planning Funds; however, the direct allocation of Rural Planning Assistance funds from Caltrans to COG would increase by \$29,000.

### Discussion:

AMBAG uses Metropolitan Planning Funds to conduct the following activities on behalf of COG and its member agencies:

- Prepare and adopt the federally mandated regional Public Participation Plan
- Prepare and adopt the Metropolitan Transportation Plan
- Develop the Coordinated Public Transit- Human Services Transportation Plan
- Serve as the region's designated clearinghouse for information including environmental reviews and Census Data

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

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

[www.SanBenitoCOG.org](http://www.SanBenitoCOG.org)

- Develop the State-mandated Sustainable Communities Strategy
- Provide programming of federal funds into the Metropolitan Transportation Improvement Program
- Prepare and adopt population, employment, and housing forecasts that are used in part to develop and update the Regional Travel Demand Model
- Maintain the Regional Travel Demand Model

Staff has researched the implications for COG should it consider separating from the Association of Monterey Bay Area Governments. If the separation occurred, COG would not become a Metropolitan Planning Organization because San Benito County's size does not warrant that designation under federal law. Instead, San Benito would be considered a non-MPO Rural Regional Transportation Planning Agency (RTPA) in California. There are currently 22 rural RTPAs in California.

As a rural RTPA, COG would be responsible for several of the activities that are currently conducted by AMBAG; however, COG staff has generally worked closely with AMBAG to complete planning and programming activities and the additional effort could likely be absorbed into COG's work program using the additional Rural Planning Assistance funds.

As a rural RTPA, COG would not be responsible for completing a Sustainable Communities Strategy as mandated by Senate Bill 375. Senate Bill 375 only required that designated MPOs complete a Sustainable Communities Strategy. COG would also work directly with Caltrans to program federal funds through the Federal Transportation Improvement Program in lieu of working with AMBAG and programming funding through the Metropolitan Transportation Improvement Program.

The Transportation Agency for Monterey County (TAMC) and Santa Cruz County Regional Transportation Commission (RTC) may also consider separation from AMBAG and would seek MPO status due to their population size. COG, TAMC, and RTC could consider establishing a memorandum of understanding to coordinate the development of population, employment, and housing forecasts and development and maintenance of the Regional Travel Demand Model.

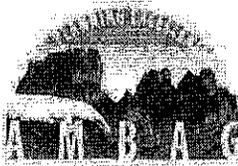
#### **Recommendation:**

Staff recommends that the Board **CONSIDER** and **PROVIDE DIRECTION** on possible separation from the Association of Monterey Bay Area Governments.

Executive Director Review: \_\_\_\_\_

Counsel Review: N/A

Attachment 8



**MEMORANDUM**

**TO:** AMBAG Board of Directors

**FROM:** Les White, Interim Executive Director

**SUBJECT:** Overview of AMBAG Programs and Response to Agencies  
Direction to Dissolve or Substantially Reduce AMBAG  
Functions

**MEETING DATE:** July 13, 2011

**RECOMMENDATION:**

It is recommended that the AMBAG Board of Directors direct AMBAG staff to prepare a report for the August or September 2011 Board meeting responding to various reports regarding the future of AMBAG.

**BACKGROUND/DISCUSSION:**

Over the course of the first couple of weeks it has come to the attention of the Interim Executive Director that the following issues may need to be addressed; (1) identify and review all our work projects and assignments (and work priorities), (2) continue to evaluate fiscal condition of the agency, and (3) address the various concerns that are being raised by agencies and individuals calling for either dissolution of AMBAG or a significant downsizing of this regional entity. We also need to hear from the AMBAG Board regarding issues you individually have heard or have heard from others and address those.

I have had a preliminary discussion with staff and divided them up into teams and asked them to develop background information and fact-sheets about programs and projects that will incorporate descriptions, benefits and costs, alternative organizational structures, whether or not specific program areas are mandatory regional programs or discretionary and whether there are programs we don't need to perform. During the course of this review the Interim Executive Director may also hear about agency coordination and performance issues that would need to be addressed.

