



SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS
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Transportation Commission**

MEETING OF THE

**LEGISLATIVE/
COMMUNICATIONS AND
MEMBERSHIP COMMITTEE**

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

***Tuesday, January 20, 2026
8:30 a.m. – 10:00 a.m.***

To Attend In-Person:

**SCAG Main Office – Policy B Meeting Room
900 Wilshire Blvd., Ste. 1700
Los Angeles, CA 90017**

To Attend and Participate on Your Computer:

<https://scag.zoom.us/j/84376025323>

To Attend and Participate by Phone:

**Call-in Number: 1-669-900-6833
Meeting ID: 843 7602 5323**

PUBLIC ADVISORY

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

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To Attend In-Person and Provide Verbal Comments: Go to the SCAG Main Office located at 900 Wilshire Blvd., Ste. 1700, Los Angeles, CA 90017 or any of the remote locations noticed in the agenda. The meeting will take place in the Policy B Meeting Room on the 17th floor starting at 8:30 a.m.

To Attend by Computer: Click the following link: <https://scag.zoom.us/j/84376025323>. If Zoom is not already installed on your computer, click “Download & Run Zoom” on the launch page and press “Run” when prompted by your browser. If Zoom has previously been installed on your computer, please allow a few moments for the application to launch automatically. Select “Join Audio via Computer.” The virtual conference room will open. If you receive a message reading, “Please wait for the host to start this meeting,” simply remain in the room until the meeting begins.

To Attend by Phone: Call (669) 900-6833 to access the conference room. Given high call volumes recently experienced by Zoom, please continue dialing until you connect successfully. Enter the **Meeting ID: 843 7602 5323**, followed by #. Indicate that you are a participant by pressing # to continue. You will hear audio of the meeting in progress. Remain on the line if the meeting has not yet started.

Instructions for Participating and Public Comments

Members of the public can participate in the meeting via written or verbal comments.

1. **In Writing:** Written comments can be emailed to: ePublicComment@scag.ca.gov. Written comments received **by 5pm on Friday, January 16, 2026** will be transmitted to members of the legislative body and posted on SCAG’s website prior to the meeting. You are **not** required to submit public comments in writing or in advance of the meeting; this option is offered as a convenience should you desire not to provide comments in real time as described below. Written comments received after 5pm on **Friday, January 16, 2026** will be announced and included as part of the official record of the meeting. Any writings or documents provided to a majority of this committee regarding any item on this agenda (other than writings legally exempt from public disclosure) are available at the Office of the Clerk, at 900 Wilshire Blvd., Suite 1700, Los Angeles, CA 90017 or by phone at (213) 630-1420, or email to aguilarm@scag.ca.gov.
2. **Remotely:** If participating in real time via Zoom or phone, please wait for the presiding officer to call the item for which you wish to speak and use the “raise hand” function on your computer or *9 by phone and wait for SCAG staff to announce your name/phone number.
3. **In-Person:** If participating in-person, you are invited but not required, to fill out and present a Public Comment Card to the Clerk of the Board or other SCAG staff prior to speaking. It is helpful to indicate whether you wish to speak during the Public Comment Period (Matters Not on the Agenda) and/or on an item listed on the agenda.

General Information for Public Comments

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

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

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



**LEGISLATIVE/COMMUNICATIONS AND
MEMBERSHIP COMMITTEE MEETING AGENDA**

TELECONFERENCE AVAILABLE AT THESE ADDITIONAL LOCATIONS

<p>Cindy Allen City of Long Beach - City Hall 411 W. Ocean Boulevard., 11th Floor Long Beach, CA 90802</p>	<p>Wendy Bucknum Murrow Development Consultants 16800 Aston, Suite 200 Irvine, CA 92606</p>	<p>Ulises Cabrera City of Moreno Valley – City Hall 14177 Frederick Street Moreno Valley, CA 92553</p>
<p>Jenny Crosswhite City of Santa Paula - City Hall 970 E. Ventura Street Santa Paula, CA 93060</p>	<p>Margaret Finlay 2221 Rim Road Duarte, CA 91008</p>	<p>Curt Hagman District Office 14010 City Center Drive Chino Hills, CA 91709</p>
<p>Jan Harnik City of Palm Desert - City Hall 73-510 Fred Waring Drive Palm Desert, CA 92260</p>	<p>Mark E. Henderson City of Gardena – City Hall Management Information Center 1700 W. 162nd Street Gardena, CA 90247</p>	<p>Laura Hernandez City of Port Hueneme - City Hall 250 N. Ventura Road Port Hueneme, CA 93041</p>
<p>Fred Jung 1777 Walker Street Houston, TX 77010</p>	<p>Patricia Lock Dawson City of Riverside - City Hall 7th Floor Conference Room 3900 Main Street Riverside, CA 92522</p>	<p>Ray Marquez 15922 Old Carbon Road Chino Hills, CA 91709</p>
<p>Gil Rebollar SCAG Imperial County Regional Office 1503 N. Imperial Ave. Suite 104 El Centro, CA 92243</p>	<p>Suely Saro City of Long Beach – City Hall 411 W. Ocean Boulevard Floor 2 – The Beach Room Long Beach, CA 90802</p>	<p>David J. Shapiro City of Calabasas - City Hall 100 Civic Center Way Calabasas, CA 91302</p>
<p>Donald Wagner County Administration North 400 West Civic Center Drive 6th Floor Conference Room 601 A Santa Ana, CA 92701</p>	<p>Alan Wapner City of Ontario – City Hall Conference Room 1 303 East B Street Ontario, CA 91764</p>	<p>Thomas Wong City of Monterey Park – City Hall 320 West Newmark Avenue Monterey Park, CA 91754</p>

* Under the teleconferencing rules of the Brown Act, members of the body may remotely participate at any location specified above.



**LCMC - Legislative/Communications and Membership
Committee Members – January 2026**

- 1. Hon. Patricia Lock Dawson**
LCMC Chair, Riverside, RC District 68
- 2. Hon. Margaret Finlay**
LCMC Vice Chair, Duarte, RC District 35
- 3. Hon. Cindy Allen**
Long Beach, RC District 30
- 4. Hon. Wendy Bucknum**
Mission Viejo, RC District 13
- 5. Hon. Ulises Cabrera**
Moreno Valley, RC District 69
- 6. Hon. Jenny Crosswhite**
Santa Paula, RC District 47
- 7. Sup. Curt Hagman**
San Bernardino County
- 8. Hon. Jan C. Harnik**
RCTC Representative
- 9. Hon. Mark Henderson**
Gardena, RC District 28
- 10. Hon. Laura Hernandez**
Port Hueneme, RC District 45
- 11. Hon. Fred Jung**
Fullerton, RC District 21
- 12. Hon. Ray Marquez**
Chino Hills, RC District 10
- 13. Hon. Gil Rebolgar**
Brawley, RC District 1
- 14. Hon. Suely Saro**
Long Beach, RC District 29
- 15. Hon. David J. Shapiro**
Calabasas, RC District 44
- 16. Sup. Donald Wagner**
Orange County



LEGISLATIVE/COMMUNICATIONS AND MEMBERSHIP COMMITTEE AGENDA

- 17. Hon. Alan Wapner**
SBCTA Representative

- 18. Hon. Thomas Wong**
Monterey Park, RC District 34



LEGISLATIVE/COMMUNICATIONS AND MEMBERSHIP COMMITTEE AGENDA

Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700 – Policy B Room
Los Angeles, CA 90017
Tuesday, January 20, 2026
8:30 AM

The Legislative/Communications and Membership Committee may consider and act upon any of the items listed on the agenda regardless of whether they are listed as information or action items.

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

(The Honorable Patricia Lock Dawson, Chair)

PRESENTATION

(Mr. Dan Dunmoyer, President and CEO of the California Building Industry, 2026 Outlook and Priorities)

PUBLIC COMMENT PERIOD (Matters Not on the Agenda)

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

REVIEW AND PRIORITIZE AGENDA ITEMS

CONSENT CALENDAR

Approval Items

1. Minutes of the Meeting – November 18, 2025 PPG. 8
2. SCAG Memberships and Sponsorships PPG. 15

Receive and File

3. 16th Annual Economic Update Evaluation Report PPG. 20
4. Federal Update – What to Expect in 2026 PPG. 24
5. Legislative Tracking Report PPG. 33



INFORMATION ITEMS

6. State Update – Governor’s Budget and What to Expect in 2026 PPG. 35
(David Angel, Senior Legislative Affairs Analyst, SCAG)

7. Regional Early Action Planning (REAP) 1.0 Codification Bill Proposal PPG. 46
(David Angel, Senior Legislative Affairs Analyst, SCAG)

CHAIR UPDATE

(The Honorable Patricia Lock Dawson, Chair)

POLICY AND PUBLIC AFFAIRS DIVISION UPDATE

(Javiera Cartagena, Chief Government and Public Affairs Officer)

FUTURE AGENDA ITEMS

ANNOUNCEMENTS

ADJOURNMENT



Southern California Association of Governments
January 20, 2026

**LEGISLATIVE/COMMUNICATIONS AND MEMBERSHIP COMMITTEE (LCMC)
MINUTES OF THE MEETING
TUESDAY, NOVEMBER 18, 2025**

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE LEGISLATIVE/COMMUNICATIONS AND MEMBERSHIP COMMITTEE (LCMC). A DIGITAL RECORDING OF THE MEETING IS AVAILABLE AT: <http://scag.iqm2.com/Citizens/>.

The Legislative/Communications and Membership Committee (LCMC) of the Southern California Association of Governments (SCAG) held its regular meeting both in person and virtually (telephonically and electronically). A quorum was present.

MEMBERS PRESENT

Patricia Lock Dawson

Cindy Allen
Wendy Bucknum
Jenny Crosswhite

Margaret Finlay (Vice Chair)

Mark Henderson
Laura Hernandez
Fred Jung
Ray Marquez
Gil Rebolgar
David J. Shapiro
Donald Wagner
Alan Wapner
Thomas Wong

Riverside

Long Beach
Mission Viejo
Santa Paula

Duarte

Gardena
Port of Hueneme
Fullerton
Chino Hills
Brawley
Calabasas

Monterey Park

District 68

District 30
District 13
District 47

District 35

District 28
District 45
District 21
District 10
District 1
District 44
Orange County
SBCTA
District 34

MEMBERS NOT PRESENT

Ulises Cabrera
Curt Hagman
Jan Harnik
Suely Saro

Moreno Valley

Long Beach

District 13
San Bernardino County
RCTC
District 29

CALL TO ORDER

Chair Patricia Lock Dawson called the meeting to order at 8:33 a.m. and called upon Hon. Mark Henderson, Gardena, District 28, to lead the Pledge of Allegiance. Staff confirmed that a quorum was present.

PRESENTATION

(The Honorable Monique Limón, Senator, D-Santa Barbara)

There were no public comments for the presentation.

Chair Patricia Lock Dawson introduced newly sworn in Senate President pro Tempore Monique Limón, who provided an overview of her role, priorities, and key challenges facing the state as preparations for 2026 begin. Senator Limón shared that after nine years of focusing on district-specific issues, her new position requires a broader, statewide perspective on various policy matters.

