EXECUTIVE COMMITTEE
AGENDA

Friday, May 11, 2007
8:30 a.m. to 10 a.m.
SANDAG Conference Room 8A
401 B Street
San Diego

AGENDA HIGHLIGHTS

• PROPOSED AMENDMENTS TO BYLAWS AND BOARD POLICIES

• REVIEW OF LEGISLATION RELATED TO HOUSING, SMART GROWTH, PROPOSITIONS 1C AND 84, AND PROPOSITION 1B

• SENATE BILL 10: AIRPORT AUTHORITY REFORM ACT OF 2007

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MISSION STATEMENT
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Welcome to SANDAG. Members of the public may speak to the Executive Committee on any item at the time the Committee is considering the item. Please complete a Speaker’s Slip, which is located in the rear of the room, and then present the slip to Committee staff. Also, members of the public are invited to address the Committee on any issue under the agenda item entitled Public Comments/Communications/Member Comments. Speakers are limited to three minutes. The Executive Committee may take action on any item appearing on the agenda.

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EXECUTIVE COMMITTEE
Friday, May 11, 2007

ITEM #   RECOMMENDATION
+1. APPROVAL OF APRIL 13, 2007, MEETING MINUTES  APPROVE

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Members of the public will have the opportunity to address the Executive Committee on any issue within the jurisdiction of the Committee. Speakers are limited to three minutes each and shall reserve time by completing a “Request to Speak” form and giving it to the Clerk prior to speaking. Committee members also may provide information and announcements under this agenda item.

CONSENT ITEM (3)

+3. SERVICE BUREAU: WESTERN SALT WORKS SITE ASSESSMENT AND SOUTH SAN DIEGO BAY TRAIL LINKAGES (Karen Lamphere)  APPROVE

On November 9, 2006, the California Coastal Conservancy authorized an amount not to exceed $125,000 to the SANDAG Service Bureau to conduct an access study of the area south of San Diego Bay near the mouth of the Otay River Valley. The purpose of the study is to determine the optimal alignments of public trails and the feasibility of possible future uses of the Western Salt Building for interpretive facilities. The Coastal Conservancy’s contract requires authorization from the Executive Committee to enter into the contract. The Executive Committee is asked to authorize the Executive Director to enter into a revenue contract with the California Coastal Conservancy in the amount of $125,000.

REPORTS (4 through 9)

+4. PROPOSED AMENDMENTS TO BYLAWS AND BOARD POLICIES (Julie Wiley)  DISCUSSION

The need for updates to the SANDAG Bylaws and Board Policy Nos. 002 (Policy Advisory Committee Memberships), 004 (Rules of Procedure for Board of Directors, Policy Advisory Committees, and Other Legislative Bodies), and 031 (TransNet Ordinance and Expenditure Plan Rules) has arisen since the annual updates in December 2006. The Executive Committee is asked to discuss and provide feedback on the proposed amendments.
5. **ANNUAL REVIEW OF BOARD POLICY NO. 033: IMPLEMENTATION GUIDELINES FOR SANDAG REGIONAL HOUSING NEEDS ASSESSMENT MEMORANDUM** (Susan Baldwin)

SANDAG Board Policy No. 033 requires an annual review and evaluation to determine whether changes to the Regional Housing Needs Assessment (RHNA) implementation guidelines are needed. Issues to be considered during the annual review include, but are not limited to: lessons learned during the prior year, the relationship between the RHNA memorandum and SANDAG smart growth goals, and new funding sources proposed to be subject to the memorandum. The Executive Committee is asked to discuss the relevant issues. Staff recommends that no changes to Board Policy No. 033 be made at this time, but that the policy be reviewed again in 2008.

6. **LEGISLATIVE STATUS REPORT – STATE HOUSING AND SMART GROWTH LEGISLATION** (Susan Baldwin)

This report provides an overview of pending legislation related to housing and smart growth development as well as pending legislation related to the implementation of Propositions 1C (Housing and Emergency Shelter Trust Fund Act of 2006) and 84 (The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006). The Executive Committee is asked to discuss issues identified in the report and consider possible positions on pending bills.

7. **REVIEW OF LEGISLATION RELATED TO PROPOSITION 1B** (Kim Kawada)

This report presents a summary of the pending state legislation related to the implementation of Proposition 1B: The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. The Executive Committee is asked to discuss issues identified in the report and consider possible positions on pending bills.

8. **SENATE BILL 10: AIRPORT AUTHORITY REFORM ACT OF 2007** (Kim Kawada and Julie Wiley)

SANDAG has continued to work with Senator Christine Kehoe, San Diego County Regional Airport Authority, City of San Diego, and others on Senate Bill 10, the San Diego County Regional Airport Authority Reform Act of 2007. The Executive Committee is asked to discuss proposed modifications to SB 10 provisions and consider a possible recommendation to the Board of Directors.

9. **REVIEW OF MAY 25, 2007, DRAFT BOARD AGENDA**

The next meeting of the Executive Committee is scheduled for June 8, 2007, at 9 a.m.

10. **UPCOMING MEETINGS**

11. **ADJOURNMENT**

+ next to an agenda item indicates an attachment
EXECUTIVE COMMITTEE DISCUSSION AND ACTIONS
APRIL 13, 2007

Chair Mary Sessom (East County) called the Executive Committee meeting to order at 9:03 a.m. The attendance sheet for the meeting is attached.

1. APPROVAL OF MINUTES

Upon a motion by Second Vice Chair Jerome Stocks (North County Coastal) and a second by First Vice Chair Lori Holt Pfeiler (North County Inland), the minutes of the March 9, 2007, Executive Committee meeting were unanimously approved.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

Chuck Lungerhausen, a member of the public, asked for sponsorship donations for the 2007 Multiple Sclerosis (MS) Walk, April 28-29, and/or the MS Team Water Walker activity on April 27. On the public transportation front, he heard our Governor was eyeing the recently voter-approved Proposition 1B bond money, and he hoped elected officials were aware of this situation.

REPORTS (3 through 9)

3. FY 2007 BUDGET AND OVERALL WORK PROGRAM AMENDMENT: COASTAL REGIONAL SEDIMENT MANAGEMENT PLAN (APPROVE)

Shelby Tucker, Associate Planner, indicated that she is the staff contact for the Shoreline Preservation Working Group. The Working Group discussed this item at its March 1 meeting, and a recommendation was presented to the Regional Planning Committee (RPC) on April 6. The RPC acted on April 6 to recommend approval to the Executive Committee. Approval of this item would allow SANDAG to accept a grant for $150,000 from the California Department of Boating and Waterways (DBW), with a 10 percent in-kind contribution for project management for the preparation a Coastal Regional Sediment Management Plan. This plan is intended to formulate consensus-driven, regional sediment management guidance and policy. This work is consistent with a task included in the FY 2007 Overall Work Plan (OWP) and would make use of existing SANDAG resources, data, and reporting structure.

Action: Upon a motion by First Vice Chair Pfeiler and a second by Second Vice Chair Stocks, the Executive Committee approved an amendment to the FY 2007 Budget and OWP to...
accept $150,000 in funding from DBW, authorize the Executive Director to enter a revenue agreement with DBW, and procure a consultant for development of a Coastal Regional Sediment Management Plan.

4. FY 2007 BUDGET AMENDMENT: GOODS MOVEMENT POLICY MANAGER (RECOMMEND)

Mike Hix, Principal Planner, reported that SANDAG had a Senior Transportation Planner position for goods movement work but has not been able to fill that position. We have been working with the San Diego Unified Port District and agree to share this position at a higher classification. We will bring someone in with experience in this area to implement the Regional Freight Strategy and be involved in multi-agency goods movement studies that are currently ongoing. The proposed Memorandum of Understanding (MOU) adds a three-year contract position. There is no impact on this year’s budget and minimal budget impact in future years because of salary savings from the unfilled Senior Transportation Planner position. The Port District will be contributing $50,000 over the term of this MOU for the shared position.

Second Vice Chair Stocks was very impressed with this creative solution to the existing situation. He is very supportive of agencies sharing resources and personnel rather than duplicating efforts.

Action: Upon a motion by Second Vice Chair Stocks and second by Mayor Cheryl Cox (South County), the Executive Committee voted to recommend that the SANDAG Board of Directors amend the FY 2007 Budget to change the classification of a Senior Transportation Planner position (Class No. 22) to Goods Movement Policy Manager (Class No. 30) and to authorize the SANDAG Executive Director to enter into an agreement with the San Diego Unified Port District.

Chair Sessom noted that Item Nos. 7 and 8 will be taken out of order, and Item No. 6 (Proposed Amendments to Bylaws and Board Policies) will be deferred.

7. SENATE BILL 10: AIRPORT AUTHORITY REFORM ACT OF 2007 (DISCUSSION/POSSIBLE ACTION)

Kim Kawada, Executive Program Manager, reported that the Board discussed Senate Bill (SB) 10 at its February 23, 2007, meeting and raised a number of concerns about the bill’s provisions, including funding for the airport land use compatibility planning responsibilities to be reassigned to SANDAG as of January 1, 2008, costs for the new requirement for SANDAG to prepare a Regional Aviation System Plan (RASP), the qualifications of the SANDAG Board and staff to address airport land use matters, and the current subregion definitions in the bill. The SANDAG Board did not take a position on this bill at that time and instead directed staff to continue to work with Senator Christine Kehoe and others to resolve these issues. Since February, SANDAG staff and Board members have met with Airport Authority Board members and staff, San Diego Mayor Jerry Sanders, and Senator Kehoe’s staff to discuss potential amendments to SB 10.

Ms. Kawada referred to two diagrams that had been distributed to Executive Committee members. There are three main components of SB 10: airport land use compatibility
planning, regional aviation and surface transportation planning, and restructuring the Airport Authority. Staff would like the Executive Committee to discuss the SB 10 provisions and provide input.

The discussions since February have resulted in a proposal for keeping the airport land use compatibility planning responsibilities with the Airport Authority rather than transferring them to SANDAG.

Gary Gallegos, Executive Director, said that the proposal is to leave the airport land use compatibility planning with the Airport Authority; however, Senator Kehoe and staff expressed a desire to make sure there is some link back to SANDAG. The Airport Authority is currently revamping the Airport Land Use Compatibility Plans (ALUCPs); these plans would be approved by the Authority, but would need to be submitted to SANDAG to ensure consistency with our regional plans.

Chair Sessom said that this would leave the Airport Authority with the day-to-day land use consistency determinations for development around airports.

Ms. Kawada stated that the second component is related to new aviation and surface planning responsibilities. In its current form, SB 10 would require SANDAG to develop a long-range RASP that looks at integrating air transportation and airport ground access transportation needs. This is a new responsibility, and SANDAG would be responsible for the preparation of this plan. The chart dated March 29 depicts the relationship between the various land use and transportation modal plans in the current version of SB 10. She described what should be included in this plan. Costs for the preparation of the RASP would be jointly funded by SANDAG and the Airport Authority.

The second chart dated April 13 shows proposed refinements. Ms. Kawada reviewed those changes: the Airport Authority would be responsible for developing a regional aviation strategic plan that identifies the region’s air service needs and capacity, SANDAG would be responsible for integrating this aviation strategic plan with the ground access needs, and the new integrated plan could be renamed the Air Transportation Multimodal Accessibility Plan (ATMAP). The ATMAP would be a component of the Regional Transportation Plan (RTP) and the Regional Comprehensive Plan (RCP). She said that SANDAG could prepare the first ATMAP within 4-5 years. When the Airport Authority updates the ALUCPs, as Mr. Gallegos mentioned, these would come to SANDAG for a consistency determination.