We need confirmation from the Board that this is the direction with which you want to proceed. I would recommend that we do proceed with such an analysis in view of the reports being given to various agency Boards and the need to bring to the AMBAG Board the perspective of AMBAG staff so they can consider all points of view in reaching any conclusions about this organization.

We would anticipate taking a preliminary report to the Board in August or possible September. In view of the timing of any filling of the Executive Director position—usually a six month window—this analysis can be done before the position is filled with a permanent Executive Director, if in fact, it is filled.

**FINANCIAL IMPACT:**

The time and analytical work would be absorbed within existing overhead allocations for various grants. This type of evaluative work will help to develop better descriptions of programs and projects for Board members and involved agencies as well as respond to performance and structural concerns from some of those agencies.

**COORDINATION:**

This report has been coordinated with the Chair of the Board and AMBAG staff.

**APPROVED BY:**



Les White, Interim Executive Director





## Memorandum

**To:** Board of Directors  
**From:** Debra L. Hale, Executive Director  
**Date:** August 24, 2011  
**Subject:** **Evaluation of Costs and Benefits of Transportation Agency Assumption of Federal Transportation Responsibilities**

### RECOMMENDATION

1. **RECEIVE** information from staff regarding the issues and implications of the single-county state/federal transportation planning scenario and hear from Ron DeCarli, Executive Director of the San Luis Obispo Council of Governments on how their agency handles state and federal transportation planning requirements on a single-county basis;
2. **DIRECT** staff to delay approval of any future "in kind" match for ongoing federal planning activities at AMBAG until Board action is taken on a policy agreement with the involved agencies; and,
3. **PROVIDE** direction on whether to continue to pursue information gathering and implementation of this scenario.

### SUMMARY

The Transportation Agency Board of Directors has directed staff to research the notion of taking on the federal metropolitan transportation organization (MPO) responsibilities that are currently handled by the multi-county Association of Monterey Bay Area Governments. The purpose of such a shift to a "single-county MPO" would be to improve cost effectiveness and increase operational efficiencies by removing duplication of efforts across the agencies. Another goal is to increase ongoing investment in the regional transportation model. This report summarizes staff research and analysis of several issues related to such a scenario.

### FINANCIAL IMPACTS

The net tri-county savings in usage of taxpayer funds under this single-counties scenario would be approx.. \$297,500 in state funds, plus approximately \$173,700 in dues collected from member cities and counties, for a total savings of approximately \$471,200 per year.

Under the proposed single-county scenario, estimates are that the Transportation Agency would receive a net annual increase of \$250,000 in federal funds. This net considers the fact that there would be a loss of \$395,000 in more flexible state rural planning funds. According to the budget

developed by Transportation Agency staff (**Attachment 1**) the \$250,000 amount would be sufficient to cover increased staffing needs and allow a contribution towards the maintenance of the regional travel model. The net estimated annual increase to the Santa Cruz County Regional Transportation Commission would be \$292,700, and the net increase in state funding for the San Benito COG is estimated at \$29,000. These amounts could change depending on state and federal allocations.

If the single-county MPO scenario is not adopted and the current organizational structure is maintained, it is important to note that AMBAG is discussing reducing the amount of federal planning funds that are currently allocated to the Transportation Agency and the Santa Cruz County Regional Transportation Commission to help meet its ongoing financial challenges.

On another financial issue, the Santa Cruz County and Monterey County transportation agencies have in the past helped AMBAG utilize its federal planning funds by agreeing to match "in kind" activities funded with non-federal monies. Initially, this was occurring without the knowledge of the single county agencies and the request for approval was for retroactive years in response to an audit of AMBAG, so the agencies agreed to sign the required paperwork. Staff recently received another request from AMBAG to guarantee this "in kind" match for the 2010/11 fiscal year. In the interest of keeping AMBAG from encountering further audit issues, the transportation planning agencies have signed the latest in-kind match request. However, moving forward, both agencies have indicated that they would like to revisit this policy to assure that they have enough non-federal match for their own federal grants.