She indicated that the state budget will be a top priority due to ongoing uncertainty at the federal level, including potential cuts to programs such as homelessness funding, SNAP, and other essential resources. Although revenue projections have exceeded expectations, the lack of clarity from the federal government complicates long-term planning and limits the state's ability to address existing funding gaps.

Senator Limón also cited the unexpected wildfires in Los Angeles in early 2025 as an example of unplanned events that strained resources. This highlighted the challenge of balancing ambitious policy goals with legislative and fiscal constraints. She addressed concerns raised by local governments regarding funding for the Homeless Housing, Assistance and Prevention (HHAP) program. While she acknowledged the program's importance, she explained that it was originally intended to be temporary, and there is currently no commitment for funding in 2026–27.

She concluded by expressing her appreciation for the group's efforts and pride in representing San Luis Obispo and Santa Barbara counties, and Ventura County, which is part of SCAG.

PUBLIC COMMENT PERIOD ON NON-AGENDA ITEMS

Chair Patricia Lock Dawson opened the Public Comment Period for items not listed on the agenda and outlined the instructions for public comments. She noted that this was the time for persons to comment on any matter pertinent to SCAG's jurisdiction not listed on the agenda.

SCAG staff confirmed that no public comments were submitted via email to ePublicComment@scag.ca.gov or any raised hands. Seeing and hearing no public comment speakers, Chair Lock Dawson closed the Public Comment Period.

REVIEW AND PRIORITIZE AGENDA ITEM

There were no prioritized agenda items.

CONSENT CALENDAR

Approval Item

1. Minutes of the Meeting – October 21, 2025
2. SCAG Memberships & Sponsorships
3. LCMC 2026 Calendar of Meetings

There were no public comments for the Consent Calendar.

Chair Patricia Lock Dawson opened the floor to the committee members for questions or comments.

There were no comments for the consent calendar.

A MOTION was made (Finlay) to approve Consent Calendar Items 1 through 3. The MOTION was SECONDED (Shapiro) and APPROVED by a majority roll call vote as follows:

AYES: Bucknum, Crosswhite, Finlay, Henderson, Hernandez, Jung, Lock Dawson, Marquez, Rebollar, Shapiro, Wagner, Wapner and Wong (13)

NOES: None (0)

ABSTAINS: None (0)

INFORMATION ITEMS

4. Community Development Block Grant Discussion – Road to Housing Act

There were no public comments for Item No. 4.

Mr. David Angel, Senior Legislative Affairs Analyst, provided the committee with an informational follow-up regarding their prior recommendation for SCAG to adopt a "support if amended" position on the federal Road to Housing Act. This position was unanimously approved by the Regional Council on November 6 as part of the consent calendar. Angel explained that the legislation combines 27 previously introduced bills and 13 new proposals into a bipartisan package containing 40 provisions. The goal of these reforms is to increase housing supply and improve affordability through various funding enhancements and new programs under the U.S. Department of Housing and Urban Development.

Angel explained that the bill would establish a pilot program that reduces CDBG allocations by 10 percent for jurisdictions with housing growth rates below the median. The redistributed funds would be awarded as bonuses to higher-performing jurisdictions, subject to specific exclusions and implementation timelines.

Sly Majid of the U.S. Conference of Mayors then provided a legislative update. He noted that the Road to Housing Act had passed the Senate Banking Committee unanimously and had been incorporated into the National Defense Authorization Act, which is currently in conference. Majid stated that there was limited interest among congressional leaders to amend or remove the Build Now Act provision because of the bipartisan nature of the package and concerns about jeopardizing the passage of the broader legislation.

He emphasized that while the provision may not be ideal, the Conference of Mayors strongly supports the overall bill and does not want opposition to this provision to derail what is considered the most significant housing legislation in over a decade. Majid concluded by expressing cautious optimism that the bill would advance and committed to continuing to monitor developments and provide updates.

Chair Patricia Lock Dawson opened the floor to the committee members for questions or comments.

Committee members engaged in a robust discussion. During the discussion, the committee raised several questions which were addressed accordingly.

5. SB 375 Modernization Update

There were no public comments for Item No. 5.

Mr. Darin Chidsey, Chief Operating Officer, provided the committee with an update on the efforts to modernize SB 375. He offered historical context on the legislation and explained how SCAG's role has evolved since its adoption in 2008. While SCAG was originally focused primarily on transportation planning and air quality, SB 375 expanded its responsibilities to include land use, housing, and

greenhouse gas reduction strategies. This shift has led to more comprehensive regional planning and deeper engagement with cities, stakeholders, and the business community.

Chidsey highlighted that over the past 15 years, significant changes in technology, travel behavior, and development patterns have underscored the need to revisit and enhance the framework of SB 375. He pointed out several challenges with the current process, including increasing technical complexity, lengthy review timelines with the Air Resources Board, limited transparency in target-setting methodologies, and misalignment among state planning goals and funding programs.

He outlined three primary focus areas for modernization: improving process integrity and transparency, better aligning state policies with planning efforts, and prioritizing resources to support the implementation of Sustainable Community Strategies. Chidsey also reported that SCAG and other major metropolitan planning organizations have engaged in discussions with state agencies, which have led to the pursuit of legislative solutions due to legal constraints.

He shared that former Senate Pro Tem Darrell Steinberg has joined the effort as a facilitator to convene stakeholders and build consensus, and several workshops have already been held, with another planned in Sacramento. Chidsey concluded by noting that with bill introductions approaching in February, discussions are ongoing to refine legislative proposals, and he welcomed questions from the committee.

Chair Patricia Lock Dawson opened the floor to the committee members for questions or comments.

Committee members engaged in a robust discussion. During the discussion, the committee raised several questions which were addressed accordingly.

6. 2026 Policy Priorities Look Ahead

There were no public comments for Item No. 6.

Mr. Francisco Barajas, Legislative Affairs Supervisor, provided the committee with a presentation on SCAG's policy priorities and advocacy outlook for 2026. He reviewed the previous legislative session and potential impact on policy focus for the coming session.

On the federal front, he emphasized the importance of annual appropriations, the reauthorization of surface transportation under the Infrastructure Investment and Jobs Act (IIJA), and SCAG's role in supporting the 2028 Olympic Games through effective freight and passenger transportation management.

Barajas also mentioned planned federal advocacy trips, including the annual Hill Lobby Day and the California Transportation Congressional Reception.

Chair Patricia Lock Dawson opened the floor to the committee members for questions or comments.

There were no comments for item number 6.

CHAIR UPDATE

There were no public comments for the Chair Update.

Chair Patricia Lock Dawson provided an update, mentioning that she leads the California Big City Mayors Coalition, which represents the 13 largest cities in the state. She reported that in October, the coalition gathered in San Francisco to develop a statewide action agenda, with housing identified as the top priority. The group is considering support for a housing bond, other related bills, and a potential constitutional amendment proposed by Assemblymember Jackson to secure future housing funding. Chair Lock Dawson also highlighted her collaboration with the California Air Resources Board to reimagine the allocation of Cap-and-Invest funds and monitor SB 375, emphasizing her ongoing engagement with key housing and climate related issues. She concluded her update before moving on to the report from the Government and Public Affairs Division.

POLICY AND PUBLIC AFFAIRS DIVISION UPDATE

There were no public comments for division updates.

Javiera Cartagena, the Chief Government and Public Affairs Officer, provided the committee with an update on the division. She reminded the committee about the upcoming Joint Policy Committee meeting scheduled for December 4, 2025 featuring the annual Southern California Economic Update.

Cartagena also invited members to a special tour of Regional Council District 65 in San Bernardino County on November 24, 2025, which will include site visits to the city halls of Apple Valley, Hesperia, and Victorville.

Finally, she emphasized that there is one week left to apply for the Future Leaders Initiative, a six-month civic leadership program designed to empower emerging civic leaders and planning professionals in Southern California. Cartagena encouraged members to share information about the program with their constituents.

Chair Patricia Lock Dawson opened the floor to the committee members for questions or comments.

Hon. Bucknum, Mission Viejo, District 13, inquired whether the committee had given any thought to a federal legislative visit, noting ongoing federal issues related to transportation, the Olympics, and other matters. Her question was addressed by staff who discussed potential considerations.

FUTURE AGENDA ITEMS

Vice Chair Finlay Duarte from District 35 requested an update from High-Speed Rail regarding federal developments, noting that plans have been changing frequently. She expressed a desire to understand their outlook for 2026, considering the project is currently at least five years behind schedule. Additionally, Hon. David Shapiro from Calabasas, District 44, mentioned that Senator Allen has offered to speak at SCAG, potentially addressing state insurance issues. Staff took note of the items mentioned.

ANNOUNCEMENTS

None.

ADJOURNMENT

There being no further business, Chair Patricia Lock Dawson adjourned the Legislative/Communications and Membership Committee meeting at 10:02 a.m.

[MINUTES ARE UNOFFICIAL UNTIL APPROVED BY THE LEGISLATIVE/COMMUNICATIONS AND MEMBERSHIP COMMITTEE]

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AGENDA ITEM 2

REPORT

Southern California Association of Governments
January 20, 2026

To: LCMC - Legislative/Communications and Membership Committee
RC - Regional Council

**EXECUTIVE DIRECTOR'S
APPROVAL**

From: Jorge Zavala, Legislative Affairs Analyst
(213) 630-1414, zavala@scag.ca.gov

Subject: SCAG Memberships and Sponsorships

RECOMMENDED ACTION:

Approve up to \$111,400 for memberships and sponsorship with 1) The METRANS Transportation Consortium (\$25,000), 2) Southern California Leadership Council (SCLC) (\$20,000), 3) National Association of Regional Councils (NARC) + Major Metros (\$33,900), 4) Mobility 21 (\$25,000), and sponsor 5) UCLA's Lake Arrowhead Symposium (\$7,500).

STRATEGIC PRIORITIES:

This item supports the following Strategic Priority 2: Be a cohesive and influential voice for the region.

EXECUTIVE SUMMARY:

The Legislative/Communications and Membership Committee (LCMC) is asked to approve up to \$111,400 to maintain membership with 1) The METRANS Transportation Consortium (\$25,000), 2) Southern California Leadership Council (\$20,000), 3) National Association of Regional Councils (NARC) + Major Metros (\$33,900), 4) Mobility 21 (\$25,000), and sponsor 5) UCLA's Lake Arrowhead Symposium (\$7,500).

BACKGROUND:

Item 1: The METRANS Transportation Consortium
Type: Membership **Amount:** \$25,000

The METRANS Transportation Center operates through a partnership with the University of Southern California and California State University, Long Beach. METRANS focuses on solving the most pressing transportation problems facing large metropolitan regions, like the Los Angeles Metropolitan area, through interdisciplinary research, education, and outreach. METRANS facilitates collaboration between the University community, the private sector, and the public sector to study trends in goods movement and international trade and to discuss the latest updates, developments, and policies in the transportation sector.