Councilmember Jim Madaffer (City of San Diego) was encouraged to see this level of discussion and this in-depth look. He stated that SB 10 is a needed bill. It is a reality check to bring together what seemed to be separate activities being done by several agencies. An outstanding presentation recently was made at a City of San Diego Rules Committee meeting by Airport Authority Board Chairman Alan Bersin. His assessment is that work has been going on by separate agencies. He asked if these changes to SB 10 would give us the linkage from a planning and operations standpoint that will get us the most efficiently run airport at Lindbergh Field and allow us to implement a master plan to improve the airport. He wanted assurance that there is a check-and-balance situation that helps to blend the work of the separate agencies and bring them together.
Mr. Gallegos said that from staff’s perspective this is an attempt that gets us there. It requires quite a bit of consultation and coordination, and it uses existing expertise from both SANDAG and Authority staffs.

Mayor Jerry Sanders (City of San Diego) said that he would need to see specific language before he could support the bill.

Ms. Kawada stated that Senator Kehoe asked that we come to some agreement on proposed provisions. The next amendment to SB 10 is expected in May.

Deanna Spehn, Policy Director for Senator Kehoe’s office, indicated that Senator Kehoe will be prepared to provide SANDAG with the draft language. She wanted to hear that the Board is okay with the principles described by the staff report. Discussions have been quite productive between SANDAG, the Airport Authority, and the City of San Diego. Senator Kehoe does not want language to be so specific that changes can’t be made over the years without going to Sacramento, but she also wants the legislative language to be specific enough so that 18 cities and the county have an opportunity to provide checks and balances to further the aviation discussion in this county. Senator Kehoe believes that the work that has been done so far does that. There are multiple opportunities for dialogue to take place among the agencies involved. The Senator wants a full public process.

First Vice Chair Pfeiler said that we want to make sure that transportation connects consistently. Under the proposed provisions to SB 10, the Airport Authority would be responsible for doing a regional aviation system plan and providing that plan to SANDAG for incorporation in the multimodal accessibility plan. The concern is if we will end up with a system that better coordinates airport and surface transportation needs.

Mr. Gallegos stated that the new chart recognizes there are two components to the new ATMAP: aviation and surface transportation. As proposed, the Airport Authority would work on the aviation component and SANDAG would work on the ground transportation component; however, SANDAG ultimately would be responsible for approving the ATMAP, which integrates both components.

Supervisor Ron Roberts (County of San Diego) pointed out the fact that the County has eight airports, which is half of the 16 airports in the County. The County will not support an airport governance structure where the County has only one position.

Chair Sessom said that the chart dated April 13 has the airport operators providing their airport master plans to the Airport Authority, but there are no airport operators here today to let us know if they want to do that. The airport operators need to have some input into the development of the new regional aviation strategic plan and ATMAP.

Councilmember Matt Hall (North County Coastal) stated that this is a very complex issue with a lot of money at stake. He wondered if we are giving enough thought to how the local general plans fit with the ALUCPs. As we go on, there has to be a lot of further refinement to how the agencies are going to be working together.
Ms. Spehn said that the Senator would appreciate your advice and counsel on this. Do you want the legislation to define these responsibilities and coordination, or to work it out through a subsequent agreement between the local agencies? The Senator is looking for direction on what would best serve your needs.

Mayor Sanders said that he would prefer the coordination efforts be resolved at the local level rather than be directed from Sacramento. We would like that flexibility. It will be the local agreements that will spell out the process and deal with the issues.

Councilmember Madaffer indicated that local control to make decisions is better than to have something codified in legislation, but you have to have something codified that identifies which agency is responsible for what. He would like to see enough codified in the bill to require responsibility and accountability. The bill also should mandate that state agencies need to work with the local agencies on this issue.

Chair Sessom agreed with Councilmember Madaffer’s comments about responsibility and accountability. The responsible parties need to be clarified and codified in the legislation.

Mayor Mickey Cafagna (North County Inland) asked who will make the final determination about whether the plans developed by the Airport Authority will meet the aviation and ground access needs of the local cities and County.

Chair Sessom stated that we need a vision to meet our air capacity needs in the County.

Mayor Cafagna asked what governance structure will improve Lindbergh Field and will make the airport function the best it can with ground transportation.

Mayor Cafagna said that the updated April 13 chart seems to be “business as usual” except with a link to communicate with SANDAG. This does not set a direction for all of the airports in our region.

Mayor Sanders said as he understood it, the Airport Authority would create the vision for Lindbergh Field and coordinate it with the needs of the other airports in the region and would bring this to SANDAG and work with SANDAG on all of the transportation connections. It would be SANDAG adopting the Airport Authority’s plan as part of the ATMAP and the RTP.

Mayor Cafagna asked if the goal is to focus on all 16 airports and improve airport transportation.

Ms. Spehn said that the current language in SB 10 removes the original language that says only the Airport Authority can consider the permanent home for the international airport for the region.

Councilmember Madaffer asked if the bill will contain language that will improve current airports and not look for a new location for the international airport. He would separate Lindbergh Field from other airports. Will the bill’s language bring together all of the agencies to comprehensively address our air and surface transportation needs? The law
should require state agencies to work with local agencies to make Lindbergh Field the best it can be.

Supervisor Roberts pointed out that whenever you have appointed positions making these kinds of decisions, it appears no one is responsible. This will be an interim measure at best because over the long term, it is not going to work.

Mr. Orso-Delgado said that Caltrans would love to be part of this and work on this issue. We would be at the table by virtue of our participation in the development and implementation of the RTP. That is the nexus that links Caltrans to the whole thing. The SANDAG Board is responsible for adopting the RTP.

Ms. Spehn said that the bill also speaks to having ex officio members on the Airport Authority board to include transit operators and Caltrans. If they were at the Authority table, they could have a voice in the decisions being made.

Mr. Gallegos stated that if you don’t have resources to implement any plan, improvements won’t happen. The way the bill is written today, there is a financial element required to help identify the resources for plan implementation. It will come down to how we pay for what we want to do.

Mayor Cafagna said that the vision ought to come from SANDAG, not from an appointed group. If you are going to get as close to accountability as possible, decisions have to be made at SANDAG. The Airport Authority should carry out the vision. Where that plan goes ought to be determined by the elected officials on the SANDAG Board. We should maintain control of the vision of the airport.

Mayor Sanders pointed out that the new chart does not show that scenario.

Chair Sessom said that we need to integrate and coordinate how to move this region forward and show how we will meet the air capacity needs in the future. We have to have a vision; the vision of moving people for transportation and goods is by air, but not solely by air. We have to integrate air and surface transportation planning. The underlying question is, who is going to do that planning? The Airport Authority with the help of airport operators and SANDAG would do the planning, or one agency could take ground and air transportation needs and meld them together to a multimodal plan that works. She thought the first chart is attempting to give all operators the opportunity to give us (SANDAG) their plans. SANDAG would then review the plans for consistency and out of that would come the vision.

Mayor Cafagna stated that in the chart dated April 13, the Airport Authority decided the regional aviation strategic plan. It seems to him that the Airport Authority will direct the air transportation plan, and we will bring the ground transportation to them. The agencies that have to deal with all of the airports are the cities and County.

Ms. Spehn said the third component of SB 10 is the governance piece, and it proposes to modify the current appointment process to the Airport Authority Board and the accountability of those appointments.
Mayor Cafagna said that we are making a decision on improving Lindbergh Field and then giving an appointed board the basis to make that happen.

Councilmember Madaffer asked for language to be included in the bill that prevents unilateral decisions from being made by individual entities without cooperation and coordination from other local agencies.

Mayor Cafagna stated that the first chart puts the decisionmaking authority for air and surface transportation in the hands of the 18 cities and the County of San Diego by virtue of their positions on SANDAG. The second chart gives that decisionmaking authority to an appointed board. The Airport Authority needs to implement the plans that we as a group of local governments decide on for the region.

Councilmember Madaffer agreed that if the elected officials in the region decide we need to make investments in transportation facilities, the airport operators should implement that plan. There is nothing now that says that.

Second Vice Chair Stocks noted that the single-most salient point is that SANDAG will invest billions of dollars in infrastructure. We cannot have an autonomous board with the authority to change its minds on the plans.

Mr. Gallegos reminded Committee members that airport plans are implemented with input from the airlines. You have to have a way to ensure that you have a realistic dialogue with those who will ultimately foot the bill for these kinds of improvements to the airports in the region.

Mayor Sanders stated that someone has to come forward with an aviation plan, and he thinks that should rest with the Airport Authority. SANDAG would then decide whether or not to adopt that vision. The Airport Authority should not be able to change the vision once it’s been adopted by the SANDAG Board.

Mayor Pfeiler said that the Airport Authority should incorporate input from the airlines in its planning efforts.

Supervisor Roberts said the key is holding to that plan. There hasn’t been an absence of good plans; there’s been an absence of good implementation. For example, the reason that a Trolley station was built at Palm Avenue was to serve the new terminal that was supposed to be built at Lindbergh Field in the last airport master plan. At the time, the Palm Avenue Trolley station was supposed to be connected with a parking garage promised by the airport operator; this never materialized.

Chair Sessom said that it seems we are not yet ready to move to the full Board for a position on this bill. This item should come back to the Executive Committee in May for more discussion.

Chair Sessom said that we need to move to discuss the governance component of SB 10.
Ms. Kawada reviewed the proposed restructuring of the Airport Authority board, which under the current version of SB 10 would be made up entirely of elected officials.

Mayor Sanders said he didn’t think it should be all elected representatives, as elected officials do not have the time to devote to this subject full-time. We also should add a second County representative.

Councilmember Madaffer said that the appointing authority also should be able to recall its Airport Authority Board members.

Ms. Kawada said that in the current version of SB 10 there would be a seven-member board (three City of San Diego, one County of San Diego, and three subregions). There is a current provision that the Airport Authority board may elect an additional person to chair the board (any resident) for a two-year term. It also includes a provision to appoint advisory members. Ms. Kawada stated that the SANDAG Board supported increasing the Authority Board members from the subregions from three to four to coincide with the subregional definitions used by SANDAG (North County Coastal, North County Inland, and East County). Senator Kehoe has indicated support for this change, which would bring the Authority Board to eight members.

Councilmember Madaffer suggested that the governance structure for the Airport Authority follow the City of San Diego/County of San Diego/four subregions model that SANDAG already has, with the ability for the appointing authorities to recall members at any time. He was open to appointing a chair as an additional person. He would give appointing authority to the mayors, but that issue can be worked out later. He wants to create a level of accountability. He didn’t think members have to be elected officials, because of the time and expertise involved, but he felt that the elected officials of a particular area needed to be able to recall their Authority member if he/she was not serving their interest.

Supervisor Roberts said that a board doesn’t need to have a full-time job to carry out its proper function. He supported the Authority Board members receiving a per diem rather than a salary for their service.

Councilmember Madaffer noted that the concept of salaried Board members has been eliminated from the bill.

Supervisor Roberts had no problem with a combined elected/appointed Authority board and agreed with the recall provision.

Second Vice Chair Stocks reinforced Supervisor Roberts’ comments, but he noted that we are creating another regional board. He agreed it is not a full-time job for the board members. He was comfortable with the County having a second seat and supported having seats for each of the four subregions.

Supervisor Roberts suggested that the number of voting members be nine by adding a second County representative with the chair being elected from among the Board’s membership.
Councilmember Madaffer reiterated the membership for the Airport Authority board would be three for the City of San Diego, two for the County of San Diego, and one for each of the four subregions, for a total of nine members.