## **DISCUSSION**

The Transportation Agency Board of Directors has asked staff to evaluate the potential for designating our agency as the federal metropolitan planning organization (MPO) effectively to handle all the transportation planning activities in the county. The Santa Cruz County and San Benito County transportation planning agencies are also performing such a review and AMBAG is also expected to issue a report in September, 2011. **Attachment 2** is a copy of the Santa Cruz Regional Transportation Commission's August report to its Board of Directors. Staff of all three agencies met with Caltrans Audits, Planning and Programming, Federal Highway Administration, Air Resources Board, and Housing and Community Development staff to learn more about the issues related to such a conversion. **Attachment 3** is a summary of existing planning requirements and those that would be added under a single-county scenario. **Attachment 4** summarizes what staff has learned at these meetings in several different issue areas.

## **Next Steps**

Staff seeks direction from the Board of Directors on whether or not they are interested in having the Agency continue to pursue research and activities related the single-county administration of federal and state transportation planning activities. Staff also recommends that the Board delay approval of any future "in kind" match for ongoing federal planning activities at AMBAG until Board action is taken on a policy agreement with the involved agencies.

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Debra L. Hale, Executive Director

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Date

Regular Agenda

Counsel Review: N/A

## Attachments:

1. Single-County Scenario Budget
2. Report to the Santa Cruz County Regional Transportation Commission, August, 2011
3. Transportation Planning and Related Responsibilities: Current and Proposed

4. Analysis of Issues

**TAMC SINGLE COUNTY MPO BUDGET  
INCREMENTAL ADDITIONS**

	Year 1	Year 2	Year 3
	Jul-12 Jun-13	Jul-13 Jun-14	Jul-14 Jun-15
<b>MPO Functions</b>			
1.0 FTE Staff	\$82,600	\$86,730	\$91,067
Office support (supplies, legal, etc.)	\$4,000	\$4,000	\$4,000
One Time Costs	\$4,000		
Regional Model Share	\$100,000	\$105,000	\$110,250
RHNA consulting support	\$0	\$0	\$30,000
GIS consulting services	\$20,000	\$20,000	\$20,000
RTP Consulting costs	\$20,000		
<b>Total additional cost</b>	<b>\$230,600</b>	<b>\$215,730</b>	<b>\$255,317</b>
<b>Additional Planning Funds Available</b>	<b>\$253,896</b>	<b>\$253,896</b>	<b>\$253,896</b>
<b>Carry Over Savings (Usage)</b>	<b>\$23,296</b>	<b>\$38,166</b>	<b>-\$1,421</b>

**Additional Services as MPO**

OWP: Engage FHWA and Caltrans directly (annual)

Regional Model: Contribute funding to 3-county model effort (ongoing)

MTIP: Maintain Transportation Improvement Program and amendments with FHWA (ongoing)

RHNA: Conduct Regional Housing Needs Analysis (periodic)

RTP: Prepare stand-alone regional plan (periodic)

Clearinghouse: Collect and provide notice on data on regionally significant projects (ongoing)

GIS: Secure contracted Geographical Information System mapping as needed (ongoing)

**Assumptions:**

Rideshare services budgeted separately

Sustainable Community Strategies completed by AMBAG

Regional Model current update completed by AMBAG

# Draft Budget - SCCRTC as Single County MPO

## REVENUES - Using current FY 2011-12 funding formulas

865,335	Revenues, without AMBAG
<u>572,000</u>	Revenues, under AMBAG
293,335	Net increase to RTC

## COSTS - to RTC

125,000	1 ft Sr. Planner w/benefits (FTIP, RHNA, Census, Clearinghouse)
80,541	Model, annual cost
<u>87,794</u>	Transit planning
293,335	

## Travel Demand Model Estimated Budget

120,000	Modeler, salary
42,200	Modeler, benefits
25,000	Support staff, 1/4 time mid level planner w/benefits
15,000	Software & licenses
5,000	Hardware, backup
5,000	Overhead
<u>5,000</u>	Contingencies
<b>217,200</b>	<b>total</b>

Cost/year/partner agency	share
28,295 San Benito COG	13.0%
<b>80,541</b> RTC	37.1%
88,365 TAMC	40.7%
<u>20,000</u> Air District	9.2%
217,200 Total	100.0%

### Assumptions -

1. The Regional Travel Demand Model would be funded and managed by the three counties and the Air District through a Memorandum of Understanding.
2. Regional projections for population, employment and housing would also be created under this MOU.
3. Proposed shares are based upon county population share of the region minus a fixed contribution from the Air District, which has not approved this draft budget.
4. This draft budget has not been approved by the partner agencies.
5. Modeler's office to be located in the RTC Watsonville satellite office.