SCAG staff is recommending that the agency retain membership at the “Silver” level, which will provide SCAG with the following:

- Membership on the METRANS Advisory Board
- Opportunities to propose special topical events related to current transportation issues
- Customized opportunities for student engagement and recruitment and METRANS approved/recommended intern for one semester
- Sponsorship acknowledgment and participation in the annual Careers in Transportation panel
- Feature article in various METRANS/CITT publications and online media
- Admission to all METRANS events and VIP receptions, including four (4) complimentary admissions to the biennial International Urban Freight Conference (I-NUF)
- Recognition on the METRANS website and other communication materials and at all METRANS events, including I-NUF, Town Hall meetings, and the annual Seminar Series

Item 2: Southern California Leadership Council (SCLC)

Type: Membership **Amount:** \$20,000

Established in 2005, the Southern California Leadership Council is comprised of business and community leaders from throughout the seven counties of Southern California, including three former California Governors. The SCLC is currently partnered with many business organizations in the SCAG region, including the LA County BizFed, Inland Empire Economic Partnership, LA Area Chamber of Commerce, Orange County Business Council, and the Ventura County Economic Development Association, among others. The SCLC’s work and strategic partnerships focus on shaping and solving public policy issues such as business vitality, resources (energy, water, and environment), and transportation (goods and people) that are critical to SCAG and the region’s economic vitality and quality of life. The SCLC also co-hosted (with SCAG) the 9th and 10th annual Southern California Economic Summits. SCAG Executive Director Kome Ajise serves on the SCLC Board, and SCAG Board officers and executive leadership regularly attend and participate in SCLC meetings and other activities.

Item 3: National Association of Regional Councils (NARC) + Major Metros

Type: Membership **Amount:** \$33,900

The National Association of Regional Councils (NARC) is the leading advocate for Metropolitan Planning Organizations (MPOs) in Washington, D.C. NARC serves as the national voice for regionalism by advocating for regional cooperation as the most effective way to address various community planning and development opportunities and issues. NARC’s member organizations are composed of multiple local governments that work together to serve American communities – large and small,

urban and rural. NARC regularly provides solutions that positively impact American communities through effective inter-jurisdictional cooperation.

SCAG participates in the Major Metros Roundtable, facilitated by NARC, which brings together executive directors of planning organizations from major metropolitan areas with combined populations of over one million to discuss challenges, share insights, and collaborate on policy solutions. This group is supported by voluntary supplemental dues to support the staff time NARC provides to facilitate meetings and other activities.

SCAG has been an active member of NARC throughout the years and recommends continuing to do so as this organization is consistent with SCAG’s core responsibilities and Mission. LCMC Member Alan Wapner serves as a Member of the NARC Board of Directors. As a national public interest organization, NARC works with and through its members to:

- Shape federal policy that recognizes the increased value of local intergovernmental cooperation;
- Advocate effectively for the role of regional councils in the coordination, planning, and delivery of current and future federal programs;
- Provide research and analysis of key national issues and developments that impact members;
- Offer high-quality learning and networking opportunities for regional organizations through events, training, and technical assistance; and,
- Participate in four policy committees: Transportation, Economic & Community Development, Public Safety & Emergency Management, and Environment & Energy, and two working groups: Communications & Government Affairs and Fiscal Officers.

Item 4: Mobility 21

Type: Membership **Amount:** \$25,000

Mobility 21 is a coalition of public, business, and community stakeholders to pursue regional solutions to transportation challenges facing the SCAG region and San Diego County. SCAG is a founding member of Mobility 21, and Kome Ajise, SCAG’s Executive Director, is a member of the coalition’s board of directors. Created in 2002 as an effort in Los Angeles County, Mobility 21 became a regional effort in 2007 with the primary goals to:

- Support practical solutions to Southern California’s transportation challenges;
- Mobilize regional support for transportation funding and legislative priorities at the federal and state levels;
- Unite political leaders around common priorities for transportation; and

- Bring together residents, civic leaders, business groups, and industry experts to inspire them to act and educate them on how to effectively speak out in support of transportation initiatives.

SCAG is a founding member of Mobility 21, and Kome Ajise, SCAG’s Executive Director, is a member of the coalition’s board of directors, which includes representation from various other SCAG stakeholders and agencies.

Mobility21 hosts an annual conference, which SCAG usually sponsors, and this year’s 2026 Mobility 21 Southern California Transportation Summit will be held on Friday, October 1, 2026, at the Disneyland Hotel in Anaheim, California. Last year’s Summit, which SCAG attended, focused on the ‘power of partnership’ in transportation.

Item 5: 2026 UCLA Lake Arrowhead Symposium
Type: Sponsorship **Amount:** \$7,500

The University of California, Los Angeles (UCLA) Lewis Center and Institute of Transportation Studies Program holds a symposium dealing with regional and public policy issues each year. This year’s Symposium – *New Mobility, Automated Vehicles and Cities* – will convene from April 12-14, 2026, at the UCLA Lake Arrowhead Conference Center and will bring together a diverse and intimate group of influential policymakers, private sector stakeholders, public sector analysts, consultants, advocates, and researchers to delve into the pressing public policy challenges at the nexus of transportation, land use, and the environment.

SCAG staff recommends that the agency sponsor the event at the “Gold Sponsor” level in the amount of \$7,500, which provides SCAG with the following:

- Two (2) complimentary registrations;
- Two (2) registrations at 50% off (Early Bird registration costs \$1,095);
- Two (2) exclusive access passes;
- One (1) elected official registrations for government sponsors;
- Exclusive recognition as sponsor of a portion of the Symposium (Breakfast, Lunch or Reception);
- Logo recognition in online program and printed materials (small)

Opportunity to network with speakers, faculty, and prominent public officials



FISCAL IMPACT:

\$83,900 for Coalition for the METRANS Transportation Consortium, National Association of Regional Councils (NARC) + Major Metros, Mobility 21 membership is included in the approved FY 26 Indirect Cost Budget. \$27,500 for the Southern California Leadership Council membership and sponsorship of the 2026 UCLA Lake Arrowhead Symposium is included in the FY 26 General Fund Budget.



AGENDA ITEM 3

REPORT

Southern California Association of Governments
01/20/2026

To: LCMC - Legislative/Communications and Membership Committee

EXECUTIVE DIRECTOR'S
APPROVAL

From: Ana Vallianatos, Department Manager
(213) 236-1803, vallianatos@scag.ca.gov

Kome Ajise

Subject: 16th Annual Economic Update Evaluation Report

RECOMMENDED ACTION:

Receive and File

STRATEGIC PRIORITIES:

This item supports the following Strategic Priority 2: Be a cohesive and influential voice for the region.
3: Spur innovation and action through leadership in research, analysis and information sharing.

EXECUTIVE SUMMARY:

The "2025 Southern California Economic Update" took place during SCAG's Dec. 4 Joint Policy Committee. Moderated by former Los Angeles Mayor Eric Garcetti, the annual economic update featured presentations with an economic analysis of the benefits and opportunity associated with the 2028 Summer Olympic and Paralympic Games in Los Angeles, a detailed economic outlook for the region as a whole, and economic snapshots of each county in the SCAG region. Following the event, the full report was published on SCAG's website.

BACKGROUND:

SCAG's Annual Southern California Economic Summit has pivoted to a smaller scale event due to budget constraints and multiple holidays conflicts with Regional Council and Policy Committee meetings over the past two years. SCAG has continued to produce the same in-depth annual economic data and analysis, publishing it as the "2025 Southern California Economic Update" and making it available as a resource for regional leaders.

EVENT PROGRAM:

After providing welcoming remarks, former Los Angeles Mayor Eric Garcetti moderated a panel of SCAG's economic roundtable members:

- Wallace Walrod, founder and managing partner of Tech Coast Consulting Group, presented the "Analysis of the Economic Impacts of the LA28 Games on Southern California" and the Orange County report.
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- Mark Schniepp, director of California Economic Forecast, presented the overall regional outlook and the Ventura County report.
- Michael Bracken, managing partner and chief economist of Development Management Group, Inc., presented the Imperial County report.
- Shannon Sedgwick, director of the Institute for Applied Economics at the Los Angeles County Economic Development Corporation, presented the Los Angeles County report.
- Manfred Keil, chief economist of the Inland Empire Economic Partnership and Claremont McKenna College, delivered the report for Riverside County.
- Robert Kleinhenz, principal economist of Kleinhenz Economics, presented the San Bernardino County report.
- Beth Tamayose, research director at the University of California, Riverside, School of Public Policy, presented on “Economic Opportunity in Healthcare Occupations.”
- David Roland-Holst, managing director of Berkeley Economic Advising and Research, gave a presentation on “Sustaining Olympic Benefits for LA and the SCAG Region.”

The full report with analyses and presentations from the event are available on SCAG’s website.

REGISTRATION AND ATTENDANCE:

Due to limited in-person capacity at SCAG’s main office, registration efforts for the “2025 Southern California Economic Update” focused on virtual attendance via the SCAG Regional Council meeting livestream.

Email marketing efforts for the event were well received, achieving an average open rate of 27% and a click-through rate of 6%, exceeding the government industry average of 4.5%. Registrations for the event totaled 148; 45 viewers signed onto view the livestream of the event and while the event was well attended in person, these attendees were not tracked due to the public nature of the meeting.

RESOURCES AND REACH:

The full economic report as well as the analysis and data it includes are an important resource that is made available in conjunction with SCAG’s Annual Southern California Economic Summit and are available beyond the event.

SCAG published the annual economic update report, including the special analysis of the regional economic benefits and opportunities of the 2028 Summer Olympic and Paralympic games, along with video of the event on SCAG’s website. At the time of this report, 130 individuals had downloaded the report and accompanying presentations.

The 2025 economic update also generated significant media coverage. Several television stations were on site at the event and interviewed Former Los Angeles Mayor and Moderator Eric Garcetti and Roundtable Economist Wallace Walrod. SCAG staff facilitated radio interviews following the



event with Roundtable Economist Wallace Walrod, Executive Director Kome Ajise, and Planning Supervisor Kevin Kane. The resulting clips were syndicated across multiple local outlets, as well as affiliates across the state and nation. Combined with other print and online coverage of the report, overall audience reach of event media coverage was more than 158 million. This exceeds the 59 million audience reach seen for the 2024 event. A complete list of media coverage of the event is included as an attachment to this report.

FISCAL IMPACT:

Work associated with SCAG’s Annual Southern California Economic Summit is contained in the General Fund and TDA budgets for Special Events, coded in 800.0160.29 and 700.4743.06 respectively.