Ms. Spehn asked whether the Executive Committee supported the four-year terms for Authority members. Supervisor Roberts suggested a shorter term. Chair Sessom added there should be the ability to serve for longer than one term.

Mayor Pfeiler said that we want to make sure there is subregional representation, with the County getting two seats and the City of San Diego getting three. She asked if there were other positions included in the bill.

Ms. Spehn responded that the current language removes the Governor’s appointment. She will take to Senator Kehoe the Committee’s suggestions to elect the chair from among the Authority Board’s membership and to add the four subregional seats.

Councilmember Madaffer asked about the term for the chair. Ms. Kawada said it is currently a two-year term in the current version of SB 10.

Mr. Gallegos said that in the SANDAG model, one of the County’s seats is from the unincorporated area. He wondered if this should be added. Supervisor Roberts replied the appropriate County representation should be left to the County to decide.

Mayor Cox asked how the four subregions would work. Supervisor Roberts explained that the cities in the subregion would get together and select the representative.

Ms. Kawada noted other provisions in the current version of SB 10, including a provision for the creation of an independent taxpayers oversight committee at the Authority for audit and financial review purposes and the elimination of Authority board salaries.

Supervisor Roberts thought that some flexibility with regard to the amount of the stipend should be included in the bill.

Second Vice Chair Stocks agreed that language be added that allowed the Authority Board compensation in the future to be modified by a two-thirds vote of the board. NCTD was created in the 1970s, and the amount of the board meeting stipends were specified in the legislation and have remained the same ever since.

Ms. Spehn said that the bill needs to pass out of the Senate by June 8, and amendments need to be submitted a few weeks before that deadline. She noted that nothing is finalized until August.

**Action:** No action was taken at this meeting; staff was directed to report back at the next Executive Committee meeting on May 11, 2007.
8. PROPOSED LEGISLATION FOR INCREASING HOUSING PRODUCTION IN THE SAN DIEGO REGION THROUGH REGIONAL CONTRIBUTION AGREEMENTS (DISCUSSION/POSSIBLE ACTION)

Susan Baldwin, Senior Regional Planner, said that this report contains a proposal from Mayor Cafagna that SANDAG consider sponsoring legislation to allow the transfer of up to 20 percent of a city’s affordable housing requirement to another jurisdiction in exchange for payment in the form of redevelopment housing set aside funds, non-set aside redevelopment funds, Community Development Block Grant funds, or general fund monies through a regional contribution agreement. She reviewed a number of points contained in the proposal. The Executive Committee was asked to discuss this proposal and express any interest in pursuing this legislation. If approved, SANDAG staff will analyze the proposal and see if there are similar proposals in other areas.

Mayor Cafagna said this proposal is not intended to require any agency to take any more affordable housing than it wants and it does not allow communities to shirk their affordable housing responsibilities. The idea is to provide more affordable housing in the region. All the state requires is that we have land zoned to accommodate affordable housing; it doesn’t require that we produce such housing. Smaller cities are running out of land to show they can produce affordable housing. There are communities that have more units than they have been allocated. There is a tremendous subsidy required to provide affordable housing. He is suggesting a regional pool of monies. Those communities that can’t show land for affordable housing could contribute up to 20 percent of their requirement and funding for it to a regional pool. Those cities that have land available and want to build affordable housing would be able to draw from that pool of monies for infrastructure and as subsidies for affordable housing. The goal is to meet the region’s affordable housing goals. Some cities have no land, and some cities have no money. He is trying to think regionally about this and come up with a solution to provide more affordable housing units. He is not sure we can get this passed through the state, but it has been done in some other areas. Assemblymember George Plescia has agreed to carry legislation, and Senator Kehoe has agreed to support it.

Councilmember Hall asked if this proposal includes the sovereign Indian nations and the military. Mayor Cafagna responded negatively, because those groups are not part of the state’s Regional Housing Needs Assessment (RHNA) process.

Councilmember Hall noted that both the sovereign nations and the military have land available.

Mayor Cafagna stated that the County also has land available.

Supervisor Roberts agreed there are opportunities in the County. He expressed two concerns with this proposal. One is that he would feel more comfortable if there was an agreement between specific jurisdictions rather than a regional pool of funds. Also, you need to have a balance that follows the jobs; that is the whole smart growth concept. There needs to be some geographic consideration and new housing should be tied to transit.
Mayor Cox said she had a recent meeting with Senator Denise Ducheny on SB 303. She expressed concern about being able to meet their 2005-2010 RHNA number for Chula Vista, which is 17,000 new housing units over the next five years. We are supposed to reach our buildout in 2020, at 30,000 new units. Our citizens have a general plan, and Chula Vista has done a major general plan update. SB 303 requires a general plan update every five years. We need to go back and find the root of the issues. The root is these numbers are artificial, and they ignore what local decision making is all about.

Mayor Cafagna added that we are spending billions of dollars on transportation corridors. Those corridors are the most likely and most efficient places to put multifamily housing. The idea is for a community to use smart growth concepts to link with the regional transportation system, and if they have the land, to build affordable housing using the regional pool of funding. The idea of the state's RHNA mandate is another issue that we need to deal with at some point. But these mandates are here, and we need to figure out how do deal with them effectively, or we won't have sufficient housing to accommodate the growth in the region.

Second Vice Chair Stocks noted that Encinitas is 95 percent built out. The RHNA numbers are not making the Encinitas citizenry very happy. We have issues with the state law. We had a developer propose a 34-home subdivision. We have a 10 percent inclusionary housing law. The developer doesn't want to build the affordable housing units. He has opted to pay the city a fee. This doesn't move us toward meeting our RHNA numbers and building affordable housing. Because of the state density bonus law, we don't have the option of telling developers that they have to build the affordable housing units. We have to show them where they can build them, but we can't tell them they have to build them.

Mayor Cafagna agreed that the RHNA mandate doesn't make any sense. The RHNA numbers are not designed to build affordable housing.

Chair Sessom asked if we want further discussion at a regular Board meeting or a Policy Board meeting.

Second Vice Chair Stocks expressed support for a regional approach.

Ms. Kawada reiterated that Assemblymember Plescia has agreed to sponsor this bill; however, the deadlines for bill introduction and major amendments have passed, so this will be a two-year bill. We could conduct further analysis and then report back to the Executive Committee, or at a Policy Board meeting, or at the Regional Planning Committee.

Chair Sessom said that we should contact First Vice Chair Pfeiler about vetting it through the Regional Planning Committee first rather than the Executive Committee.

Action: No action was taken on this item; staff was directed to conduct further analysis and report back to the Regional Planning Committee prior to further discussion at the Executive Committee.
9. REVIEW OF APRIL 27, 2007, DRAFT BOARD AGENDA

Diane Eidam, Chief Deputy Executive Director, reviewed the draft agenda for the SANDAG Board meeting scheduled for April 27, 2007. She noted that item No. 8, related to SB 10 will be removed consistent with direction at today's meeting, and a closed session item will be added to this agenda.

Supervisor Roberts requested that the presentation by the Centre City Development Corporation (CCDC) include a status on the C Street improvement issue.

Action: Upon a motion by Mayor Cafagna, and a second by Supervisor Roberts, the Executive Committee voted to approve the agenda for the April 27, 2007, Board meeting as revised.

5. LEGISLATIVE STATUS REPORT (INFORMATION)

A. State Legislative Status Report: This status report presents a summary of the pending state bills related to the implementation of Proposition 1B.

B. Federal Legislative Status Report: This status report provides an update on federal legislative activities.

Action: These items were presented for information only.

10. UPCOMING MEETINGS

The next meeting of the Executive Committee is scheduled for Friday, May 11, 2007, at 9 a.m.

11. ADJOURNMENT

Chair Sessom adjourned the meeting at 11:05 a.m.

Attachment: Attendance Sheet
# CONFIRMED ATTENDANCE
## SANDAG EXECUTIVE COMMITTEE MEETING
### APRIL 13, 2007

<table>
<thead>
<tr>
<th>GEOGRAPHICAL AREA</th>
<th>JURISDICTION</th>
<th>NAME</th>
<th>MEMBER/ALTERNATE</th>
<th>ATTENDING</th>
</tr>
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<tr>
<td>North County Inland</td>
<td>City of Escondido</td>
<td>Lori Holt Pfeiler, 1st Vice Chair</td>
<td>Member</td>
<td>Yes</td>
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<td></td>
<td>City of Poway</td>
<td>Mickey Cafagna</td>
<td>Alternate</td>
<td>Yes</td>
</tr>
<tr>
<td>North County Coastal</td>
<td>City of Encinitas</td>
<td>Jerome Stocks, 2nd Vice Chair</td>
<td>Member</td>
<td>Yes</td>
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<td></td>
<td>City of Carlsbad</td>
<td>Matt Hall</td>
<td>Alternate</td>
<td>Yes</td>
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<td>City of National City</td>
<td>Ron Morrison</td>
<td>Member</td>
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<td>Cheryl Cox</td>
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<td>City of Lemon Grove</td>
<td>Mary Sessom, Chair</td>
<td>Member</td>
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<td></td>
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<td>Hal Ryan</td>
<td>Alternate</td>
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<td>Jerry Sanders</td>
<td>Member</td>
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<td></td>
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<td>Jim Madaffer</td>
<td>Alternate</td>
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<td>Toni Atkins</td>
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<tr>
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<td>Ron Roberts</td>
<td>Member</td>
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<td></td>
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<td>Greg Cox</td>
<td>1st Alternate</td>
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<td></td>
<td></td>
<td>Bill Horn</td>
<td>2nd Alternate</td>
<td>No</td>
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Introduction
The California Coastal Conservancy has requested assistance in preparing an access study of the area south of San Diego Bay near the mouth of the Otay River Valley. The study will examine the optimal alignment of public trails and the feasibility of possible future use of the Western Salt Works building as an educational and interpretive facility. The proposed study would be prepared through the SANDAG Service Bureau.

Discussion
The study area encompasses all or part of four public initiatives that have environmental protection and public access components: the San Diego Bayshore Bikeway, the San Diego Bay National Wildlife Refuge, the Otay Valley Regional Park, and the Pacific Southwest Railway Museum. These projects are all in different stages of planning or implementation. The study area also includes the 17-acre Western Salt Works property and an existing rail line.

This study will examine the potential integration and synergy of existing and proposed plans. It also will evaluate the possible future use of the Salt Works building as a staging area and environmental educational/interpretive center, public access for pedestrians and bicyclists, environmental (natural and historic) education, natural resource conservation, and the South Bay Excursion Train. The study will facilitate the optimal design of this area so visitors can gain access to the unique history, environment, and recreational opportunities in the South San Diego Bay area.

Normally, approval by the Executive Committee would not be required for a Service Bureau revenue contract of this size, however, the Coastal Conservancy’s contract language requires authorization from the Executive Committee to enter into the contract.

Recommendation
The Executive Committee is asked to authorize the Executive Director to enter into a revenue contract with the California Coastal Conservancy in the amount of $125,000.

KEVIN MURPHY
Director of Technical Services

Key Staff Contact: Karen Lamphere, (619) 699-6955, kla@sandag.org
San Diego Association of Governments

EXECUTIVE COMMITTEE

May 11, 2007

AGENDA ITEM NO.: 4

Action Requested: DISCUSSION

PROPOSED AMENDMENTS TO BYLAWS AND BOARD POLICIES File Number 9800100

Introduction

At the end of 2006, proposed amendments to several Board Policies were approved by the Board as part of an annual review and update of the Policies. The effective date of Senate Bill (SB) 1296 (Kehoe), which added a second seat for the County to the Board, was pending at that time. Updates are now needed to the Bylaws and Board Policy No. 002 as a result of SB 1296 going into effect on January 1, 2007. In addition, modifications to Board Policy No. 031 are proposed to remove a redundancy in the TransNet rules and to strengthen a provision concerning inactive projects at the request of the Independent Taxpayer Oversight Committee (ITOC). Finally, since the amendments were made to Board Policy Nos. 002 and 004 last year, and people have begun referring to those modified policies, it has been noted that the policies overlap in subject matter. The proposed amendments rename and clarify the scope of the two affected Board Policies, and make other updates to all three policies based on staff recommendations since December 2006.

