STAFF REPORT

MEETING DATE:	**February 25, 2020**
SUBJECT:	**Discuss Establishment of Councils of Government**
AGENDA ITEM:	**16**
STAFF CONTACT:	**Daniel S. Little, Executive Director**

SUMMARY:

SRTA is somewhat of an anomaly in that it evolved to operate as an independent public agency but without any formal organizational agreement among its member agencies. This has resulted in missed funding opportunities and difficulty in documenting public agency status to participate in public programs or financing. Development of a formal operating structure that ratifies existing practices is both appropriate and overdue.

STAFF RECOMMENDATION:

It is recommended that the Board of Directors consider the merits of forming a Joint Powers Agreement (JPA) to become recognized as a council of governments (COG), and direct staff to develop a draft JPA for consideration at the April meeting.

DISCUSSION:

SRTA functions much like a COG but is the largest region in California without an underlying JPA to be formerly recognized as a COG. This is becoming increasingly relevant since a COG is recognized by the state legislature (Government Code 6500) and is afforded funding opportunities and local control not otherwise available. Adoption of a JPA, even one that simply ratifies the current functions and organizational structure of SRTA, is all that is needed to become a COG.

At the December 2019 meeting, the board of directors held a workshop to discuss the value of becoming a COG. The board directed staff to explore the idea further at the next meeting. Staff has contacted state grantors and obtained copies of several regional JPA agreements. The JPA has been discussed with SRTA legal counsel and member agency staff. Research to date has shown that the benefits are significant, and the downside is minimal.

Benefits

1. Certain state formula funds are only available to COGs. This trend is accelerating under the current Governor who served on a COG and values the role they play.

2. Certain State discretionary grants— such as an Air Resources Board grant announced last month for transit operations, planning, and vehicles— are only available to COGs. SRTA would have requested funds but is ineligible.

3. SRTA has no official documentation showing that it is a public agency. For example, to join CalPERS or finance the SRTA building, over 100 pages of complex state and federal enabling laws

and other evidence had to be presented and explained. Presentation of a JPA would simplify many processes such a participation in government programs, including public financing.

4. COGs are nimble and can take on any regional role the member agencies determine advantageous, efficient, or better not left to the state. Although there are no immediate needs, the COG structure allows the region to swiftly act to any arising challenge or opportunity.

5. COG status requires the State Department of Housing and Urban Development to coordinate with SRTA in setting "Regional Housing Needs Allocations" (RHNA) for our three cities and the county. While more local empowerment in the setting of state housing quotas is a benefit, it does take staff resources.

Disadvantages

1. There is upfront staff time involved in preparing a JPA and to participate in RHNA. RHNA is conducted every eight years and the cost would be a small fraction of the agency's work program starting in 2028. A JPA is commonly valid for ten years. Renewal is typically straightforward.

With approval of the staff recommendation, staff would work with the cities and county to outline and then draft a JPA for board approval in April. Approval by the governing bodies of the SRTA member agencies would then follow.

ALTERNATIVES:

The board can take no action or request additional information at the April meeting.

OTHER AGENCY INVOLVEMENT:

Staff has discussed the proposal with each of the city managers and will coordinate with the new county CEO. The Technical Advisory Committee received a verbal presentation of this item and recommends proceeding to the next step of development of a JPA.

FISCAL IMPACT:

Based on review of other COGs, it is estimated that staff could draft the JPA with about 40 hours of effort. This is reimbursable as an indirect cost within the current administrative budget. This assumes the JPA would, as staff recommends, reflect current SRTA responsibilities and preserve the same governing board structure.

Daniel S. Little, AICP, Executive Director