ATTACHMENT(S):

1. Media Coverage of SCAG’s 2025 Economic Update and Report

Media Coverage of SCAG's 2025 Economic Update and Report

Date	Headline or Program	Outlet Name	Audience Reach	Link
12/24/2025	LA28 closes 2025 on track to meet revenue goals for 2028 Olympics	Fort Worth Star-Telegram Online	2,225,096	https://www.star-telegram.com/sports/article313914074.html
12/24/2025	LA28 closes 2025 on track to meet revenue goals for 2028 Olympics	Spokesman-Review Online	498,021	https://www.spokesman.com/stories/2025/dec/22/la28-closes-2025-on-track-to-meet-revenue-goals-fo/
12/23/2025	LA28 closes 2025 on track to meet revenue goals for 2028 Olympics	Olympian Online	289,810	https://www.theolympian.com/sports/article313914074.html
12/23/2025	LA28 closes 2025 on track to meet revenue goals for 2028 Olympics	Myrtle Beach Online	408,450	https://www.myrtlebeachonline.com/sports/article313914074.html
12/23/2025	LA28 closes 2025 on track to meet revenue goals for 2028 Olympics	Island Packet Online	282,082	https://www.islandpacket.com/sports/article313914074.html
12/23/2025	LA28 closes 2025 on track to meet revenue goals for 2028 Olympics	Bradenton Herald Online	230,983	https://www.bradenton.com/sports/article313914074.html
12/22/2025	LA28 closes 2025 on track to meet revenue goals for 2028 Olympics	Los Angeles Times	14,554,329	https://www.latimes.com/sports/olympics/story/2025-12-22/la28-closes-2025-on-track-to-meet-revenue-goals-for-2028-olympics
12/22/2025	LA28 closes 2025 on track to meet revenue goals for 2028 Olympics	ArcaMax	161,293	https://www.arcamax.com/sports/olympics/s-3959870
12/18/2025	Editorial; Sluggish economic growth expected for the IE in 2026	San Bernardino Sun	24,759	Not available
12/18/2025	Editorial; Sluggish economic growth expected for the IE in 2026	Riverside Press-Enterprise	46,276	Not available
12/18/2025	Editorial; Sluggish economic growth expected for the IE in 2026	Inland Valley Daily Bulletin	77,090	Not available
12/18/2025	Editorial; Sluggish economic growth expected for the IE in 2026	Redlands Daily Facts	2,590	Not available
12/17/2025	Inland Empire to face challenges in job growth in 2026	News Break	10,379,496	https://www.newsbreak.com/news/4401700245614-inland-empire-to-face-challenges-in-job-growth-in-2026
12/17/2025	Inland Empire to face challenges in job growth in 2026	Fontana Herald News Online	72,418	https://www.fontanaheraldnews.com/news/inland-empire-to-face-challenges-in-job-growth-in-2026/article_1506a534-d8b7-4581-8c89-8674b4996a.html
12/12/2025	Report: Limited Economic Growth Likely for Inland Region in 2026	News Break	10,379,496	https://www.newsbreak.com/news/4394427821740-report-limited-economic-growth-likely-for-inland-region-in-2026
12/8/2025	Economics IE: December 8	KVCN-FM Online	6,958	https://www.kvcnews.org/local/news/2025-12-08/economics-ie-december-8
12/8/2025	Economics IE: December 8	News Break	10,379,496	https://www.newsbreak.com/kvcn-news-510759/4386384782697-economics-ie-december-8
12/6/2025	2028 Olympic Games expected to generate \$13 to \$17B for Southern California, economic report says	News Break	10,379,496	https://www.newsbreak.com/abc7-560896/4381917293002-2028-olympic-games-expected-to-generate-13-to-17b-for-southern-california-economic-report-says
12/6/2025	Imperial County faces economic crossroads as water cuts hit agriculture; renewable projects offer hope	Imperial Valley Press	57,862	https://www.kpressonline.com/news/imperial-county-faces-economic-crossroads-as-water-cuts-hit-agriculture-renewable-projects-offer-hope/article_d6da5be5-3a61-4ada-ab48-b48290c5c055.html
12/5/2025	LA 2028 Olympics Could Boost SoCal Economy by \$17 Billion	RR-Magazine	500	https://rr-magazine.com/la-2028-olympics-could-boost-social-economy-by-17-billion/
12/5/2025	LOS ANGELES 2028: LA28 says it has reached \$2 billion in sponsorships; new study says 2028 Games will offer \$13.6 billion-plus economic impact	Sports Examiner	Not available	https://www.sportsexaminer.com/los-angeles-2028-la28-says-it-has-reached-2-billion-in-sponsorships-new-study-says-2028-games-will-offer-13-6-billion-plus-economic-impact/
12/5/2025	LOS ANGELES 2028: LA28 says it has reached \$2 billion in sponsorships; new study says 2028 Games will offer \$13.6 billion-plus economic impact	Sports Examiner	Not available	https://www.sportsexaminer.com/los-angeles-2028-la28-says-it-has-reached-2-billion-in-sponsorships-new-study-says-2028-games-will-offer-13-6-billion-plus-economic-impact/
12/5/2025	LA 2028 Olympics Could Boost SoCal Economy by \$17 Billion	News Break	10,379,496	https://www.newsbreak.com/xfi-am-640-500242/4382661999635-la-2028-olympics-could-boost-social-economy-by-17-billion
12/5/2025	New report estimates the economic impact of 2028 LA Olympics for 5 counties	Sports News Today EIN	3,000,000	https://sports.einnews.com/article_detail/872681320/11tAvAMmneym47nA7ef+rss&code=.7vkVDFQAWBuvPqGkBg%3D%3D
12/5/2025	New report estimates the economic impact of 2028 LA Olympics for 5 counties	KNSD-TV Online	1,190,730	https://www.nbcsandiego.com/news/national-international/olympics-la-county-economy/3940993/
12/5/2025	Limited Economic Growth Likely for Inland Region in 2026 - MynewsLA.com	MynewsLA.com	103,607	https://mynewsLA.com/business/2025/12/04/report-limited-economic-growth-likely-for-inland-region-in-2026/
12/5/2025	2028 Olympic Games expected to generate \$13 to \$17B for Southern California, economic report says	Yahoo News	54,288,482	https://www.yahoo.com/news/articles/2028-olympic-games-expected-generate-030757371.html
12/5/2025	2028 Olympic Games expected to generate \$13 to \$17B for Southern California, economic report says	KABC-TV Online	7,467,686	https://abc7.com/post/olympics-2028-expected-to-generate-13-to-17-billion-dollars-southern-california/18252249/
12/5/2025	New report estimates the economic impact of 2028 LA Olympics for 5 counties	Sports News Today EIN	3,000,000	https://sports.einnews.com/article_detail/872681320/9iNKSGtRb5H8H5p7re+rss&code=.7vkVDFQAWBuvPqGkBg%3D%3D
12/5/2025	Report: Limited economic growth likely for inland region in 2026	KESQ-TV Online	50,882	https://kesq.com/news/california/2025/12/04/report-limited-economic-growth-likely-for-inland-region-in-2026/
12/5/2025	New report estimates the economic impact of 2028 LA Olympics for 5 counties	KNBC-TV Online	2,007,529	https://www.nbclosangeles.com/olympics-2028-los-angeles/olympics-la-county-economy/3811740/
12/5/2025	Brian Ping	KXNAM (CBS News Radio)	218,700	https://app.criticalmention.com/app/rc/clip/view/bf94445-10e7-4e03-a33a-382a3134870?token=fc72b556-be3a-4362-8e4b-2e7c90dfa2f
12/5/2025	KTLA 5 News at 11	KTLA (CW) Los Angeles	59,841	https://app.criticalmention.com/app/rc/clip/view/64bd8fca-e5d4-4d59-ba94-f5697b029b?token=fc72b556-be3a-4362-8e4b-2e7c90dfa2f
12/5/2025	Morning Edition	KPCCFM (NPR) Los Angeles	314,100	https://app.criticalmention.com/app/rc/clip/view/d21b9d75-adf0-41a2-8f05-f857b47926ff?token=fc72b556-be3a-4362-8e4b-2e7c90dfa2f
12/5/2025	NBC 10 Boston News at 4:00pm	NECN (New England Cable News)	2,494	https://app.criticalmention.com/app/rc/clip/view/10a6dab5-fd5f-43aa-b8a4-0e22df25a9c8?token=fc72b556-be3a-4362-8e4b-2e7c90dfa2f
12/5/2025	NBC 10 Boston News at 4:00pm	WBTSND (NBC) Boston, MA	13,956	https://app.criticalmention.com/app/rc/clip/view/05809c1e-0baa-4baa-8353-2106c29d5907?token=fc72b556-be3a-4362-8e4b-2e7c90dfa2f
12/5/2025	WDEL-AM Delaware	WDEL-AM (CBS News Radio) Philadelphia, PA	22,455	https://app.criticalmention.com/app/rc/clip/view/a283b39d-8195-4871-b67b-d28d6d4d5391?token=fc72b556-be3a-4362-8e4b-2e7c90dfa2f
12/5/2025	NBC 10 Boston News at 4:00pm	NECN (New England Cable News)	2,494	https://app.criticalmention.com/app/rc/clip/view/5f85f6b8-376e-4b11-86ba-45c7bc5b94c?token=fc72b556-be3a-4362-8e4b-2e7c90dfa2f
12/5/2025	The Patriot LA AM 1150	iHeartRadio	660,848	https://patriotla.iheart.com/featured/la-local-news/content/2025-12-05-la-2028-olympics-could-boost-social-economy-by-17-billion/
12/4/2025	NBC4 News at 5pm	KNBC (NBC) Los Angeles	34,656	https://app.criticalmention.com/app/rc/clip/view/dd1f83af-6d2d-4de5-8b8b-8ee703e6f01c?token=fc72b556-be3a-4362-8e4b-2e7c90dfa2f
12/4/2025	KTLA 5 News at 5	KTLA (CW) Los Angeles	42,497	https://app.criticalmention.com/app/rc/clip/view/ffc9a03b-314e-4b4e-ad63-20c7f994555?token=fc72b556-be3a-4362-8e4b-2e7c90dfa2f
12/4/2025	Eyewitness News 5PM	KABC (ABC) Los Angeles	87,244	https://app.criticalmention.com/app/rc/clip/view/a621273-f278-4b41-9a10-5540d2a509b1?token=fc72b556-be3a-4362-8e4b-2e7c90dfa2f
12/4/2025	6PM: NBC4 News at 6PM	KNBC (NBC) Los Angeles	56,173	https://app.criticalmention.com/app/rc/clip/view/fc9b6a86-3ee1-4a52-b30a-2e2cf797490f?token=fc72b556-be3a-4362-8e4b-2e7c90dfa2f
12/4/2025	NBC San Diego	KNSD (NBC) San Diego	65,212	https://www.nbcsandiego.com/news/national-international/olympics-la-county-economy/3940993/
12/4/2025	ABC 7 Eyewitness News Online	KABC (ABC) Los Angeles	217,373	https://abc7.com/post/olympics-2028-expected-to-generate-13-to-17-billion-dollars-southern-california/18252249/
12/4/2025	Diane Thompson, Jim Thornton, and Chris Sedens	KXNAM (CBS News Radio) Los Angeles	583,414	https://app.criticalmention.com/app/rc/clip/view/4e472d0b-4352-44e7-b897-d106d4b632a?token=fc72b556-be3a-4362-8e4b-2e7c90dfa2f
12/4/2025	KTLA 5 News at 4	KTLA (CW) Los Angeles	46,066	https://app.criticalmention.com/app/rc/clip/view/1e9d3b83-149c-4851-6575-5b6c7b8a3107?token=fc72b556-be3a-4362-8e4b-2e7c90dfa2f
12/4/2025	NBC4 Online	KNBC (NBC) Los Angeles	103,252	https://www.nbclosangeles.com/olympics-2028-los-angeles/olympics-la-county-economy/3811740/
12/4/2025	NBC4 News at 4pm	KNBC (NBC) Los Angeles	29,204	https://app.criticalmention.com/app/rc/clip/view/02db33bb-57c2-4fa2-a319-4b14f55b39ff?token=fc72b556-be3a-4362-8e4b-2e7c90dfa2f
12/4/2025	NBC 7 News at 6	KNSD (NBC) San Diego	19,260	https://app.criticalmention.com/app/rc/clip/view/8053117f-3d4d-4d07-9d54-cd3a638ce763?token=fc72b556-be3a-4362-8e4b-2e7c90dfa2f
12/4/2025	Yahoo News Video	Yahoo News Online	13,913,761	https://www.yahoo.com/news/articles/2028-olympic-games-expected-generate-030757371.html

TOTAL AUDIENCE REACH 158,438,916



AGENDA ITEM 4

REPORT

Southern California Association of Governments
01/20/2026

To: LCMC - Legislative/Communications and Membership Committee

**EXECUTIVE DIRECTOR'S
APPROVAL**

From: Francisco Barajas, Legislative Affairs Supervisor
(213) 630-1400, barajasf@scag.ca.gov

Subject: Federal Update - What to Expect in 2026

RECOMMENDED ACTION:

Receive and File

STRATEGIC PRIORITIES:

This item supports the following Strategic Priority 2: Be a cohesive and influential voice for the region.