Discussion

A summary of the substantive proposed amendments follows. The exact changes proposed are shown in the attached copies of the Bylaws (Attachment 1) and Board Policies (Attachments 2-4).

Bylaws:

• Removal of the definition of “Regional Board” is proposed for Article II since the provisions for the Regional Planning and Growth Management Review Board were removed from the Bylaws in December 2005.

• Article III, Section 3 has been amended to clarify the role and voting status of the First and Second Vice Chairs of the Board on the Executive Committee.

• Article IV, Section 5 has been amended to distinguish between a preliminary action and a final action and to provide for preliminary voting procedures so that in the event a quorum cannot be achieved the deadlock can be broken with one or more preliminary voting cycles. This section also is modified to account for the County’s ability to split its vote between its two members.

• Article V, Section 1 is amended to make clear that only primary members of the Board can serve as officers, and only primary members of the Policy Advisory Committees (PACs) can serve as PAC Committee Chairs and Vice Chairs. Section 3 of this Article contains clarifications regarding the officer nomination and election process.
Board Policy No. 002: Policy Advisory Committee Memberships

- Section 1.1.1 is amended to recognize the County's additional seat on the Board.

- Changes are proposed to Sections 1.5 and 4.4 to add the City of San Diego Police Chief as an Associate voting member on the Public Safety Committee (PSC), as recommended by the PSC on March 16, 2007. An amendment is shown to Section 4.3 to add a representative from the Southern California Tribal Chairmen's Association to the Public Safety Committee consistent with the Memorandum of Understanding approved by the Board in December 2006.

- Section 6 clarifies that the officers of the PACs (except for the Executive Committee, whose officers are dictated by statute) can be primary or alternate members of the Board, but must be primary members of the PAC they will chair.

- The sections concerning quorums, voting, and working group and subcommittee membership in this policy have been moved to Board Policy No. 004 and the policy is renamed to clarify that the scope of the policy is PAC membership.

Board Policy No. 004: Rules of Procedure for Board of Directors, Policy Advisory Committees, and Other Legislative Bodies

The only changes proposed for this policy are additions of verbiage proposed for deletion from Board Policy No. 002, which are more suited to the scope of Board Policy No. 004.

Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules

This policy contains a set of TransNet rules. One of the rules (No. 17), provides implementing guidelines for the required annual TransNet audits of the TransNet recipients (the 18 cities, the County, Caltrans, North County Transit District, and Metropolitan Transit System). One of the purposes of Rule No. 17 (Section III) was to ensure that the audits identify the status of each project funded with TransNet funds and that appropriate actions are taken with respect to completed projects, projects with negative balances, and inactive projects.

After completing the first year of audits under the new TransNet rules, staff has concluded that Section IV of Rule No. 17 is redundant with Section III. Section IV says that an agency that maintains a balance of more than 30 percent of its annual apportionment must use the remaining balance to fund projects, and that SANDAG will defer payment until the unused balances fall below the 30 percent threshold. The purpose of Section IV was to ensure that agencies were not holding funds in completed or inactive projects. We have strengthened the language in Section III regarding inactive projects, and are proposing deleting Section IV of Rule No. 17.

This proposed revision was discussed with the ITOC at its April 18 meeting, and ITOC was supportive of the deletion of Section IV, but requested the stronger language in Section III.
**Next Steps**

As specified in the Bylaws, proposed Bylaws amendments are required to be taken to the Executive Committee preliminarily for review and discussion, and then brought to the Committee at a subsequent meeting for a recommendation for approval to the Board. Staff will return to the Executive Committee in June for further discussion regarding the Bylaws and Board Policy changes proposed in this report.

JULIE D. WILEY  
General Counsel

Attachments:  
1. Bylaws  
2. Board Policy No. 002: Policy Advisory Committee Memberships  
3. Board Policy No. 004: Rules of Procedure for Board of Directors, Policy Advisory Committees, and Other Legislative Bodies  
4. Board Policy No. 031: TransNet Ordinance And Expenditure Plan Rules

Key Staff Contact:  Julie D. Wiley, (619) 699-6966, jwi@sandag.org
SAN DIEGO ASSOCIATION OF GOVERNMENTS

BYLAWS

ARTICLE I

NAME AND PURPOSE

Section 1

The name of this Organization shall be the San Diego Association of Governments (hereinafter referred to as SANDAG).

Section 2

The purposes of this Organization are as set forth in SB 1703 (Chapter 743 of the Statutes of 2002), as established by state and federal law, and as approved by the Board of Directors. The primary purpose for which this organization is created is to engage in regional cooperative comprehensive planning, programming and where authorized, implementation thereof, and to assist the Member Agencies.

ARTICLE II

DEFINITIONS

The following terms shall have the meanings ascribed to them within this section unless the content of their use dictates otherwise:

a. “Region” shall mean that territory physically lying within the boundaries of San Diego County.

b. “Regional Board” shall mean the Regional Planning and Growth Management Review Board.

c. “Population” of any Member Agency shall mean that population as defined in SB 1703.

d. “Fiscal Year” shall mean that year beginning July 1, and ending June 30.

e. “Member Agencies” shall mean the cities within San Diego County and the County of San Diego collectively.

f. “Subregion” shall mean one of the five following portions of San Diego County: "North county coastal," which includes the Cities of Del Mar, Solana Beach, Encinitas, Carlsbad, and Oceanside; "North county inland," which included the Cities of Vista, San Marcos, Escondido, and Poway; "South county," which includes the Cities of Chula Vista, National City, Imperial Beach, and Coronado; "East county," which includes the Cities of El Cajon, Santee, La Mesa, and Lemon Grove; and “San Diego region," which includes the territory located within the boundaries of San Diego County.
ARTICLE III
MEMBERSHIP AND ORGANIZATION

Section 1

Membership in this Organization shall be as provided in state law and these Bylaws.

Section 2

a. All powers of this Organization shall be exercised by the Board of Directors. The Board of Directors may choose to delegate several of its responsibilities from time to time in accordance with Board policy.

b. Only the duly selected official representative(s), or in his or her absence, his or her duly selected alternate or alternates, shall be entitled to represent his or her Member Agency in the deliberations of the Board of Directors.

c. When changes occur, names of the official representatives and alternates shall be communicated in writing to the Organization by each participating Member Agency.

Section 3

There shall be at least five standing committees which shall be known as policy advisory committees with the membership set forth in SB 1703 or Board Policy.

a. The procedure for City and County of San Diego and subregional appointments to the policy advisory committees shall be established by Board policy. In the case of the subregional appointments, the policy shall ensure a noticed, formal process wherein all Board members (including alternates) from each subregion are provided an opportunity to participate in the selection process. Each subregion shall ensure that SANDAG staff is notified of the date, time, and location for that subregion’s meeting. After the meeting for each subregion is set by the primary Board members, SANDAG staff shall provide Board alternates from each subregion advance notice of the meeting. A majority of the primary members present at the subregion meeting shall make a selection by January 31. An alternate member may vote in the absence of the primary member. In appointing persons to the Transportation Committee, to the extent possible, the subregions and other agencies should avoid duplication of representation from any city other than the City of San Diego.

b. Procedures for policy advisory committee attendance and voting shall be established by Board policy. The policy shall ensure the formal delineation of the voting membership at each meeting.

c. The Board Chair, First Vice Chair, and Second Vice Chair may serve as ex-officio non-voting members of the policy advisory committees.
d. The Board Chair shall select the chair and vice chair of all policy advisory committees except the Executive Committee, annually in February. When serving on the Executive Committee, the Board Chair, First Vice Chair, and Second Vice Chair shall serve as the Chair, First Vice Chair and Second Vice Chair of the Executive Committee. The First and Second Vice Chairs of the Board shall serve as voting members of the Executive Committee if one or both of the Vice Chairs represent an area of the region that is different from the area of the region represented by the Chairperson or other Vice Chair. If such an overlap occurs, a Vice Chair that cannot be the primary member shall be the alternate.

Section 4

The Board of Directors shall have the authority to appoint all additional committees or working groups and may provide for the appointment of alternates to these committees.

a. Additional standing committees may be appointed by the Board of Directors as may be required to carry out general and continuing functions and may be abolished only upon specific action by the Board of Directors.

b. Ad hoc specialized subcommittees or working groups may be appointed by the Board of Directors as the need arises to accomplish specific tasks. The policy advisory committees may appoint working groups to advise them. Upon completion of its assignment, each ad hoc subcommittee or working group shall disband.

Section 5

In addition to any compensation mandated by state law for Board meetings, the rates below shall apply. Persons must be present for at least 1/2 of the time set for the meeting or the duration of the meeting, whichever is less, in order to be eligible for compensation.

a. For attendance by Board members, or alternates in their absence, at Board meetings, $150 per meeting.

b. For meetings or events attended by Board members, other than committee meetings of SANDAG, where the members are officially representing the Board, $150 per meeting or event. The Board may adopt and amend from time to time a list of such meetings and events.

c. For members and alternates of policy advisory committees, $100 per meeting.

d. The limit on the total number of paid meetings for Board and policy advisory committee members or alternates per individual is six meetings per month.

e. The Chair of the Board shall receive additional monthly compensation of $500 per month.

f. Both the Vice Chairs of the Board shall receive additional monthly compensation of $250 per month.
ARTICLE IV

MEETINGS

Section 1

a. A quorum for a meeting of the Board of Directors shall be as provided for in Section 5 of this Article.

b. A quorum shall be required for the conduct of any business of a committee. No business shall be conducted by a committee without a quorum. A simple majority of the appointed members of a committee shall constitute a quorum. All decisions by a committee shall be by simple majority of the quorum.

Section 2

Parliamentary procedure at all meetings shall be governed by Roberts Rules of Order except as otherwise modified by state law, Board policy, or these Bylaws. The Secretary shall forward written notice of the meetings of the Board of Directors and each standing committee, stating the time, location, and the agenda of business to each member’s agency and to the respective members and alternates of the Board of Directors or the standing committees, at the earliest time possible, but in no event less than 72 hours prior to meetings, except that such written notice of regular Board of Directors’ meetings may be forwarded by first class mail or other appropriate means not less than seven days prior to such meeting.

Section 3

All meetings of SANDAG, including without limitation regular, adjourned regular, and special meetings of the Board of Directors, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the California Government Code). Closed session items should be heard by the Board of Directors unless timeliness requires consideration by the Executive Committee or, for transportation matters the Transportation Committee. In any event, the Transportation Committee is authorized to convene closed sessions and make final decisions with regard to real property transactions related to transportation projects, however, this delegation does not include the authority to make a Resolution of Necessity or to commence litigation. The Transportation Committee will report real property transaction purchase amounts at the next regular meeting of the Board occurring after final execution of the purchase documents.

Section 4

The Board and committees shall meet according to the following schedule:
a. The Board of Directors and policy advisory committees shall hold their regular meetings on Fridays unless otherwise determined from time to time by the Board of Directors or policy advisory committee. Regular meetings of the Board of Directors shall be held on the second and fourth Friday mornings of the month at the offices of the Organization or at other locations within San Diego County, unless otherwise provided by the Board. Special meetings of the Board of Directors or policy advisory committees may be called from time to time by their respective Chair.

b. Other committees shall meet whenever called by their respective Chair.