**AGENDA:** August 18, 2011

**TO:** Regional Transportation Commission Transportation Policy Workshop  
**FROM:** George Dondero, Executive Director  
**RE:** Single County Metropolitan Planning Organization (MPO) Scenario

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**RECOMMENDATIONS**

Staff recommends that the Regional Transportation Commission (RTC):

1. Accept this report on a possible single-county MPO scenario and a presentation from Andrew Chesley, Executive Director of the San Joaquin Council of Governments on single-county MPO operations and regional collaboration efforts in the San Joaquin Valley.
  2. Determine whether the RTC would accept the responsibilities of becoming a single county MPO for Santa Cruz County, should that be the desire of the region's cities and counties; and
  3. Provide any further direction to staff, as appropriate.
- 

**BACKGROUND**

At the June 16 Transportation Policy Workshop (TPW), the RTC received a report on the possible re-designation of MPO responsibilities from the Association of Monterey Bay Area Governments (AMBAG) to two single-county MPO agencies. RTC Commissioners directed staff to do more research on the issue, and return for further discussion and consideration. The Transportation Agency of Monterey County (TAMC) has been engaged in parallel discussions over the same time period. Attachment 1 is a staff report on this issue to TAMC's Executive Committee.

The executive directors of TAMC and the RTC met on June 24 with staff from Caltrans, Federal Highway Administration and the Federal Transit Administration to collect information regarding legal and administrative requirements associated with restructuring an MPO. The executive directors will attend a similar series of meetings on August 12 in Sacramento with representatives from Caltrans, the state Department of Housing and Community Development and the Air Resources Board. For a restructuring to occur, the member agencies of the MPO would each vote at their respective city council or board of supervisors whether to retain membership in AMBAG or to withdraw. If 75% of the region (by population) including the largest city (Salinas) were to vote to withdraw from AMBAG, then a restructuring could occur (see Attachment 2). The change would also need agreement from the Governor, most likely delegated through the Caltrans Director.

The RTC and the Transportation Agency for Monterey County (TAMC) would each become an MPO and each would take on the mandated functions which AMBAG currently provides. San Benito County would no longer be a member of an MPO.

## **DISCUSSION**

### **Experience in Other Regions**

In order to provide some perspective from outside our own region, staff invited Andrew Chesley from the San Joaquin Council of Governments to present his perspective as Executive Director of a single-county MPO. Mr. Chesley will describe how his agency fulfills the role of MPO as well as accomplishing many regional collaborative efforts among eight counties in the San Joaquin Valley. He will discuss the trade-offs between the single-county versus a "one big MPO" model, and how his region evolved to the current structure.

### **Regional Housing Needs Assessment**

One of the MPO responsibilities that generates concern among some RTC members is the Regional Housing Needs Assessment (RHNA) through which there is a geographic allocation of projected low-income housing units to be constructed within the region. The process is mandated by the state Department of Housing and Community Development (HCD), and HCD determines the number of housing units by MPO region based on a formula. The RHNA process was traditionally accomplished once every four years, and was recently changed to once every eight years. The next allocation of low-income housing units will occur in 2013.

The RHNA process is known to be contentious and challenging because larger or more politically dominant jurisdictions within a region sometimes work to allocate more low-income housing units to other jurisdictions. Under a single county MPO scenario, the Santa Cruz County region would not need to be concerned with the possibility that other jurisdictions would make it bear a disproportionate burden of the housing allocations. The RTC would administer the allocation process for Santa Cruz County and as suggested at the June RTC meeting, some kind of rules and process could be designed to protect the smaller jurisdictions from being dominated during the process. Staff is investigating how the process is handled in other jurisdictions, and will meet with an HCD representative on August 12 to learn more about the legal and administrative requirements of the process. Staff will report any new information at the August 18 meeting.