EXECUTIVE SUMMARY:

Congress convened on Saturday, January 3, 2026, marking the beginning of the second session of the 119th Congress. Key focus areas include finalizing negotiations on the FY 2026 appropriations bills with the current Continuing Resolution (CR) set to expire on January 30, 2026, passing the next Surface Transportation Reauthorization bill as the current authorization expires on Wednesday, September 30, 2026, and addressing housing affordability, among others. Holland & Knight and Manatt jointly represent SCAG in Washington, D.C. and have provided the attached report detailing federal updates.

BACKGROUND:

Holland & Knight and Manatt jointly represent SCAG’s interests in Washington, D.C. and have provided the attached report to the Legislative/ Communications and Membership Committee (LCMC) recapping 2025 and providing insights into key policy priority areas for the second session of the 119th Session.

Potential Opportunities for Federal Legislative Outreach

SCAG staff will attend this year’s National Conference of Regions hosted by the National Association of Regional Councils (NARC), held in Washington, D.C. from Sunday, February 1, through Wednesday, February 4. Additionally, SCAG is currently working on finalizing the details of our annual California Congressional Transportation Reception, held in collaboration with the Metropolitan Transportation Commission/ Association of Bay Area Governments (MTC/ ABAG). The reception is tentatively scheduled for the week of May 18, coinciding with Infrastructure Week in Washington, D.C.



FISCAL IMPACT:

Work associated with the staff report on the Federal Update – What to Expect in 2026 is contained in the Indirect Cost budget, Legislation 810-0120.10.

ATTACHMENT(S):

1. SCAG LCMC Federal Update - January 2026

**Southern California Association of Governments (SCAG)
January 2026 – Federal Updates**

FY26 Appropriations Update

2025 Recap

- Last November, Congress passed the Full-Year Continuing Appropriations and Extensions Act of 2025 ([H.R. 1968](#)) to end the 43-day government shutdown. The bill extended government funding through January 30, 2026, and included a minibus of three Fiscal Year (FY) 2026 appropriations bills, including: Agriculture, Military Construction-VA, and Legislative Branch. The bill also included Community Project Funding (CPF) / Congressionally Directed Spending (CDS) requests (earmarks) within the Agriculture and Military Construction-VA bills.
- Last month, Senate leadership introduced a five-bill minibus which included the Defense, Labor-HHS-Education, Transportation-HUD, Commerce-Justice-Science, and Interior-Environment bills. However, the Senate was unable to advance this minibus before Congress adjourned for the holiday recess given the limited time they had to reach an unanimous consent agreement.
- Nevertheless, House and Senate Appropriations Republican leadership reached an agreement before the December recess on top-line spending numbers for the remaining nine remaining appropriations bills, including: Commerce-Justice-Science, Defense, Energy-Water, Financial Services, Homeland Security, Interior-Environment, Labor-HHS-Education, State-Foreign Operations, and Transportation-HUD. **The tables below provide details on amounts provided for DOT and HUD programs provided in the House and Senate FY26 Transportation-HUD appropriations bills:**

Department of Transportation (DOT)

DOT Program	FY25 Enacted	FY26 House	FY26 Senate
BUILD (previously known as RAISE) (In addition to IIJA Advanced Appropriations)	\$345 million	\$0	\$250 million
Federal Aviation Administration (FAA)	\$20.081 billion	\$23.296 billion	\$22.427 billion
Federal Highway Administration (FHWA)	\$62.692 billion	\$64.365 billion	\$63.977 billion

FHWA Highway Formula Funding (authorized by IJJA)	\$61.314 billion	\$62.657 billion	\$62.657 billion
FHWA Highway Infrastructure Grants	\$340.5 million	\$1.369 billion	\$1.136 billion
Federal Transit Administration (FTA)	\$16.603 billion	\$14.910 billion	\$16.89 billion
FTA Transit Infrastructure Grants	\$45.569 million	\$97.266 million	\$140.857 million
FTA Capital Investment Grants Program (in addition to IJJA Advanced Appropriations)	\$2.205 billion	\$53.7 million	\$1.95 billion
FTA Transit Infrastructure Formula Funding (authorized by IJJA)	\$14.279 billion	\$14.642 billion	\$14.642 billion

Department of Housing and Urban Development

HUD Program	FY25 Enacted	FY26 House	FY26 Senate
Tenant-Based Rental Assistance	\$32.1 billion	\$31.26 billion	\$33.7 billion
Public Housing Fund - Capital Fund	\$3.2 billion	\$2.286 billion	\$3.2 billion
Public Housing Fund - Operating Fund	\$5.475 billion	\$4.975 billion	\$4.87 billion
Choice Neighborhoods Initiative	\$75 million	\$0	\$40 million
Manufactured Housing Improvement and Financing Program	\$10 million	\$0	\$10 million
Homelessness Assistance Grants	\$4.051 billion	\$4.158 billion	\$4.5 billion
Housing Opportunities for Persons with AIDS	\$505 million	\$505 million	\$529 million
Project Based Rental Assistance	\$16.9 billion	\$16.726 billion	\$17.8 billion

Community Development Block Grants (CDBG)	\$3.4 billion	\$3.3 billion	\$3.1 billion
HOME Investment Program	\$1.25 billion	\$0	\$1.25 billion
PRO Housing Grant Program	\$100 million	\$0	\$60 million

The Road Ahead

- There is less than 20 days until current government funding expires on January 30. Addressing federal appropriations remains a top priority for lawmakers to avert another government shutdown.
- On Thursday, January 8th, the House passed a three-bill minibus – including the Commerce-Justice-Science, Interior-Environment, and Energy-Water conference reports – that also includes earmarks with each bill. The Senate is expected to pass the bill the week of January 12th.
- On Sunday, January 11th, House and Senate appropriators introduced another, two-bill minibus that includes the Financial Services-General Government and State-Foreign Operations (National Security-Department of State in the House) conference reports. It is anticipated to receive a vote in the House this week.
- Lawmakers continue to work on negotiations for the Transportation-HUD bill, which has the most earmarks.
- Overall, these steps are a positive signal that Congress is focused on advancing FY26 appropriations bills, rather than passing another long-term CR. If Congress wraps up their work on the nine remaining appropriations bills by the end of January, we expect work on the FY 2027 appropriations bills to begin in earnest. This will likely include earlier submission deadlines for appropriations requests.

Surface Transportation Reauthorization Bill

- Congress continues to draft and advance the next surface transportation reauthorization bill as the current authorization, that was included in the Infrastructure Investment & Jobs Act (IIJA), expires on September 30, 2026. The House Transportation & Infrastructure (T&I) and Senate Environment & Public Works (EPW), Banking and Commerce accepted stakeholder input throughout 2025.
- Furthermore, many transportation/infrastructure programs with mandatory funding from the IIJA will issue the last funding opportunity rounds with IIJA funds in 2026. For example, the current round of BUILD grant funding that is open now, will be the last round of funding available from the IIJA.
- While the government shutdown derailed House T&I Chair Graves' aspirations to have legislative text introduced by the end of the year, the House T&I Committee still plans to introduce and markup the bill as early as the first half of February. The Senate EPW Committee (oversees highways title) aims to hold a markup of their bill in March 2026. After the EPW Committee marks up its section, the Banking (oversees transit title) and Commerce Committees (oversees rail and freight titles) will move to mark up their portions.
- Contrary to the IIJA – which provided numerous new and expanded investments in infrastructure with mandatory spending – Chair Graves has made it clear that this next surface transportation bill will focus on funding more “traditional” forms of infrastructure – such as roads, bridges, and highways – rather than bike/pedestrian paths.

Housing Updates

- **LIHTC Expansion:** One key provision of the One Big, Beautiful Bill Act (H.R. 1) passed last year is the expansion of the Low-Income Housing Tax Credit (LIHTC), **which was made effective January 1, 2026**. H.R. 1 permanently increases state allocations for the competitive LIHTC program (9% LIHTC) by 12 percent, as well as expands automatic (4% LIHTC) eligibility by lowering the minimum private activity bond (PAB) threshold from 50 percent to 25 percent.
- **Opportunity Zones Update:** The Opportunity Zone (OZ) program was made permanent this past summer in the One Big Beautiful Bill (OB BB) ([H.R. 1](#)). The OB BB

imposed new, stricter criteria for OZ eligibility. Below is a timeline of OZ implementation under H.R. 1:

- **July 1, 2026:** Governors can begin nominating new census tracts for Opportunity Zone designation. As was the case in the original OZ statute, governors may select up to 25 percent of their states' eligible tracts, with a 25-tract minimum. Importantly, governors maintain full discretion when nominating tracts for OZ status.
- **Late 2026:** The Treasury Department will designate the new OZ tracts.
- **January 1, 2027:** The new Opportunity Zone 2.0 map goes into effect.
- **Through December 31, 2028:** There will be an overlap period where both the existing (2018) OZs and the new (2027) OZs are available for investment.

Housing for the 21st Century Act / ROAD to Housing Act

- The House Financial Services and Senate Banking, Housing, and Urban Affairs Committees will continue working to advance a comprehensive, bipartisan housing package in 2026. Last year, Senate Banking, Housing, and Urban Affairs Committee Chair Tim Scott (R-SC) and Ranking Member Elizabeth Warren (D-MA), introduced the Renewing Opportunity in the American Dream (ROAD) to Housing Act ([S.2651](#)). The ROAD to Housing Act is the first comprehensive, bipartisan housing package introduced in over a decade. The committee advanced the bill in July 2025 with a unanimous, 24-0 committee vote.
- The ROAD to Housing Act includes multiple provisions to address homelessness, increase affordable housing supply, and improve streamlining of environmental reviews and regulations associated with housing. In October 2025, the Senate included the ROAD to Housing Act as part of their version of the FY26 National Defense Authorization Act (NDAA). However, it was not included in the final version of the FY26 NDAA signed into law last month ([S.1071](#)).
- Following this, the House Financial Services Committee leadership released the Housing for the 21st Century Act ([H.R. 6644](#)) on December 11, 2025. Much like the ROAD to Housing Act, the Housing for the 21st Century Act is a package of bills previously introduced by committee members in the 119th and prior Congresses.