Section 5 (Section 132351.2 of the Public Utilities Code)

a. A majority of the Member Agencies constitute a quorum for the transaction of business. In order to take final action on any item, except consent items which only require the vote specified in paragraph (1), the following voting formula in both paragraphs (1) and (2) shall apply:

(1) A majority vote of the members present on the basis of one vote per agency.

(2) A majority of the weighted vote of the Member Agencies present.

b. In the event a majority vote pursuant to Section 5(a) cannot be obtained to allow final action on an item, one or more preliminary votes may be taken using the method in Section 5 (a)(1) in order to narrow the options sufficiently to obtain a majority vote on the final action as required by Public Utilities Code Section 132351.2.

c. The City and County of San Diego shall determine how to allocate its single agency vote and its weighted votes between its two members.

dc. For the weighted vote, there shall be a total of 100 votes, except additional votes shall be allowed pursuant to subdivision (f). Each representative shall have that number of votes determined by the following apportionment formula, provided that each agency shall have at least one vote, no agency shall have more than 40 votes, and there shall be no fractional votes:

(1) If any agency has 40 percent or more of the total population of the San Diego County region, allocate 40 votes to that agency and follow paragraph (2), if not, follow paragraph (3).

(2) Total the population of the remaining agencies determined in paragraph (1) and compute the percentage of this total that each agency has.

   (A) Multiply each percentage derived above by 60 to determine fractional shares.

   (B) Boost fractions that are less than one, to one and add the whole numbers.

   (C) If the answer to subparagraph (B) is 60, drop all fractions and the whole numbers are the votes for each agency.
(D) If the answer to subparagraph (B) is less than 60, the remaining vote(s) is allocated one each to that agency(s) having the highest fraction(s) excepting those whose vote was increased to one in subparagraph (B) above.

(E) If the answer to subparagraph (B) is more than 60, the excess vote(s) is taken one each from the agency(s) with the lowest fraction(s). In no case shall a vote be reduced to less than one.

(3) Total the population determined in paragraph (1) and compute the percentage of this total that each agency has.

(A) Boost fractions that are less than one, to one and add the whole numbers.

(B) If the answer to subparagraph (A) is 100, drop all fractions and the whole numbers are the votes for each agency.

(C) If the answer to subparagraph (A) is less than 100, the remaining vote(s) is allocated one each to that agency(s) having the highest fraction(s) excepting those whose vote was increased to one in subparagraph (A) above.

(D) If the answer to subparagraph (A) is more than 100, the excess vote(s) is taken one each from that agency(s) with the lowest fraction(s). In no case shall a vote be reduced to less than one.

ed. When a weighted vote is taken on any item that requires more than a majority vote of the board, it shall also require the supermajority percentage of the weighted vote.

fe. The weighted vote shall be recomputed in the above manner every July 1.

gf. Any other newly incorporated city shall receive one vote under the single vote procedure and one vote under the weighted vote procedure specified above until the next recomputation of the weighted vote, at which time the new agency shall receive votes in accordance with the formula specified in subdivision (b). Until this recomputation, the total weighted vote may exceed 100.

ARTICLE V

OFFICERS AND THEIR DUTIES

Section 1

The Board of Directors shall have as officers a Chair, First Vice Chair, and Second Vice Chair, who are primary members of the Board. Standing committees shall have as officers a Chair and Vice Chair, who are primary members of their respective committees. The Executive Director shall be the Secretary of the Board and each standing committee.
a. The Chair shall preside over Board and committee meetings, and have general supervision of Board and committee affairs. The Chair shall sign all official documents when directed to do so by the Board and committees respectively.

b. The First Vice Chair shall perform the duties of the Chair in his or her absence and perform any duties that the Chair may require. The Second Vice Chair shall perform the duties of the First Vice Chair in his or her absence and perform any duties that the Chair may require.

c. In the event of the absence of the three officers of the Board of Directors or both officers of other standing committees, the Immediate past Chair may preside or the quorum of members present shall elect a Chair Pro Tempore to preside for that meeting. The Secretary, with a quorum present, shall call the meeting to order and preside during such election of a Chair Pro Tempore; he or she shall immediately relinquish the chair upon completion of the election.

Section 2

The Board may delegate authority to the Board Chair for action consistent with Board approved criteria on categories of items.

Section 3

Election of officers of the Board of Directors shall be held annually during a regular December meeting. Officers for the Board of Directors shall be elected in the following manner:

a. In or around July of each year, application forms will be made available on the Board of Directors page of the SANDAG Web site for persons interested in applying for the Chair or a Vice Chair position on the Board of Directors. Applications shall be structured to screen for the best regional leaders from among the primary members and shall include questions concerning the candidate’s vision statement for SANDAG and his/her qualifications. Applications shall be due within 30 days after the application forms are posted. Only candidates who submit an application by the deadline or who are primary members nominated from the floor on the day of election will be considered for office.

b. The Chair shall appoint up to a six-person nominating committee, who shall be members of the Board from each of the subregions and a Board member from the City and the County of San Diego, The nominating committee appointments shall be announced at a regular meeting in or around September of each year. The nominating committee shall not, however, include Board members from jurisdictions that have applicants for the Chair or a Vice Chair position on the Board of Directors. The nominating committee shall interview the candidates and submit a slate of nominees for the three Board offices in writing for mailing to Board members in or around November. Additional nominations for any office may be made by Board members at the election meeting.

c. In choosing the nominees from the Board membership, the nominating committee shall take into account the nominee’s availability, experience, skills, geographic diversity, and the benefits associated with having the First Vice Chair succeed the outgoing Chair and the Second Vice Chair succeed the outgoing First Vice Chair.
d. The officers shall be elected by a majority of the votes including weighted votes of those Board members present.

e. All officers shall be elected for a term(s) of one year and shall serve until their successors are elected. They shall begin their term of office on January 1.

f. In the event that the Board member who has been elected Chair, First Vice Chair, or Second Vice Chair is no longer a primary member of the Board of Directors, the office shall be considered vacant.

g. Any vacated office of Chair, First Vice Chair, or Second Vice Chair shall be filled at the next regular Board meeting by nominations from the floor, and a majority of votes from the members present. A member must be a primary member to be nominated from the floor.

Section 4

a. The Board of Directors shall appoint an Executive Director who shall hold office until he or she resigns or is removed by the Board of Directors. The Executive Director shall be the chief executive officer of SANDAG. The Executive Director shall have charge of all projects and property of the Organization and shall file with the Director of Finance of SANDAG an official bond in the minimum amount of $100,000 or such larger amount as the Board of Directors specifies, guaranteeing faithful performance of his or her duties. The Executive Director will be responsible to the SANDAG Board of Directors as set out in the Administrative Rules and Regulations for the administration of SANDAG’s business, including: (1) development of program objectives, definition, directions and priorities; (2) management of SANDAG programs and coordination of staff and support services; (3) the development of financial support programs for SANDAG activities; (4) the recommendation and submission of an annual SANDAG program budget to the Board of Directors; and (5) execution of the adopted personnel, purchasing, and budgetary systems. The Executive Director shall perform such other and additional duties as is necessary to carry out the objectives and function of SANDAG and as directed by the Board of Directors.

b. Any additional staff support services provided by Member Agencies or others shall be coordinated by the Executive Director.

c. The Executive Director is hereby enabled to promulgate an administrative manual, as well as all other administrative policies governing the administrative procedures of the Organization.
ARTICLE VI

FINANCIAL

Section 1

The Board of Directors shall approve a preliminary budget no later than April 1 of each year. The Board of Directors shall adopt a final budget no later than June 30 of each year. A copy of the preliminary budget when approved and a copy of the final budget when adopted shall be filed with each Member Agency.

Section 2

Responsibility for supplying funds for that portion of the budget for SANDAG which is to be supplied by the Member Agencies, as adopted by the Board of Directors, shall be divided among the Member Agencies based on their population with each Member Agency including within its budget as funds to be supplied to SANDAG that sum of money determined by taking the ratio its population bears to the total population of the region and multiplying it by that portion of the approved budget to be supplied by the Member Agencies. Payment of this determined sum of money shall be made by each Member Agency by July 15 of each year. If payment by a Member Agency has not been made by September 1 of each year, that Member Agency shall no longer vote as a member of the Board of Directors. A delinquent Member Agency will be allowed to vote when full payment has been made, including interest computed from July 15 at the established legal rate.

Section 3

The Director of Finance of SANDAG shall establish and maintain such funds and accounts as may be required by good accounting practice, state and federal law, and these Bylaws. The books and records of SANDAG in the hands of the Director of Finance shall be open to inspection at all reasonable times by representatives of the Member Agencies. The Director of Finance of SANDAG within 120 days after the close of each fiscal year shall give a complete written report of all financial activities for each fiscal year to Member Agencies.

Section 4

The Director of Finance of SANDAG shall receive, have the custody of, and disburse SANDAG funds upon the warrant or check-warrant of the Finance Manager pursuant to the accounting procedures developed under Section 3 above, and shall make the disbursements required to carry out any of the provisions or purposes of the Organization. The Director of Finance of SANDAG may invest SANDAG funds in accordance with state and federal law. All interest collected on SANDAG funds shall be accounted for and posted to the account of such funds.

Section 5

Delegation of authority from the Board of Directors for final financial/contracting approvals, including selection of vendors, acceptance of funding, stipulations of any nature, and any resulting
budget amendment to serve as a limitation applicable to a particular job or program (not to be exceeded on a serial basis), shall be as follows:

a. Up to $100,000 to the Executive Director, subject to increase by Board action.

b. Up to $500,000 to the Executive Committee for any item, subject to increase by Board action.

c. Up to $500,000 to the Transportation Committee for transportation items, subject to increase by Board action.

d. Up to $500,000 to the Public Safety Committee for ARJIS and Criminal Justice Division items, subject to increase by Board action.

e. The Executive Director, Executive Committee, Public Safety Committee, and Transportation Committee shall report approvals under this section to the Board of Directors at least quarterly.

ARTICLE VII

RELATIONSHIPS AND RULES OF PROCEDURE

Section 1

The functions of the Board of Directors and policy advisory committees shall be established by Board policy. The Board of Directors may delegate functions to the policy advisory committees as it deems appropriate.

Section 2

The Board of Directors shall provide guidance to committees and working groups. The Board may advise Member Agencies on the coordination of general plans, or on the resolution of conflicts between the general plans of agencies in the San Diego region.

Section 3

Conflicts between governmental agencies should be resolved among the affected agencies. In matters affecting more than one local government, and where requested by the affected agencies, the Organization shall have the authority to hear and make recommendations if the conflicts are not resolved to the satisfaction of each affected agency. Regional plans should serve as the guideline for the resolution of conflicts.
Section 4

Each action taken by the Organization which requires implementation should include designation of the agency or agencies directly responsible for such implementation.

Section 5

The general and specific references to the construction authority of SANDAG in SB 1703 shall be interpreted as applicable solely to its responsibilities for project development and construction of transit projects which were previously within the purview of the transit development boards and are consolidated under the authority of SANDAG.

ARTICLE VIII

REGIONAL COMPREHENSIVE PLAN

In addition to the purposes and powers set forth by law and these Bylaws, pursuant to Public Utilities Code Section 132360 et seq., the Organization shall be responsible for preparing and adopting a regional comprehensive plan based on the local general and regional plans that integrates land uses, transportation systems, infrastructure needs, and public investment strategies, within a regional framework, in cooperation with member agencies and the public.