### **Managing the Regional Travel Demand Model**

In the June meeting, staff proposed that the most effective way to manage the regional model would be through a Memorandum of Understanding (MOU) or a Joint Powers Agreement (JPA). This joint effort could also be used to address other regional concerns or shared issues. This is the "big ticket" item under the list of MPO duties which needs to be planned and funded adequately in order to serve the

region successfully. It will be important for the partners in the MOU to provide attentive coordinated management for this to happen.

Staff has been researching what is needed to have an effective regional model and proposes that a full time modeler be hired, and that a ¼ time planner be dedicated to support modeling efforts for duties such as gathering land use and transportation data, setting up meetings, and responding to information requests from the public and other agencies. The planner could come from existing staff of the RTC or TAMC, and the source agency would be compensated through the MOU as part of the modeling effort. This would enable the modeler to devote most of his/her effort to developing and improving the model, which is not the case under current AMBAG staffing and organization. One of the concerns raised during a peer review of AMBAG's model is the need for adequate staffing and effort to maintain and improve the model.

Staff believes this approach would minimize any duplication of effort and give the partner agencies opportunity to manage the program for improved quality performance. One new development is the interest of the Monterey Bay Unified Air Pollution Control District (Air District) in participating in model development and quality control. Informal discussions with Air district staff indicate that a financial contribution by the Air District toward the model would be justified, and this is proposed in the draft budget (Attachment 3). The Air District has also offered the possibility of housing the model and corresponding staff at the Air District offices, if they cannot be accommodated within RTC or TAMC facilities.

### **Fiscal Impacts**

In Attachment 3 a draft budget is provided, showing how MPO duties would be funded should the RTC become an MPO. For the non-modeling duties, it is estimated that one full time planner will be needed. In addition, one quarter of an existing planner's time would be provided to support the work of the modeler. Transit planning would be funded with federal funds provided for that purpose, either by existing staff or use of consultants as appropriate.

It is important to remember that AMBAG has suffered cash flow challenges repeatedly. In January 2011 the former Executive Director proposed that the distribution of federal planning dollars should change, and that AMBAG would need a larger portion of those funds than is currently the case. The RTC and TAMC both sent letters of protest to this proposal. However, if AMBAG is to continue as an MPO, it is very likely this issue will be revisited, and AMBAG would attempt to take at least some portion of the federal funds now passed through to the RTC and TAMC. Another option to increase revenues would be for AMBAG to raise the dues paid by each member agency, although this concept has not been well received when brought to the board in the recent past.

## Potential Future Actions

As stated at the June TPW meeting, it is not for the RTC to decide whether AMBAG continues as the region's MPO or whether new single-county MPOs are established. This will be done by the region's cities and counties. As expressed in the staff report to TAMC's Executive Committee ([Attachment 1](#)), the Monterey Bay Area Managers Group is also interested in reevaluating the sharing of responsibilities across transportation agencies ([see Attachment 4](#)). As the region's cities and counties consider these questions, it may be useful for them to know whether the RTC is willing to serve as a single-county MPO for Santa Cruz County. Therefore, **staff recommends that the RTC determine whether it would accept the responsibilities of becoming a single-county MPO for Santa Cruz County should that be the desire of the region's cities and counties.**

A potential change in funding for MPOs could occur when a new transportation act is passed in Congress. Staff is told that this is now being discussed in Washington and a bill could be introduced as soon as September. Also being discussed is a proposal to raise the population threshold to qualify as an MPO. Depending on the proposal passed into law, it could create thresholds under which Santa Cruz County would not qualify as an MPO.