- The bill seeks to streamline federal reviews for housing projects, modernize housing programs, incentivize local governments to address barriers to housing development, and increase veterans' access to federal housing programs. The House Financial Services Committee held a markup of the bill on December 17, 2025. House Financial Services Committee Chair French Hill (R-AR) has also asserted that the committee's goal is to work with its Senate counterparts to craft a final compromise package in 2026.

FEMA Reform

- **FEMA Act:** Addressing reforms to the Federal Emergency Management Agency (FEMA) is also expected to remain a key priority for Congress in 2026. Following the introduction of the FEMA Act ([H.R. 4669](#)), the House T&I Committee advanced the FEMA Act last September with a bipartisan, 57-3 committee vote. It is now pending House consideration. Key provisions to reform FEMA programs and procedures include, but are not limited to:
 - Restoration of FEMA as a cabinet-level agency;
 - Creation of project-based grants to support repair, restoration, reconstruction, or replacement activities for facilities post-disaster in communities;
 - Creation of a universal application for individual disaster assistance requests; and
 - Streamlining of permitting processes for FEMA-supported projects.
- **FEMA Review Council:** The Trump Administration has also been evaluating reforms to FEMA through its FEMA Review Council. The Council was expected to release its final report to President Trump detailing recommendations for FEMA reform last month. However, the public meeting and report release were cancelled abruptly last month. It is unclear when the Council will release their report in 2026. It should be noted that according to Section 5 of EO 14180, effective January 24, 2025, the Council shall terminate on January 24, 2026, unless extended by the President.
 - Nevertheless, House T&I Chair Sam Graves (R-MO) and Ranking Member Rick Larsen (D-WA) have expressed that they remain committed to advancing FEMA reforms in a bipartisan manner through Congress.

2026 Elections Update

- All 435 House seats are up for reelection in 2026, with California utilizing new district maps as approved by the 2025 California Proposition 50 (Prop 50). The changes from Prop 50 will result in four Republican members facing steeper obstacles to winning in November (Reps. Kevin Kiley (R-CA-3), Ken Calvert (R-CA-41), David Valadao (R-CA-22), and Darrell Issa (R-CA-48)), while five Democratic members will likely have increased likelihood of being reelected (Reps. Josh Harder (D-CA-9), Adam Gray (D-CA-13), George Whitesides (D-CA-27), Derek Tran (D-CA-45), and David Min (D-CA-47)).
- As of January 2026, three California congressional members have announced that they will not be seeking reelection, including:
 - Rep. Julia Brownley (D-CA-26) (*retiring*)
 - Rep. Eric Swalwell (D-CA-14) (*running for CA Governor*)
 - Rep. Nancy Pelosi (D-CA-11) (*retiring*)
- On January 6th, Republican lawmaker Doug LaMalfa (R-CA-1) passed away suddenly. Exact dates for a special election for the 1st Congressional District are unclear at this point. Rep. LaMalfa's death also decreases House Republican's majority to a two-vote margin.



AGENDA ITEM 5

REPORT

Southern California Association of Governments
January 20, 2026

To: LCMC - Legislative/Communications and Membership Committee

**EXECUTIVE DIRECTOR'S
APPROVAL**

From: Jorge Zavala, Legislative Affairs Analyst
(213) 630-1414, zavala@scag.ca.gov

Subject: Legislative Tracking Report

RECOMMENDED ACTION:

Receive and File

STRATEGIC PRIORITIES:

This item supports the following Strategic Priority 2: Be a cohesive and influential voice for the region.

EXECUTIVE SUMMARY:

The Legislative Tracking Report is provided to keep the Legislative/Communications and Membership Committee (LCMC) apprised of the bills in Sacramento that have a nexus to the Regional Council's adopted Legislative Platform. This report also contains an update on key legislative deadlines.

BACKGROUND:

SCAG's Legislative Tracking Report serves as a resource for the Committee to remain informed on bills moving through the legislative process in Sacramento. The report tracks 260 measures with a nexus to the Regional Council's adopted 2025-26 State and Federal Legislative Platform. SCAG's state bill tracking document, containing information on all 260 measures, can be found at www.scag.ca.gov/legislation, under the "Legislative Tracking" tab.

The State Legislature reconvened for the the second and final year of the 2025-26 legislative session on January 5, 2026. The Senate inaugurated its new President Pro Tempore, Senator Monique Limón, from Senate District 21, which includes all or portions of San Luis Obispo, Santa Barbara, and Ventura counties. The Senator holds the distinction to be the first Latina and first mom to hold this influential position. On January 8, 2026, Governor Gavin Newsom delivered his final State of the State Address in the Assembly chambers. The following day, Mr. Joe Stephenshaw, Director of the Department of Finance, delivered the January Budget on behalf of the Governor.

There are nearly 1,000 "two-year" measures, but about 200 measures face the house of origin deadline of January 30 to remain active for this session. Lawmakers have also introduced over 60 new bills in the first two weeks and are expected to unveil thousands more before the February 20, 2026 bill introduction deadline.

For 2026, SCAG is already tracking 260 measures early in the session.

As the session progresses, staff will continue to provide an updated calendar of legislative deadlines and bill tracker reports with the most relevant and pressing bills. The table below highlights recent and upcoming legislative deadlines:

Date	Deadline
January 5, 2026	Legislature Reconvenes for second year of 2025-2026 Legislative Session
January 10, 2026	Budget must be submitted by Governor
January 23, 2026	Last day to submit bill requests to the Office of Legislative Counsel
February 20, 2026	Last day for bills to be introduced
March 26, 2026	Spring Recess begins upon adjournment of this day's session
April 16, 2026	Legislature reconvenes from Spring Recess
June 15, 2026	May Revision must be passed by midnight

FISCAL IMPACT:

Work associated with the Legislative Tracking staff report is contained in the Indirect Cost budget, Legislation 810-0120.10.



AGENDA ITEM 6

REPORT

Southern California Association of Governments
01/20/2026

To: LCMC - Legislative/Communications and Membership Committee

EXECUTIVE DIRECTOR'S
APPROVAL

From: David Angel, Senior Legislative Affairs Analyst
(213) 630-1422, angel@scag.ca.gov

Subject: State Update – Governor’s Budget and What to Expect in 2026

RECOMMENDED ACTION:

Information Only – No Action Required

STRATEGIC PRIORITIES:

This item supports the following Strategic Priority 2: Be a cohesive and influential voice for the region.

EXECUTIVE SUMMARY:

The State Constitution requires the Governor to submit a balanced budget to the Legislature by January 10 of each year. To comply with this requirement, Governor Newsom unveiled his 2026-27 fiscal year budget proposal on Friday, January 9, 2026. His \$348.9 billion budget lays out his administration’s spending plan for the upcoming fiscal year, which projects a modest \$2.9 billion shortfall, in contrast to the \$17.6 billion shortfall projected by the Legislative Analyst’s Office. SCAG lobbyists at Cruz Strategies will provide a presentation on the budget’s details and its potential impact on SCAG’s priorities. Cruz Strategies’ Budget Summary Update is also attached to this report.

BACKGROUND:

Governor Newsom presented his January Budget Proposal for the 2025-26 fiscal year on Friday, January 10, 2025, as required by the State’s constitution. The budget includes \$348.9 billion in spending in all categories, of which \$248.3 billion are General Fund resources. During last year’s budget cycle, the Governor and Legislature had to address a nearly \$12 billion deficit, requiring various reductions, shifts, and transfers from reserves. This year’s budget forecasts a much smaller \$2.9 billion shortfall, resulting from growth in state expenditures, reduced federal support, and economic instability. Thus, the Governor’s team has characterized this year’s proposal as a “workload budget” because it does not include significant cuts or increases in spending. Instead, the budget proposal focuses on maintaining current spending levels outside any mandated spending, such as minimum funding levels for K-12 and minimum reserves/debt payments.

The Legislative Analyst's Office (LAO), however, released a contrasting fiscal outlook, estimating a nearly \$18 billion shortfall that could increase to up to \$35 billion by fiscal year 2027-28 due to rising spending and maturing debt. The Governor's office explained that this difference is due to the LAO including potential stock market dips and excluding certain revenue sources, such as gains from Artificial Intelligence (AI) and technology stocks, in its revenue forecast.

Below are the highlights of the Governor's 2026-27 January Budget Proposal that are relevant to SCAG:

Transportation

- Maintains the entirety of the one-time transportation investments from a multi-year \$14.6 billion transportation package, which was included in the 2025 Budget Act.
- Cancels \$166 million in transfers from the Greenhouse Gas Reduction Fund (GGRF) and Air Pollution Control Fund to maintain solvency of the Motor Vehicle Account (MVA), as the Administration now believes the MVA will become solvent on its own.
- Maintains the \$1 billion annual allocation from Cap-and-Invest proceeds for High-Speed Rail.
- Authorizes the Association of Bay Area Governments/Metropolitan Transportation Council (ABAG/MTC) to provide short-term loans to Bay Area transit agencies facing cash flow challenges.

Climate Change

- Allocates up to \$560 million annually from Cap-and-Invest proceeds for the modernization of the Affordable Housing and Sustainable Communities (AHSC) Program. **see Housing & Homelessness Section for more details.*
- Proposes \$200 million in one-time special funding to establish a new light-duty zero-emission vehicle incentive program, which is funded in part from the cancelled \$166 million GGRF transfer to the MVA.

Environmental Protection

- Allocates \$1.7 million in ongoing funding and 10 staff positions to implement the state and local government elements of the Advanced Clean Fleets regulation.
- Allocates \$1.6 million in ongoing GGRF revenue for five staff positions to update the statewide air monitoring plan every five years.

Housing & Homelessness

- Maintains \$1 billion for the Round 6 and \$500M for Round 7 of the Homeless Housing, Assistance and Prevention (HHAP) Grant Program, with Round 7 contingent on "enhanced accountability and performance requirements," but does not include new funding for Round 8.

- Creates the California Housing and Homelessness Agency (CHHA) to develop a more coordinated and efficient system for tackling the state’s housing and homelessness issues.
- As mentioned in the 'Climate Change' section, the budget proposes allocating up to \$560 million from Cap-and-Invest to AHSC, but separates the affordable housing components from the sustainable communities components.
 - Up to \$240 million of this funding will be reserved for the sustainable communities component to “advance climate-aligned housing, land-use, and transportation outcomes.”
 - This is part of the Administration’s plan to modernize the program, improve administrative efficiency, better coordinate with other housing subsidies, and speed up the construction of climate-friendly affordable housing.

Next Steps

The Governor’s proposal is the first step in the budget process, which will culminate in the adoption of the FY 2026-27 budget by June 15, 2026, as required by our state constitution. Over the next several months, the Legislature will convene its budget committees, identify its priorities, and negotiate with the Governor. While many steps remain, the January budget proposal is a key indication of the Governor’s top priorities.