ARTICLE IX

INFORMATION AND EVALUATION

Section 1

a. The Organization shall disseminate information concerning its work program and activities. The required information system should be organized and categorized so that it will continue to allow full and efficient use of information by the public and private sectors.

b. Adequate provision for citizen participation shall be provided as required by law and as directed by the Board of Directors.

c. The Board shall perform an annual evaluation of the Organization’s goals, purpose, structure, and performance, directed toward continually improving the planning, coordination, and implementation process.

ARTICLE X

AMENDMENTS

Section 1

The Board of Directors shall be responsible for making all amendments to these Bylaws.
a. Proposed amendments may be originated by the Board of Directors, the Executive Committee, or any member of the Board of Directors.

b. Prior to being taken to the Board of Directors for approval, proposed amendments should be taken to the Executive Committee preliminarily for review and discussion and then brought to the Executive Committee at a subsequent meeting for a recommendation for approval to the Board.

c. A copy of any proposed amendments shall be forwarded by the Secretary to the official representative of each Member Agency, his or her alternate and the Agency itself, at the same time as the proposed amendments are mailed as a report attachment to the agenda for the preliminary Executive Committee meeting referred to in subsection b of this section.

d. Amendments to these Bylaws (except those provisions mandated by state law) shall require the vote of a majority of the Member Agencies which also represents at least 51 percent of the weighted vote of Member Agencies.

Adopted July 2003 by the SANDAG Board of Directors
Revised November 2003 by the SANDAG Board of Directors
Amended November 2004 by the SANDAG Board of Directors
Amended January 2006 by the SANDAG Board of Directors
Amended June 2007 by the SANDAG Board of Directors
POLICIES AND PROCEDURES FOR POLICY ADVISORY COMMITTEE MEMBERSHIPS

1. Membership

1.1 Executive Committee: Six members to include the City and County of San Diego Board members, and a Board member from each subregion (South County, East County, North County Coastal, North County Inland).

   1.1.1 Alternates may be the second City of San Diego Board member or Board alternate, the second County of San Diego Board member or alternate, and alternates selected from each subregion who shall be primary members of the Board.

1.2 Transportation Committee: Nine members to include the mayor or a councilperson from the City of San Diego; a member of the County of San Diego Board of Supervisors, a Board member or alternate from each subregion, and a member of NCTD, MTS and the Airport Authority appointed by those agencies. There may be nine alternates chosen in the same manner.

1.3 Regional Planning Committee: Six members to include the mayor or a councilperson from the City of San Diego, a member of the County of San Diego Board of Supervisors, and a Board member or alternate from each subregion. There may be six alternates chosen in the same manner.

1.4 Borders Committee: Seven members to include the mayor or a councilperson from the City of San Diego, a member of the County of San Diego Board of Supervisors, a Board member or alternate from each subregion, and a mayor, councilmember, or supervisor from the County of Imperial. There may be seven alternates chosen in the same manner.

1.5 Public Safety Committee: Six members to include the mayor or a councilperson from the City of San Diego, a member of the County of San Diego Board of Supervisors, a Board member or alternate from each subregion. The nineeight Associate Member organizations taking part in this committee shall have the following representation: two members from the County Chiefs/Sheriff’s Association, a member selected by the County Sheriff, a member of the Regional Homeland Security Committee, a member selected by the State public safety agencies, a member representing the San Diego County District Attorney’s Office, a member from regional Fire/Emergency Medical Services, a member representing the City of San Diego Police Chief, and a member from the regional transit agencies. In addition, there will be fivefour nonvoting Advisory Members selected as follows: Two persons selected by the Federal public safety agencies, one person selected from the San Diego County Probation Department Offices, and one person selected by the military, and one representative of the Southern California Tribal Chairmen’s Association. There may be alternates chosen in the same manner.
2. **Limitation on Committee Memberships**

No Board member or alternate may serve as the primary member of more than two Policy Advisory Committees ("PACs") at any one time. Committee membership may be expanded by the Board.

3. **Ex Officio Members**

A PAC may include ex officio members if appropriate to roles and responsibilities of the committee. The Board Chair, first Vice Chair, and Second Vice Chair may serve as ex officio members on any of the PACs. Unless otherwise stated in a Board Policy or Board action applicable to a particular committee, all ex officio members on SANDAG’s Board or committees shall be nonvoting members.

4. **Appointments**

4.1 **Public Agencies**

4.1.1 The mayor and council of the City of San Diego and the governing body of each of the other member agencies will make their appointments to the Board annually by January 10, and when vacancies occur. Each member agency shall confirm the appointment of its primary and alternate Board members by sending a written letter to the SANDAG Clerk of the Board. All such appointments shall go into effect immediately following approval by the member agency’s governing body.

4.1.2 The SANDAG Chair will provide notice requesting that Board members from each of the subregions appoint a Board member or alternate as authorized to serve as a primary member on each PAC and one to serve as an alternate to each PAC. At the time this notice is given, all primary and alternate Board members will be provided with an attendance record for all primary and alternate members currently serving on the Board or a PAC. Each subregion shall ensure that SANDAG staff is notified of the date, time and location for that subregion’s meeting. After the meeting is set by the primary members of each subregion, SANDAG staff shall provide Board alternates from each subregion advance notice of the meeting. A majority of the primary members present at the subregion meeting shall make a selection. An alternate member may vote in the absence of the primary member. The Chair shall be sent a letter from the subregion’s representatives informing him/her of the names of the persons who have been selected for appointment to each PAC. Appointments will be made by January 31 or as vacancies occur. Appointments shall go into effect immediately upon approval by the subregion.

4.2 **Associate Members**

In addition to the members appointed pursuant to Section 4.1, the Public Safety Committee shall have voting members appointed from the organizations listed below by their respective appointing authorities by January 31 of each year:

4.2.1 County Chiefs'/Sheriff’s Association – 2 voting members
4.2.2 County Sheriff – 1 voting member
4.2.3 Regional Homeland Security Committee – 1 voting member
4.2.4 State Public Safety Agency Association – 1 voting member
4.2.5 San Diego County District Attorney’s Office – 1 voting member
4.2.6 Regional Fire/Emergency Medical Services – 1 voting member
4.2.7 Regional Transit Agencies – 1 voting member
4.2.8 City of San Diego Police Chief – 1 voting member

4.3 Advisory Members

In addition to the voting members appointed pursuant to Sections 4.1 and 4.2, the Public Safety Policy Advisory Committee shall have the following nonvoting members appointed from the following organizations by their respective appointing authorities by January 31 of each year:

4.3.1 County Criminal Justice Association – 1 advisory member
4.3.2 Federal Justice Agency Association – 2 advisory members
4.3.3 Courts – 1 advisory member
4.3.4 Department of Defense – 1 advisory member
4.3.5 Southern California Tribal Chairmen’s Association – 1 advisory member

4.3.5 If any subregion fails to make an annual appointment to a PAC by January 31 or within three weeks of mailing of the notice to proceed to appoint to fill a vacancy, the Chair of SANDAG shall make the appointment. If any organization referred to in Sections 4.1, 4.2 or 4.3 fails to make an appointment to the Public Safety Policy Advisory Committee, the current representative shall continue to serve until a replacement appointment is made by his/her organization.

5. Vacancies

Vacancies on PACs shall be filled as they occur in the same manner as appointments.

6. Chair/Vice Chair

The Chair and Vice Chair of the PACs, other than the Executive Committee, shall be appointed by the Board Chair in February or as vacancies occur. The officers of the PACs (except for the Executive Committee, whose officers are dictated by statute) can be primary or alternate members of the Board, but must be primary members of the PAC they will chair. The appointments shall go into effect immediately unless otherwise directed by the Board Chair. The Board Chair, First Vice Chair, and Second Vice Chair when serving as a member of the Executive Committee, shall serve as the Chair, First Vice Chair, and Second Vice Chair of the Executive Committee. The Vice Chair conducts the meetings in the absence of the Chair. In the event of the absence of the Chair, First Vice Chair and Second Vice Chair for the Executive Committee or both the Chair and Vice Chair for a PAC or other standing committee, the quorum of members present shall elect a chairperson pro tempore to preside for that meeting. The Executive Director or a Chief Deputy Executive Director, with a quorum present, shall call the meeting to order and preside during such election of chairperson pro tempore; he/she shall immediately relinquish the chair upon completion of the election.
7. **Attendance**

7.1 Primary and alternate members are strongly encouraged to attend all Committee meetings. Roll call shall be taken by the Chair at the beginning of the meeting to determine the voting members present at that time. The voting members shall be seated collectively in order for the public to recognize them as such. Other nonvoting alternates in attendance may participate in Committee discussion but shall not be authorized to act on any item.

7.2 If an organization with voting rights or a subregion is unrepresented at three consecutive Committee meetings a letter will be sent to that organization’s governing board members, all other members and alternates of the Committee, and the Board of Directors members and alternates concerning the absences.

7.3 In order to ensure a quorum, full participation, fairness, and comprehensive knowledge of the items discussed at SANDAG meetings, members who are eligible for compensation for attendance at a SANDAG meeting must be present for at least 1/2 of the time set for the meeting or the duration of the meeting, whichever is less, in order to be eligible for compensation in accordance with Article III, Section 5 of the Bylaws.

8. **Quorum**

A simple majority of members (either primary or alternates) constitute a quorum.

9. **Voting**

Primary members vote on all committee actions. Alternates vote only when their corresponding primary member from their area is absent. A simple majority of the quorum of primary and eligible alternate members voting constitutes approval. A quorum shall be required for the conduct of any business of a PAC.

10. **Compensation**

Primary and alternate members of the PACs will be compensated $100 per meeting attended subject to the limitations on number of meetings per month set forth in the SANDAG Bylaws.

11. **Meetings**

PAC meetings should normally be held on Fridays or when called by the committee Chair. Parliamentary procedure at all meetings shall be governed by Roberts Rules of Order, Newly Revised.

12. **Working Groups & Subcommittees**

The PACs shall have the authority to appoint PAC working groups and may provide for the appointment of alternates to these working groups. Ad hoc working groups may be appointed by the Board or PACs as the need arises to accomplish specific tasks. Upon completion of its assignment, each working group shall disband. Standing subcommittees may be appointed by the Board as may be required to carry out general and continuing functions and may be abolished only
upon specific action by the Board. As the Board creates standing subcommittees, it shall specify the method for appointing persons to those subcommittees.

Adopted January 2003
Amended December 2003
Amended November 2004
Amended December 2005
Amended December 2006
Amended June 2007
RULES OF PROCEDURE FOR BOARD OF DIRECTORS, POLICY ADVISORY COMMITTEES, AND OTHER LEGISLATIVE BODIES

This policy is intended to define and clarify Rules of Procedure for the Board and incorporate them in Board policy.

From time to time over the last 30 years the Board has utilized and amended rules of procedure. It is desirable to have these rules contained in Board Policy for ease of reference.

Procedures for the Board and Policy Advisory Committees

1. **Ordinances**

   1.1 Every ordinance shall be signed by the Chair of the Board, or for the comprehensive fare ordinance the Chair of the Transportation Committee, and attested by the Clerk of the Board.

   1.2 Upon the passage of an ordinance, the votes of the Board members or Transportation Committee members, as appropriate, shall be entered in the minutes.

   1.3 Ordinances shall not be passed within five days of their introduction, nor at any meeting other than a regular meeting. An urgency ordinance may, however, be passed immediately upon introduction and either at a regular or special meeting. Except when, after reading the title, further reading is waived by regular motion adopted by unanimous vote of the Board or Transportation Committee members present, all ordinances shall be read in full at the time of introduction or passage. When ordinances, other than urgency ordinances, are altered after introduction, they shall be passed only at a regular or at an adjourned regular meeting held at least five days after alteration. Corrections of typographical or clerical errors are not alterations within the meaning of this section.