Acting AMBAG Executive Director Les White has been gathering information and analyzing AMBAG's position. Mr. White is expected to present a report to AMBAG's board in September, making recommendations regarding the future of the agency. Potential recommendations could include disbanding AMBAG and establishing new MPOs; merging AMBAG with another agency, merging other agencies with AMBAG or significantly restructuring AMBAG and keeping funds currently distributed to RTC and TAMC.

## SUMMARY

The RTC is considering the potential impacts if it were to become a single county MPO. A budget is presented showing how the various responsibilities would be funded with the estimated revenues that would become available. A presentation on how the San Joaquin Council of Governments manages its responsibilities as a single county MPO and addresses regional issues will be provided. The interim Executive Director at AMBAG will present recommendations about the future of the agency at the September 14 AMBAG meeting.

### Attachments:

1. August 3, 2011 staff report to TAMC's Executive Committee
2. Federal regulations for MPO designation and redesignation
3. Draft Budget – SCCRTC as Single County MPO
4. Letter from the Monterey Bay Area Managers Group to AMBAG

## **Transportation Planning and Related Responsibilities: Current and Proposed**

### Transportation Planning Responsibilities Currently Performed by TAMC

1. Work Program (summary of agency activities for federal funding partners)
2. Regional Transportation Plan (25 year planning document)
3. Regional Transportation Improvement Plan (5 year programming document)
4. Travel Forecast Model Committee
5. Environmental Document Review and Comment
6. Sustainable Communities Strategy – Complete Streets proposal

### Proposed Transportation Planning Responsibilities to Shift to TAMC over time

Below is a list of the transportation and related responsibilities that are currently performed by the Association of Monterey Bay Area Governments that are typically performed by other single-county metropolitan planning organizations in San Luis Obispo County, Santa Barbara County and throughout the San Joaquin Valley.

1. Overall Work Program
2. Metropolitan Transportation Plan
3. Metropolitan Transportation Improvement Plan
4. Regional Environmental Document Clearinghouse
5. Multi-County Travel Forecast Model  
(utilized for general plans, transportation projects, capital improvement plans)
6. Regional Housing Needs Assessment (occurs every 8 years)
7. Census Data Center (disseminates population information)
8. Monterey County Ridesharing Activities
9. Sustainable Communities Strategy (part of the Regional Transportation Plan)

Under the proposed scenario, due to their similarity to existing activities, the first four roles would be absorbed into existing Transportation Agency workload with a small amount of additional staff time, primarily relating to the auditing functions for the work program. The latter roles would represent additional work effort by the agency.

## **Analysis of Issues Related to Formation of three Single-County Transportation Planning Agencies in the Monterey Bay Area**

This attachment evaluates various issues related to the scenario in which the Transportation Agency for Monterey County and the Santa Cruz County Regional Transportation Commission took on as single-county agencies the federal transportation planning responsibilities currently performed by AMBAG.

### **Transit District and Highway Fund Benefits**

Transportation Agency staff has met with the General Manager/CEO of Monterey-Salinas Transit (MST) and made a presentation to the district's Board of Directors. The General Manager has indicated that it would find value in being designated the recipient of all Federal Transit Administration (FTA) funds, and currently has the necessary approvals to serve in this role. Currently AMBAG holds this designation for some FTA funds, which creates an additional layer of approval for receipt of these grants. In addition, AMBAG's designation is currently under suspension due to failure to comply with certain regulations. The issue of having two organizations instead of one required to approve federal funding is similar to that for highway funding and the TAMC-AMBAG relationship. TAMC staff agrees that it would be more efficient for a single agency to be designated the Federal Transit fund recipient (MST) and one agency designated the Federal Highway Administration fund recipient (TAMC) for our county. Similar benefits would accrue in Santa Cruz County. **Evaluation: cost savings and efficiencies.**

### **Opportunities for Regional Coordination**

Some individuals have expressed a concern that by taking the transportation responsibilities away from AMBAG that there will no longer be an opportunity for regional interactions regarding transportation or other matters. In fact, Santa Cruz and Monterey County agencies are already collaborating on the 511 traveler information system program and are collaborating in support of the Monterey Bay Electric Vehicle Alliance.