Cruz Strategies represents SCAG in Sacramento and will provide a presentation to the Legislative/Communications and Membership Committee (LCMC) on the Governor’s proposed budget. Cruz’s summary of the budget is attached to this report. To access the Governor’s proposed budget, visit www.ebudget.ca.gov.

FISCAL IMPACT:

Work associated with the 2026-27 State Budget Update is contained in the Indirect Cost Budget, Legislation 810-0120.10.

ATTACHMENT(S):

1. SCAG LCMC Budget Update. Cruz Strategies 1.9.26



Governor Newsom’s January Budget Proposal
FY 2026-2027
Key Highlights
January 09, 2026

Following Governor Newsom’s high-level [preview](#) of the Fiscal Year 2026-2027 budget proposal during his final State of the State speech, the Department of Finance (DOF) provided an in-depth presentation of the proposed \$349 billion spending plan.

The Governor’s proposal comes against the backdrop of a projected \$18 billion deficit by the Legislative Analyst’s Office. The Administration estimates a more modest \$2.9 billion deficit that it has solved for with state revenues being boosted by AI and tech stocks (\$42 billion above projection) in the budget window. The shortfall reflects several converging pressures, including sustained growth in state expenditures, reductions in federal support, and broader economic instability.

While acknowledging the evolving conditions, DOF Director, Joe Stephenshaw, captured the essence of the proposal by calling it a “workload budget.” The administration is proposing neither major cuts nor significant expansions. Key proposals:

- **Medi-Cal** - Increased Medi-Cal expenditures of approximately \$2 billion General Fund
- **Food Aid** – Increase spending of \$382.9 million to reflect the federal share of CalFresh administrative cost reduction from 50 percent to 25 percent
- **Zero-Emission Vehicles** – Provides \$200 million to establish a new light-duty ZEV incentive program.
- **High-Speed Rail** – Maintains \$1 billion annually from Cap-and-Invest for the project.

- **Modernizing the Affordable Housing and Sustainable Communities** – Separates the affordable housing components from the sustainable communities components.
- **Homelessness** - Maintains \$500m for Round 7 of HHAP.
- **Climate Bond** - Allocates \$2.1 billion in the second year of a multi-year investment plan.
- **Data Centers** - Funds an assessment report on the ratepayer impacts of large new electricity loads, including data centers. The budget also proposes ongoing staffing capacity to support continued electric rate design and cost allocation rules, data analysis, and other efforts to avoid potential cost impacts to existing customers.
- **Community Schools** – Provides \$1 billion to expand the model for more school sites that have large populations of low-income families.
- **Teacher Preparation** - Provides \$250 million one-time Proposition 98 General Fund to continue educator residency programs through 2029-30.
- **Reproductive Health Grant Program**—Provides \$60 million one-time General Fund in 2025-26 for the Department of Health Care Access and Information to provide grants to reproductive health care providers.
- **Bay Area Transit Loan**— Authorizes the Metropolitan Transportation Commission (MTC) to provide short-term loans to transit agencies facing cash flow challenges, preserving essential services for Bay Area riders.
- **Continuation of Debt Collector Licensing and Regulation Funding**— Provides \$13.5 million Financial Protection Fund annually through 2029-30 to continue implementing Chapter 163, Statutes of 2020 (SB 908), the Debt Collection Licensing Act
- **CalCompetes** - Extends the CalCompetes Tax Credit program at its current level of \$180 million in annual allocations for five years through 2032-33.
- **Sustainable Aviation Fuel** - The budget includes a tax credit against diesel excise tax liability to incentivize the in-state production of sustainable aviation fuel, a lower-carbon alternative to petroleum-based jet fuel.

The Department of Finance reiterated that the multi-year budget strategy to remain fiscally prudent remains in place. The Legislature will soon convene hearings to review the budget proposal and begin developing its own priorities ahead of the May Revise.

[Governor Newsom YouTube Page](#)



Highlights by Issue Areas

Below, we have included proposals of interest or significance in the Governor's budget by subject area. Click [here](#) for a link to the Governor's Summary if you need additional information.

Health and Human Services

- **House of Representatives (H.R.) 1 of 2025**—The Budget reflects the following significant adjustments related to the implementation of federal requirements included in H.R. 1:
 - **Work and Community Engagement Requirement**—An estimated reduction of \$373 million (\$102 million General Fund) in 2026-27 and \$13.1 billion (\$3.6 billion General Fund) by 2029-30, resulting from the new work and community engagement requirements for the Affordable Care Act adult expansion population, effective January 1, 2027. Under this federal policy, these individuals must comply with federal work or community engagement requirements as a condition of Medi-Cal eligibility unless they meet an allowable exemption or short-term exception.
 - **Medical Assistance Percentage for Emergency Services**—A cost of \$658 million General Fund in 2026-27 and \$872 million General Fund by 2029-30 due to the federal match reduction from 90 percent to 50 percent for emergency services for Affordable Care Act adult expansion population members with unsatisfactory immigration status.
 - **Restrictions on Immigrant Eligibility**—Transitions individuals impacted by the federal eligibility change for qualified non-citizens to restricted-scope Medi-Cal. Effective October 1, 2026, the federal policy will exclude individuals with certain immigration statuses from federal eligibility for full-scope Medi-Cal, which significantly reduces federal funding for this population. If the state were to provide full-scope Medi-Cal to this population, the cost is estimated to be \$786 million General Fund in 2026-27 and \$1.1 billion General Fund ongoing.

- **Affordable Care Act Adult Expansion Six-Month Redeterminations**—A reduction of \$463 million (\$74 million General Fund) in 2026-27 and \$3 billion (\$474 million General Fund) by 2029-30 for decreased caseload resulting from the required federal eligibility redetermination frequency changing from once per year to every six months for this population.
- **Reduced Retroactive Medi-Cal Timeframes**—A reduction of \$23 million (\$10 million General Fund) in 2026-27 and \$48 million (\$20 million General Fund) ongoing from the reduction of retroactive Medi-Cal coverage changes from three months before an individual’s application date to one month for the Affordable Care Act adult expansion population and two months for all other members, effective no sooner than January 1, 2027.
- **Managed Care Organization (MCO) Tax**—\$4.5 billion in 2025-26 and \$2.5 billion in 2026-27 MCO Tax revenue to support the Medi-Cal program and \$1.6 billion across 2025-26 and 2026-27 to support increases in managed care payments relative to calendar year 2024 in certain domains.
- **H.R. 1**—Federal policy and cost sharing changes included in H.R. 1 resulted in significant changes to CalFresh eligibility and increased the state’s share of costs for the CalFresh program.
 - **Cost-Sharing Provisions**—The Budget includes an increase of \$382.9 million General Fund in 2026-27 to reflect the federal share of CalFresh administrative cost reduction from 50 percent to 25 percent. As a result, the Budget assumes General Fund and county share of cost increases beginning October 1, 2026. The state continues to assess the potential fiscal impact of the benefit cost sharing provision of H.R. 1 based on the payment error rate beginning October 1, 2027. The 2025 Budget Act includes \$39.9 million (\$20.1 million General Fund) to support various initiatives to improve the state’s payment error rate.
 - **Eligibility Provisions**—The Budget includes \$66.2 million in anticipated reduced General Fund costs in 2026-27 due to changes in federal policy, resulting in fewer individuals remaining eligible for CalFresh benefits. These federal policy changes include, but are not limited to ineligibility for certain lawfully present non-citizens; updated Able-bodied Adults without Dependents work requirements, and State Utility Assistance Subsidy limitations.
- **Administrative Efficiency: Streamlining Eligibility to Align with Medi-Cal**—A reduction of \$86 million General Fund to conform the IHSS Residual Program with the timing of Medi-Cal coverage, beginning in 2026-27.



CRUZ STRATEGIES

- **IHSS Backup Provider System**—A reduction of \$3.5 million General Fund to eliminate the IHSS Backup Provider System, beginning in 2026-27.
- **Behavioral Health Funding**—A placeholder of \$150 million Behavioral Health Services Fund in lieu of General Fund for workforce and prevention programming at the Department of Health Care Access and Information and the California Department of Public Health with the specific proposal to be updated at the May Revision.
- **Reproductive Health Grant Program**—\$60 million one-time General Fund in 2025-26 for the Department of Health Care Access and Information to provide grants to reproductive health care providers. This is in addition to \$90 million MCO Tax funds and \$56 million Abortion Access Fund in 2025-26 to support reproductive health care providers.

Public Safety

- **Post-Release Community Reentry Programs**—\$5.3 million General Fund in 2026-27, increasing to \$14.3 million General Fund in 2030-31, to increase contract rates for post-release reentry programs. This completes the right-sizing of all post-release reentry programs, a process that started in the 2024 Budget Act.
- **CalVIP**—The Budget includes \$56.4 million Gun Violence and Prevention and School Safety Fund in 2025-26 and \$51.9 million in 2026-27 for CalVIP.
- **Drug Interdiction Continuation**—The Budget includes \$30 million General Fund (\$15 million in 2026-27 and \$15 million in 2027-28) to further expand the Military Department's existing drug interdiction efforts to prevent drug trafficking by transnational criminal organizations throughout the state, with a particular focus on assisting federal, state, local, and tribal law enforcement agencies in combating fentanyl.
- **The California Community Corrections Performance Incentive Act**, Chapter 608, Statutes of 2009 (SB 678), was created to provide incentives for counties to reduce the number of felony probationers sent to state prison. Since inception, the program has allocated more than \$1.5 billion to counties

for their role in reducing prison admissions. The Budget includes \$127.9 million General Fund for the program.

- **Online and App-Based Illegal Gambling Enforcement**—\$1.1 million Unfair Competition Law Fund and 3 positions in 2026-27 and ongoing to conduct investigations and litigation against illegal online and app-based gambling operations.
- **Orange County Central Justice Center Facility Modification**—\$36 million General Fund in 2026-27 and \$35 million General Fund in 2027-28 to complete the ongoing facility modification to provide Fire Life Safety upgrades at the Central Justice Center in Orange County.
- **Body-Worn Camera Statewide Implementation**—The CHP received budget augmentations of \$9.8 million in 2023-24; \$9.9 million in 2024-25; and \$4.9 million in 2025-26 and ongoing and 11 positions to implement body-worn cameras statewide.
- **Organized Retail Crimes Task Force**—Chapter 803, Statutes of 2018 (AB 1065) required the CHP to create a task force to enhance and improve California’s response to organized retail crimes in the most heavily-impacted regions of the state. The 2019 and 2021 Budget Acts included one-time funding to create the new Organized Retail Crimes Task Force, and the 2022 Budget Act expanded the Task Force and made it permanent. Since its inception in 2019, the CHP has recovered \$68.7 million in stolen property.
- **Highway Violence Task Force**—Prior budgets included a total of \$15.5 million in one-time funding for the Highway Violence Task Force to address violent crimes occurring on state highways. The Governor's Budget proposes \$885,000 and 7 permanent positions to analyze crime data and conduct criminal research in support of the Task Force.
- **Hemp Enforcement and Regulation**—\$7.3 million (\$5.6 million Cannabis Control Fund and \$1.7 million Cannabis Tax Fund) in 2026-27 and \$5 million (\$4.1 million Cannabis Control Fund and \$852,000 Cannabis Tax Fund) in 2027-28 and ongoing to integrate hemp into the cannabis regulatory framework, as required by Chapter 248, Statutes of 2025 (AB 8).