   1.4 The Clerk of the Board shall cause a proposed ordinance or proposed amendment to an ordinance, and any ordinance adopted by the Board or Transportation Committee to be published at least once in a newspaper of general circulation in SANDAG’s area of jurisdiction.

   1.5 The publication of an ordinance as required by this policy, may be satisfied by either of the following actions:

      1.5.1 Publication of a summary of a proposed ordinance or proposed amendment to an ordinance. The summary shall be prepared by the Clerk of the Board and the Office of General Counsel. The summary shall be published and a certified copy of the full text of the proposed ordinance or proposed
amendment shall be posted in the office of the Clerk of the Board at least five days prior to the meeting at which the proposed ordinance or amendment is to be adopted. Within fifteen (15) days after adoption of the ordinance or amendment, the Clerk of the Board shall publish a summary of the ordinance or amendment with the names of the Board or Transportation Committee members voting for and against the ordinance or amendment and the Clerk of the Board shall post in the office of the clerk a certified copy of the full text of the adopted ordinance or amendment along with the names of those members voting for and against the ordinance or amendment; or

1.5.2 If the person designated by the Board determines that it is not feasible to prepare a fair and adequate summary of the proposed ordinance or amendment, and if the Board or Transportation Committee so orders, a display advertisement of at least one-quarter of a page in a newspaper of general circulation in SANDAG’s area of jurisdiction shall be published at least five (5) days prior to the meeting at which the proposed ordinance or amendment is to be adopted. Within fifteen (15) days after adoption of the ordinance or amendment, a display advertisement of at least one-quarter of a page shall be published. The advertisement shall indicate the general nature of, and prove information regarding, the adopted ordinance or amendment including information sufficient to enable the public to obtain copy of the complete text of the ordinance or amendment, and the name of those members voting for and against the ordinance amendment.

1.6 Ordinances and amendments shall take effect thirty (30) days after their final passage. Exceptions to this effective date are: 1. When the ordinance is for the immediate preservation of the public peace, health or safety, and contains a declaration of facts constituting urgency, and is passed by a two-thirds vote of the Board or Transportation Committee, the ordinance or amendment will take effect immediately; and 2. If otherwise provided by law.

2. Board Policies

2.1 Board policies shall be reviewed to determine if updates are needed no less often than every three years.

2.2 Once updated, policies shall contain a footer identifying the last date they were modified by the Board.

3. Public Comment

3.1 Persons wishing to provide comment or testimony shall be permitted to address the Board or Policy Advisory Committee after submitting a written request to speak, identifying themselves and the agenda item on which they want to be heard. Ordinarily, each speaker will be allowed no more than three minutes. The Chair, however, may extend or limit the time for each presentation or may permit additional time to speakers representing a group of individuals or organizations to avoid duplicative testimony or for other reasons that are in the best interest of the
Board or committee in the Chair’s discretion. Testimony must be limited to issues relevant to the agenda item.

3.2 Public comment on matters not on the agenda will be permitted on items of interest to the public that are within the subject matter jurisdiction of the Board or committee. Persons wishing to comment during the general public comment period must submit a written request in advance identifying themselves and the subject matter on which they wish to speak. The Chair may limit the time for each speaker. Ordinarily, each speaker will be allowed no more than three minutes.

4. **Standards of Conduct & Ethics Applicable to All of SANDAG’s Legislative Bodies**

4.1 This policy shall be supplemental to the SANDAG Conflict of Interest Code and is not intended to supersede such Code or any provisions thereof. All Board and Policy Advisory Committee members, and all other members of committees or working groups covered by the Brown Act, including alternates, shall file a Statement of Economic Interests with SANDAG upon request by the SANDAG Office of General Counsel.

4.2 Each Board member and alternate occupies a position of public trust that demands the highest moral and ethical standards of conduct. All references to “Board members” in Section 4 of this Policy shall be read to include all Board and Policy Advisory Committee members, and all other members of committees or working groups covered by the Brown Act, including ex officio members and alternates.

4.3 Board members shall not engage in any business or transaction or have a financial or other personal interest, actual, potential, or apparent that is incompatible with the proper discharge of his or her official duties or would tend to impair his or her independence of judgment or action in the performance of such duties. Such business, transaction, or interest shall constitute a conflict of interest.

4.4 Generally, no Board member shall engage in any enterprise or activity that will result in any of the following:

4.4.1 Using the prestige or influence of the Board office for private gain or advantage of the member or another person.

4.4.2 Using time, facilities, equipment, or supplies of the Board for the private gain or advantage of the member or another person.

4.4.3 Receiving or accepting money or other consideration from anyone other than the Board or another government agency for the performance of acts done in the regular course of duty.

4.4.4 Receiving or accepting, directly or indirectly, any gift or favor from anyone doing business with the Board under circumstances from which it could reasonably be inferred that such was intended to influence such person in their duties or as a reward for official action.
4.4.5 Soliciting any gift or favor in the member’s official capacity, either directly or indirectly, when such solicitation might reasonably be inferred as to have a potential effect on the member’s duties or decisions, or when the individual’s position as a Board member would in any way influence the decision of the person being solicited.

4.5 Prohibited Interests

4.5.1 It is unlawful for any current SANDAG Board member to render a decision where a party to the decision has given the SANDAG Board member, promised to give the SANDAG Board member, or acted as an intermediary for the SANDAG Board member to have, an opportunity for compensation. For purposes of this section, opportunities for compensation provided to a SANDAG Board member include opportunities for compensation provided to the SANDAG Board member’s immediate family. When such an opportunity for compensation is provided to a member of the SANDAG Board member’s immediate family, the SANDAG Board member shall not participate in a decision involving a party to the decision unless the SANDAG Board member had no knowledge or involvement in securing the opportunity for compensation.

4.5.2 It is unlawful for any current SANDAG Board member to make, participate in making, or use his or her Board member position to influence a decision involving the interests of a person with whom he or she is seeking, negotiating, or securing an agreement concerning future employment.

4.5.3 It is unlawful for any current SANDAG Board Member to be financially interested in any contract made by them in their Board member capacity. It is also unlawful for any contract to be made by SANDAG or any board or commission established by SANDAG if any individual member of the body has a financial interest in the contract.

4.5.4 Definitions

4.5.4.1 For purposes of the prohibitions set forth in this section, the term “financial interest” means any interest, other than a remote interest as prescribed in California Government Code section 1091 or a noninterest prescribed in California Government Code section 1091.5, that would prevent SANDAG Board members involved from exercising absolute loyalty and undivided allegiance to the best interests of SANDAG.

4.5.4.2 For purposes of this section, “material financial effect” has the same meaning as that term is used in title 2, sections 18705 through 18705.5 of the California Code of Regulations.

4.5.4.3 For purposes of this section, "render a decision" means to take part personally and substantially in the project by rendering a decision, approval, or disapproval; by making a formal written
recommendation; by conducting an investigation; by rendering advice on a significant basis; or by using confidential information.

4.5.4.4 For purposes of this section, "project" means any matter where a private business has made an application to SANDAG for discretionary funding or discretionary entitlements, or where SANDAG exercises discretion to enter into a lease, agreement, or contract with a private business.

4.5.5 Any SANDAG Board Member with a remote financial interest in a prospective contract of SANDAG must disclose the existence of the remote interest to the body of the board in which the SANDAG Board member is a member if that board has any role in creating, negotiating, reviewing, or approving the contract; and the SANDAG Board member must abstain from influencing or participating in the creation, negotiation, review, or approval of the contract.

4.5.6 It is unlawful for any SANDAG Board member to knowingly influence a decision of the SANDAG Board if it is reasonably foreseeable that the decision will have a material financial effect on:

4.5.6.1 the SANDAG Board member or a member of his or her immediate family, if the material financial effect is distinguishable from its effect on the public generally, or any of the following economic interests:

4.5.6.1.1 any business entity in which SANDAG Board member or a member of SANDAG Board member’s immediate family has invested $2,000 or more; and

4.5.6.1.2 any business entity for which a SANDAG Board member or a member of the SANDAG Board member’s immediate family is a director, officer, partner, trustee, employee, or holds any position of management; and

4.5.6.1.3 any real property which SANDAG Board member or a member of SANDAG Board member’s immediate family has invested $2,000 or more; and

4.5.6.1.4 any person from whom a SANDAG Board member or a member of the SANDAG Board member’s immediate family has received (or by whom you have been promised) $500 or more in income within twelve months prior to the decision; and

4.5.6.1.5 any person from whom a SANDAG Board member or a member of the SANDAG Board member’s immediate family has received gifts that total $300 or more within twelve months prior to the decision;
4.5.6.1.6 the personal expenses, income, assets, or liabilities of a SANDAG Board member or a member of SANDAG Board member’s immediate family.

4.5.7 Prohibitions Applicable to Former Board Members

4.5.7.1 It is unlawful for any former SANDAG Board Member who received compensation from SANDAG to render a decision on a particular project during his or her SANDAG service to engage in direct communication with SANDAG, for compensation, with regard to any pending application for discretionary funding or discretionary entitlements before SANDAG relating to that particular project on behalf of any person other than a public agency for a one year period immediately following the last payment from SANDAG to the Board Member.

4.5.7.2 It is unlawful for any former SANDAG Board member, for compensation, to knowingly counsel or assist any person other than a public agency in connection with an appearance or communication in which the former SANDAG Board Member is prohibited from engaging pursuant to subsection 4.5.7.1 for a one year period immediately following termination of service with SANDAG.

4.6 Lobbying and Campaign-Related Activities

4.6.1 It is unlawful for any SANDAG Board Member to engage in campaign-related activities, such as fund-raising, the development of electronic or written materials, or research, for a campaign for any elective office using SANDAG facilities, equipment, supplies, or other SANDAG resources. Nothing in this section, however, shall prohibit the use of SANDAG resources to provide information to the public about the possible effects of any bond issue or other ballot measure relating to SANDAG activities, operations, or policies, provided that:

4.6.1.1 the use of public resources is otherwise legally authorized; and

4.6.1.2 the information provided constitutes a fair and impartial presentation of relevant facts to aid the electorate in reaching an informed judgment regarding the bond issue or ballot measure.

4.6.2 It is unlawful for any former SANDAG Board Member to engage in direct communication for the purpose of lobbying SANDAG if all of the following circumstances apply:

4.6.2.1 the former SANDAG Board Member served as a SANDAG Board Member within the previous twelve months; and
4.6.2.2 the former SANDAG Board Member received compensation from SANDAG for his or her service as a SANDAG Board Member; and

4.6.2.3 the former SANDAG Board Member is receiving compensation from a private business to engage in the direct communication with SANDAG.

4.6.3 The prohibitions contained in 4.6.2 shall not apply:

4.6.3.1 to prevent a former SANDAG Board Member from making or providing a statement, based on the former SANDAG Board Member's own special knowledge in the particular area that is the subject of the statement, provided that no compensation is thereby received other than that regularly provided for by law or regulation for witnesses;

4.6.3.2 to prevent any former SANDAG Board Member from representing himself or herself, or any member of his or her immediate family, in their individual capacities, in connection with any matter pending before SANDAG;

4.6.3.3 to the activities of any former SANDAG Board Member who is an elected or appointed officer or employee of any public agency, or a consultant of any public agency, when that former SANDAG Board Member is solely representing that agency in his or her Board Member capacity as an officer, employee, or consultant of the agency;

4.6.3.4 to any ministerial action. A ministerial action is one that does not require a SANDAG Board Member to exercise discretion concerning any outcome or course of action; or

4.6.3.5 to any individual who terminated status as a SANDAG Board Member prior to July 1, 2003, except that any such individual who returns to service as a SANDAG Board Member on or after July 1, 2003, shall thereafter be subject to the provisions of this section.