Another way to collaborate is through a multi-county regional forum. The Executive Director of the San Joaquin Council of Governments, Andrew Chesley, discussed at the TAMC Executive Committee how the eight San Joaquin Valley Regional Transportation Planning Agencies work together on issues of regional importance. They have a policy forum which represents elected officials from each county and an Executive Director's forum. Although their area has discussed the formation of a multi-county MPO (similar to AMBAG) to address regional issues, they have retained the independent agencies with this lower-cost policy forum despite shared air quality issues.

This type of a regional forum could be created among the three Monterey Bay Area counties with minimal additional cost. Follow up activities would be conducted by existing agencies. One idea would be for each of the three counties to host a meeting annually, for a total of three meetings a year. Another idea would be to expand to include the Central Coast Coalition region (adding in Santa Barbara and San Luis Obispo counties) and create a policy forum for the five counties that corresponds to the Caltrans District 5 region. **Evaluation: lower cost regional coordination; same individuals involved.**

### **Sustainable Communities Strategy Development**

Under a single-county MPO model, the single county agencies would be responsible for preparing and updating the Sustainable Communities Strategies, unless other arrangements were made. Since AMBAG is well underway in the development of a three-county sustainable communities strategy and has

substantial grants in place to do so, the single-counties are contemplating a scenario in which this document would be finalized by AMBAG and be adopted by the single county agencies as a shared strategy for the region. According to the Air Resources Board, which is overseeing the development of these plans, there are other regions in the state who are preparing multi-county documents to satisfy the requirements of SB 375. In future single-county updates, one option is to have a shared air quality emissions target for the three-county air basin and the agencies must coordinate their updated strategy in order to reach the target on a multi-county basis. **Evaluation: allows AMBAG to more easily transition; requires future multi-county coordination on updates.**

### **Multi-County Travel Forecast Model**

A budget has been developed by the Santa Cruz County Regional Transportation Commission for the shared administration of the regional travel forecast model among the Santa Cruz, Monterey, and San Benito regional transportation planning agencies and the Monterey Bay Unified Air Pollution Control District. This budget involves contributions by each agency and would raise the level of staffing devoted to this document above current levels to allow for improved ongoing maintenance of the model. The assumption is that prior to transition of the model to the joint administration that AMBAG would complete its model upgrades that are already funded and underway. Otherwise, the agencies would be required to make additional contributions to make the improvements recommended by the Federal Highway Administration's peer review panel. Caltrans Audits indicated that a clear agreement outlining cost contributions and responsibilities would be required. The Federal Highway Administration raised questions as to whether the multi-county travel forecast model could be funded out of federal monies given to single counties, but both TAMC and Santa Cruz RTC staff felt that other areas had multi-county models and that our current multi-county model best reflects travel patterns (and in fact includes Santa Clara County, which is outside the Monterey Bay –AMBAG region). **Evaluation: will result in better travel forecast model; requires ongoing interagency-coordination; requires upfront staff time to prepare the multi-agency agreement and work with the Federal Highway Administration to address the multi-county model issues.**

### **Air Quality Regulations**

The California Air Resources Board has indicated that if the United States Environmental Protection Agency changes its air quality status for ozone emissions back to the prior one-hour rule that the Monterey Bay Air Basin would fall out of conformity with federal standards due to emissions measured at the Pinnacles air station and possibly in Hollister. This change would place the region back into "non-conformity" status and require a certain amount of extra work that none of the four transportation planning agencies are currently conducting. This extra work would primarily be: 1) evaluation of the combined three-county Metropolitan Transportation Plan to determine if the projects in that plan will allow the region to meet the standards (required); and, 2) require adoption of a so-called State Implementation Plan for meeting those standards and adopting transportation control measures to further improve air quality. The analysis would need to be done on the entire air basin and therefore the three-county region. As is done in the San Joaquin Valley, if the agencies became single-county MPOs, they would need to coordinate air quality modeling throughout the air basin. This calculation would be facilitated by retaining the three-county travel forecast model. **Evaluation: falling back into "nonconformity" with federal standards will be an additional cost under a multi-county or single-county scenario without additional revenues; single-county operations will require greater coordination to meet requirements.**