Housing

- **New Housing & Homeless Agency**— The Administration is proposing to establish a new California Housing and Homelessness Agency to create a more integrated and effective administrative framework for addressing the state’s housing and homelessness challenges.



CRUZ STRATEGIES

- **Affordable Housing and Sustainable Communities** —Up to \$560 million annually from Cap-and-Invest proceeds will be shifted to administer affordable housing programs as part of the Administration’s modernization of the AHSC Program to streamline administration, better leverage complementary housing subsidies, and accelerate delivery of climate-aligned affordable housing.

Homelessness

- **HHAP** - Maintains the sixth round of HHAP totaling \$1 billion. In addition, there is a \$500 million for a planned seventh round, contingent on ‘enhanced accountability and performance requirements.’

Energy

- **California Ratepayer Protection Act (AB 1167)**—\$952,000 ongoing and 4 positions to strengthen CPUC enforcement and oversight of political and promotional advertising to protect ratepayers from ‘unreasonable utility costs and ensure accountability in utility practices.’

Transportation & Infrastructure

- **Bay Area Transit Loan**— Proposes statutory changes to authorize the Metropolitan Transportation Commission (MTC) to provide short-term loans to transit agencies facing cash flow challenges, preserving essential services for Bay Area riders.
- **2025 Investments**—The Budget maintains the entirety of the one-time transportation investments included in the 2025 Budget Act, totaling \$14.6 billion.
- **High Speed Rail Authority**—The Plan includes a \$5 billion Greenhouse Gas Reduction Fund (GGRF) over the next five years for the High-Speed Rail project. With the passage of SB 840 (Ch. 121, Stats 2025), the Authority is provided \$1 billion per year through 2045 from the GGRF.

Higher Education

- **Master Plan for Career Education** - \$100 million for community colleges for credit for prior learning and career passports.
- **Golden State Teacher Grant Program Reappropriation** - Reappropriation of \$14.4 million General Fund from the 2021 Budget Act to support the Golden State Teacher Grant Program in 2026-27.
- **Middle Class Scholarship** - The Budget provides \$1.1 billion General Fund for the Middle Class Scholarship.

TK-12 Education

- **TK-12 Education Spending** : \$137.1 billion
 - One adjustment in budget is to appropriate \$1.6 billion less in the current year based on budget volatility and expect to true up
- **Universal Transitional Kindergarten** - Fully funds implementation.
- **Proposition 28 (Arts and Music)** - Projected Guarantee of \$1,066,698

Labor & Workforce Development

- **California Export Promotion Program**—\$1.3 million General Fund in 2026-27 and ongoing to support international trade and to provide export promotion services.
- **Innovation and Emerging Technologies**—\$400,000 General Fund in 2026-27 and ongoing to engage and grow emerging business sectors such as artificial intelligence, quantum, and cloud/data platforms, among others, by facilitating relationships between the private sector and R1 universities, national laboratories, and federal funding opportunities.



AGENDA ITEM 7

REPORT

Southern California Association of Governments
01/20/2026

To: LCMC - Legislative/Communications and Membership Committee

**EXECUTIVE DIRECTOR'S
APPROVAL**

From: David Angel, Senior Legislative Affairs Analyst
(213) 630-1422, angel@scag.ca.gov

Subject: Regional Early Action Planning (REAP) 1.0 Codification Bill Proposal

RECOMMENDED ACTION:

Information Only – No Action Required

STRATEGIC PRIORITIES:

This item supports the following Strategic Priority 2: Be a cohesive and influential voice for the region.

EXECUTIVE SUMMARY:

In 2019, the state allocated \$47 million in Regional Early Action Planning grant program (REAP 1.0) funding to the SCAG region to develop programs and support strategies that accelerate housing development. These programs and strategies included technical assistance for jurisdictions in their efforts to update their 6th cycle Regional Housing Needs Allocation (RHNA) housing elements, a temporary housing policy leadership academy, and partnerships with local non-profit organizations to increase community involvement in local planning and housing initiatives. REAP 1.0 was officially closed out in December 2025, and there are currently no state-level efforts to reauthorize it or provide additional funding.

Consistent with the principles included in the Affordable Housing & Housing Production plank of the adopted 2025-26 SCAG Legislative Platform, staff have been exploring the option of sponsoring legislation to codify REAP 1.0 into state law. The effort to codify the REAP 1.0 program would be coupled with a separate, but complementary, \$125 million state budget request to support a new round of funding for the program. The exploration of these ideas has been conducted in partnership with staff at the California Association of Councils of Governments (CALCOG).

Today, staff will share an overview of the status of these efforts.

BACKGROUND:Potential SCAG Legislative Effort for 2026:

Because there is no state-level funding for regional agencies to assist their member jurisdictions with the 7th cycle RHNA program, staff proposes that SCAG sponsor a bill to codify REAP 1.0 into state law. REAP 1.0 was included in AB 101 (Chapter 159, Statutes of 2019), a budget trailer bill for that year relating to state housing programs. For unknown reasons, the REAP 1.0 program was a one-time program and was not added to the Health and Safety Code, where other state housing programs are permanently authorized. As the SCAG region enters the 7th Cycle RHNA, stable funding is needed to maintain SCAG's housing programs, which are critical to helping our region comply with its RHNA allocation and address concerns relating to the availability of housing at all income levels.

In addition to efforts to codify the REAP 1.0 program, staff also proposes advocating for a separate, but complementary, \$125 million budget request, reflecting the amount the state allocated to support Councils of Governments (COGs) in AB 101. Staff is pursuing unbacked bill language to codify the REAP 1.0 program in partnership with CALCOG. "Unbacked bill language" refers to draft legislative text for a given proposal, but is not guaranteed to be introduced as an official legislative bill.

Staff anticipates presenting additional details at the February LCMC meeting, along with a recommendation for action. That action could include a recommendation to serve as the bill sponsor and include it as a top priority for SCAG's annual Sacramento Summit in March.

Background on the REAP 1.0 Program:

In 2019, Governor Newsom signed AB 101 into law, which provided \$250 million for the REAP 1.0 program. This amount was split in half, with \$125 million in over-the-counter grants provided to cities and counties for the preparation and adoption of planning documents, and process improvements to accelerate housing production, and \$125 million for regional agencies that administer the RHNA program. Of this \$125 million, SCAG received \$47 million.

SCAG utilized its share of the funding to support cities and counties in developing their 6th cycle housing elements and other programs to help meet regional housing goals. These resources were critical to enabling SCAG to provide technical assistance and support local jurisdictions in planning for the unprecedented 1.34 million housing units the state determined our region needed as part of the 6th cycle RHNA program.

Overall, SCAG's REAP 1.0 program delivered strong outcomes and provided meaningful, lasting benefits for the region. SCAG's investments provided resources to streamline the planning process and help jurisdictions address barriers to housing production, including zoning restrictions, environmental reviews, and infrastructure needs. In addition to financial support, the program

provided capacity-building efforts, technical guidance, and best practices to optimize land use and housing development strategies.

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

Looking toward the 7th Cycle RHNA Program:

SCAG is now preparing for the 7th Cycle RHNA, which will cover the eight-year planning period from 2029 to 2037. The 7th Cycle RHNA process will begin this summer, when HCD conducts its required consultation with SCAG. HCD is required to provide the SCAG region's Regional Housing Need Determination (RHND) no later than October 2026.

Jurisdictions in Orange, Riverside, San Bernardino, and Ventura counties must have approved housing elements reflecting their new allocations by October 15, 2029; jurisdictions in Imperial and Los Angeles counties must have theirs approved by April 15, 2030.

Summary of potential provisions in the REAP 1.0 Codification Effort:

The REAP 1.0 bill draft language proposes to codify the existing REAP 1.0 framework in the Government Code. The draft language will be substantially similar to the original REAP 1.0 program with some improvements. Below is a section-by-section analysis of the draft bill language:

Section 1 - Regional Early Action Planning Fund

This section would establish the Regional Early Action Planning Fund within the State Treasury, which would receive funding by appropriation from the Legislature to provide grants to eligible entities for planning activities to implement the 7th and subsequent cycles of the RHNA program. The original REAP 1.0 program language explicitly states its "one-time" nature and references only the 6th cycle.

Section 2 – Eligible Entities & Allocation

This section states that (a) councils of governments or (b) other regional entities responsible for allocating regional housing need would be the two types of entities eligible to receive funding from this program. Entities could apply up to 39 months before the next housing element due date, in line with the deadline for HCD to meet and consult with COGs regarding their total housing need. Further, awards would be proportional to an entity's share of the state's total population.

The original bill allowed jurisdictions to receive direct allocations from the state, in addition to sub-allocations. It also identified the specific entities eligible to receive funding from the COG/Regional entity pot, including ABAG, SACOG, SANDAG, SCAG, and others. However, also included various now-defunct multiagency working groups. The new language now specifies that only COGs, or other regional entities responsible for RHNA allocations, are eligible for direct allocations.

Section 3 – Eligible Uses & Reporting

This section outlines the eligible uses of this funding and includes annual and final reporting requirements that mirror the language in the original REAP 1.0. However, it includes a few new eligible uses, highlighted in bold. Eligible uses include:

- Activities that support RHNA implementation;
- Suballocations for local jurisdictions or other subregional entities to support planning efforts to accelerate housing production;
 - Eligible activities for suballocations to local jurisdictions include:
 - Technical assistance to improve housing permitting processes;
 - Establishing regional or countywide housing trust funds;
 - Infrastructure planning necessary to support new housing;
 - Feasibility studies to determine the most efficient locations for housing; and
 - Temporary staffing or consultant needs associated with these activities.
- Providing technical assistance to local jurisdictions for updating local planning and zoning documents, including housing element updates, and other actions that would accelerate housing production;
- Establish or **allocate funding to an existing regional housing trust**; and
- **Activities that support regional or local housing planning priorities, determined in collaboration with HCD.**

Similar to the original REAP 1.0 framework, this draft language establishes annual and final reporting requirements. However, it does not yet specify timelines or due dates.

Initial Outreach:

Early discussions with legislative staff in Sacramento have been positive and have signaled staff-level support for the concept of REAP 1.0 codification. These discussions have resulted in a recognition of the need for the state to allocate funding so regions can preserve the housing programs built under REAP 1.0 and implement future cycles of the RHNA. Furthermore, other regional entities across the state, including the Big 4 MPOs, have expressed support for codifying REAP 1.0.



Separately, staff have explored making a complementary \$125 million budget request to fund the first new round of REAP 1.0. This amount reflects the state's appropriation to the original REAP 1.0 program (for the regional pot).

Both the REAP 1.0 codification bill and the \$125 million budget request proposals are still in active development, so staff requests feedback from the committee today. Staff anticipates presenting this language at the February LCMC meeting with a recommendation for further action. That action could include a recommendation to serve as the bill sponsor and include it as a top priority for SCAG's annual Sacramento Summit in March.

FISCAL IMPACT:

Work associated with REAP 1.0 Codification Bill is in the Indirect Cost budget, Legislation 810-0120.10.