## **Legal Issues and Federal Highway Administration**

The Federal Highway Administration (FHWA) is having their legal staff confirm the methodology for withdrawing from an existing MPO and forming a new single-county federally-designated agency. They may require, for instance, that the Governor (rather than Caltrans) make the determination. These are issues that need to be resolved by FHWA before a final course of action is decided. In addition, FHWA has indicated prior to updating the single-county Regional Transportation Plan, the agency would need to update its federal Public Participation Plan. This plan was recently adopted by AMBAG with significant involvement of all three transportation agencies. While preparation of a single county plan would be relatively straight-forward, there is an involved consultation and public outreach/review process that would make the adoption of such a plan somewhat time-consuming. It is important to synchronize the development of this public participation plan with the timely adoption of the Regional Transportation Plan and the federal transportation programming document by the end of 2013. **Evaluation: all agencies will need to work closely with the Federal Highway Administration to assure that their requirements are met and that logistically they can be met according to required timelines.**

## **Regional Housing Needs Assessment and Housing, Population, Employment Forecasts**

Staff received a briefing from Housing and Community Development staff on the Regional Housing Needs Assessment process. This process involves state calculation of the housing needs by region that are to be included in the individual city and county housing elements. At present, AMBAG divides up the forecast for the Monterey and Santa Cruz County regions into city and county housing targets. Under a single-county scenario, each of the regional transportation agencies would calculate the housing targets and would negotiate with the State Housing and Community Development department on its countywide numbers based on a number of demographic characteristics. These RHNA calculations fit into the development of the housing and employment forecasts that are developed every four years, as well as the Regional Transportation Plan, which the single-county transportation agencies already prepare for state purposes. There are two implications for this shift under a single-county system. First, there would be greater control at a county by county level over the projections and outreach would be to all TAMC member agencies. Second, there would be a significant need for resources every 8 years, when these RHNA calculations are required. The draft scenario budget presumes that \$30,000 in additional consultant resources would be spent on this periodic process, in addition to agency staff time. It is worth noting that this exercise is required, but does not come with additional funding. Normally, agencies fund this housing allocation process with federal transportation funds, given the link to the regional plan. **Evaluation: increased local control over housing allocations with an additional cost every four years.**

## **Audit Compliance**

Staff met with the Caltrans audit staff to assure that we understood the new requirements for auditing in a change of relationship. Other federally-funded agencies, including but not limited to AMBAG, have had difficulties in complying with the very rigorous Caltrans audit requests. We learned that auditing requirements are the same as we currently have, but they would apply to a larger set of activities under a single-county MPO arrangement, given the larger amount of federal funds. As a result, we have included in the single-county budget additional financial staff time and resources for audit compliance. The discussion reinforced our understanding of the complexities of receiving federal funds, but also provided clear direction on how to best comply with those requirements and coordinate with Caltrans. It was clarified that existing AMBAG audit issues would remain with that agency and not be transferred to the single-county agencies. **Evaluation: additional audit compliance activities will require increased education and time/cost for the single-county agencies, but realistically it will be a transfer of efforts from AMBAG to the single-county agencies.**

## **Transition Timing**

According to the regulations, local governing boards representing 75% of the population within the three-county region (cities and counties), including the largest city (Salinas) and the Governor or his designee must approve withdrawal from the existing MPO and redesignation of the new MPO.

Based on our discussions with Caltrans and the Federal Highway Administration, it would seem to make sense to transition to a single-county MPO status at the start of the next federal fiscal year, which is October 1, 2012. There would be many activities taking place leading up to such a transition, including voting by local governing boards and potentially the update of a public participation plan related to adoption of the Federal Transportation Improvement Program. It would appear that this timing would coordinate also with the planned adoption of Regional Transportation Plans in 2014 and the corresponding requirement for adoption of regional housing needs assessments prior to this adoption. Staff research on these timing issues is continuing. **Evaluation: coordination of timing of any transition will be important; a transition will take place over time rather than all at once.**