4.7 If a Board member has an actual, potential, or apparent conflict of interest in the subject of an agenda item, and the Board will be making a decision regarding the agenda item during an open session meeting, the Board member must recuse himself or herself or, in the case of uncertainty, request a binding determination from the Board’s legal counsel. If the Board member has a conflict, he or she may observe, but not participate, in the decision-making process.

4.8 If a Board member has an actual, potential, or apparent conflict of interest in the subject of an agenda item to be discussed during a closed session meeting, the Board member must state that he or she has a conflict of interest and shall be disqualified and shall leave the room during such discussion so as not to make, participate in making, or in any way attempt to use his or her official position to
influence the decision or discussion. In the case of uncertainty, the Board member must request a binding determination from the Board’s legal counsel. In accordance with the Brown Act, any Board member who is disqualified shall be entitled to any information that is publicly reported. The Board member will not, however, be privy to any confidential or privileged information or communications pertaining to the closed session agenda item.

4.9 No Board member shall disclose to any person, other than members of the Board and other Board staff designated to handle such confidential matters, the content or substance of any information presented or discussed during a closed session meeting unless the Board authorizes such disclosure by the affirmative vote of a majority of the Board.

4.10 No Board member may disclose confidential or privileged information or communication to any person other than a Board member, counsel to the Board, or other Board staff designated to handle such matters, unless disclosure is mandated by law or the Board authorizes such disclosure by the affirmative vote of a majority of the Board.

4.11 Confidential or privileged information concerning threatened, anticipated, or actual litigation or claims will not be disclosed to a Board member if he or she has an actual, potential, or apparent conflict of interest. In the case of uncertainty as whether a conflict of interest exists, the Board’s legal counsel will issue a binding determination.

4.12 No Board member shall represent a position on an issue to be the Board’s position unless the Board has formally adopted such position at a public meeting.

4.13 Any violation of this policy shall constitute official misconduct if determined as such by an affirmative vote of the majority of the Board in an open and public meeting. The Board may elect to censure the Board member and the violation may be subject to criminal and/or civil penalties as provided for by applicable law.

4.14 All SANDAG Board or committee members (including alternates) who may receive any type of stipend, compensation, salary, or reimbursement for travel expenses from SANDAG must attend at least two hours of ethics training every two years. All such persons who hold office with SANDAG as of January 1, 2006, must complete their first course no later than January 1, 2007. The ethics training course materials must be approved by the Fair Political Practices Commission and Attorney General’s Office in compliance with the requirements of Government Code § 53234 et seq. Proof of attendance may be issued by SANDAG or any other local government agency providing an ethics training course that complies with these requirements.

5. Additional Advisory Membership on Board

5.1 From time to time, the Board may determine it is in SANDAG’s best interest to supplement the Board with additional members that can provide beneficial advice and information to the Board on matters of interest to the region.
5.2 The criteria for selection of additional advisory members shall be as follows:

5.2.1 Agency/group has land use or eminent domain authority;

5.2.2 Agency/group has regional authorities and responsibilities important to SANDAG’s mission;

5.2.3 Membership by the agency/group would enhance SANDAG’s regional decision-making;

5.2.4 Agency/group desires representation, submits a written request, and commits to participation; and

5.2.5 Agency/group is able to agree on the form of representation and who will represent it.

6. Procedures Applicable to All SANDAG Legislative Bodies Other Than the Board and Policy Advisory Committees

The Brown Act is a state law which governs open meetings for local governmental bodies. The Brown Act (also “Act”) is contained in the Government Code at § 54950 et seq., and establishes rules designed to ensure that actions and deliberations of public bodies of local agencies are taken openly and with public access and input. The Brown Act governs the meetings of all local “legislative bodies,” that is, all multi-member committees and the like, of a local governmental agency such as SANDAG. Bodies created by ordinance, resolution, or formal action of the SANDAG Board or one of the Policy Advisory Committees are covered by the Act.

6.1 All of the SANDAG legislative bodies are required to comply with the requirements of the Act, including but not limited to the following:

6.1.1 Agendas for all regular meetings must be posted at least 72 hours in advance of the meeting and all meetings must be open to the public.

6.1.2 The Act applies whenever a majority of the voting members of the legislative body meet to discuss, deliberate or acquire information about a matter within the subject matter of the body.

6.1.3 A public comment period must be provided at each meeting.

6.1.4 The Act prohibits “serial meetings.” Serial meetings are a series of in-person meetings, phone calls, emails, or other types of communication that ultimately involve a majority of the legislative body to develop a consensus as to action to be taken on a matter coming before the body. This prohibition is based on the Act’s goal to ensure that the public’s business is in fact conducted in public. In addition, a third party cannot be used to communicate among the members to obtain a consensus; an intermediary cannot be used to accomplish the actions directly prohibited by the Act.

6.1.4 Secret ballots and anonymous voting are prohibited.
6.1.5 An attendance, registration, or sign-in sheet may be used at public meetings to document the presence of persons other than the members of the legislative body, however, the sheet must clearly state that its completion is voluntary and not a precondition for attendance.

6.1.6 Meetings may not be held in facilities that are inaccessible to disabled persons or in facilities that prohibit the admittance of any persons on the basis of race, religious creed, color, national origin, ancestry or sex.

6.1.7 Meetings must be held within the County of San Diego, unless some exception under the Act applies. Questions regarding the applicability of the Act should be directed to the SANDAG Office of General Counsel.

6.1.8 The agenda must list all items that will be discussed or acted upon by the legislative body. That listing should be described in an informative way so that members of the body as well as members of the public understand the general nature of the agenda item and can make an informed decision whether to attend the meeting or not. The Act provides that this description need not exceed 20 words, but as many words as necessary to give adequate notice should be used.

6.1.9 Members may take action to add an item to the agenda of a regular meeting if, by two-thirds vote of the members of the legislative body present at the meeting, or, if less than two-thirds of the members are present, a unanimous vote of those members present, the body determines that there is a need to act immediately, that the body's consideration of the matter cannot await the next meeting and that the need for immediate action arose after the posting of the agenda. This should only occur in very rare occasions, and the SANDAG Office of General Counsel should be consulted before relying on this exception.

6.2 In addition to the requirements of the Act, SANDAG legislative bodies must also comply with the following requirements:

6.2.1 Only the regular members, or in their absence, a designated alternate, may vote on action items. Seating or placards at meetings should be arranged so that it is clear which persons in the room are voting members, as compared to nonvoting members, alternates, speakers, or members of the public. Nonvoting members and alternates in attendance may participate in the body's discussion, but may not vote.

6.2.2 The members of a legislative body may only designate an alternate if their service on the legislative body is based on their capacity as a representative of another group; members selected for their individual qualifications do not act as a representative of another group and may not designate an alternate.
6.2.3 A quorum shall be a majority of the voting members of a legislative body. A majority of the quorum must approve all actions taken by the legislative body.

6.2.3 Unless otherwise provided by the Board or Policy Advisory Committee, each legislative body should select a chair and vice chair by a vote of the majority of a quorum on an annual basis.

6.2.4 Roberts Rules of Order should be used by legislative bodies for guidance on procedural matters such as the making of motions and voting.

6.2.5 The chair of a legislative body may direct that comments from the public shall be limited to no more than three minutes per person. Comments from the public should be requested following introduction of each agenda item. Efforts should be made to make it clear to the members of the legislative body and audience when a comment is being made by a member of the public versus a member of the legislative body.

6.2.6 In the event a legislative body is having difficulty taking action on items due to lack of attendance to create a quorum, the legislative body may make a recommendation regarding changes to membership and seek approval of these recommendations from the Board or Policy Advisory Committee that created the legislative body.

6.3 The scope of topics within the jurisdiction of the legislative shall be limited to those issues delegated to the legislative body by the Board or relevant Policy Advisory Committee.

6.4 Legislative bodies created by the Board or a Policy Advisory Committee do not have authority to take action on behalf of SANDAG, make a final determination on behalf of SANDAG, and/or take a position on behalf of SANDAG.

6.5 The SANDAG Committee and Working Group Guidelines should be used for additional guidance.

6.6 New committees shall not be created by SANDAG staff without approval of either (1) the Board, (2) a Policy Advisory Committee, or (3) the Executive Director with the concurrence of the Chair of the Board. A Policy Advisory Committee or the Board must approve all charter or membership changes for committees that are created by ordinance, resolution, or formal action of the Board or one of the Policy Advisory Committees.

6.6.1 When appointing new committees or working groups, PACs may provide for the appointment of alternates.

6.6.2 As the Board creates standing subcommittees, it shall specify the method for appointing persons to those subcommittees.
6.6.3 **Ad hoc working groups may be appointed by the Board or PACs as the need arises to accomplish specific tasks. Upon completion of its assignment, each working group shall disband. Standing subcommittees may be appointed by the Board as may be required to carry out general and continuing functions and may be abolished only upon specific action by the Board.**

6.6.4 **An informational report shall be provided to the Board on an annual basis concerning the status of all standing and ad hoc committees and working groups.**

6.7 **A quorum shall be required for the conduct of any business. A simple majority of members (either primary or alternates) shall constitute a quorum.**

6.8 **Primary members vote on all legislative body action items. Alternates vote only when their corresponding primary member from their area is absent. A simple majority of the quorum of primary and eligible alternate members voting constitutes approval.**

Adopted June 2003
Amended November 2004
Amended January 2006
Amended December 2006
*Amended JuneMay 2007*
TransNet ORDINANCE AND EXPENDITURE PLAN RULES

The following rules have been adopted and amended by the SANDAG Board of Directors in its role as the San Diego County Regional Transportation Commission (RTC). The purpose of these rules is to implement the provisions of the original TransNet Ordinance (87-1) and the TransNet Extension Ordinance (04-01).

Rule #1: Procedure for Distribution of Revenues for Transportation Services for Seniors and the Disabled

Adoption Date: February 26, 1988 (Resolution RC88-2)
Amendment: Repealed at November 18, 2005, Board Meeting. This rule was superseded by Rule No. 11.

Rule #2: Loan of Funds for Privately-Funded Projects

Adoption Date: April 22, 1988 (Resolution RC88-5)
Amendment: Amended at November 18, 2005, Board Meeting.

Text:
The Commission may approve a loan of sales tax funds to a city or county from its formula-based share of Local Street and Road funds to finance a project which is prohibited from receiving funding under Section 9 of Commission Ordinance 87-1 or Section 8 of Ordinance 04-01 if the following terms and conditions are met.

1. A finding is made by the Commission that absent private sector funding, the project would be an eligible street and road project.

2. The City or County agrees to enter into an agreement to repay the loan plus interest (at a rate determined by the Commission) prior to the termination of the sales tax in accordance with Section 3 of Commission Ordinance 87-1 or Section 3 of Ordinance 04-01.

3. That the City or County agrees to guarantee repayment of the loan if private developer funding is determined to be inadequate to repay the loan prior to termination of the sales tax.
Rule #3: Reimbursement of Local Funds to Advance Approved Projects

Adoption Date: May 27, 1988 (Resolution RC88-6)
Amendment: Amended at November 18, 2005, Board Meeting.
Text: A city or county may advance improvements on a project(s) which is included in the approved transportation sales tax Program of Projects with local agency funds (other than private developer funds as set forth in Section 9 of Ordinance 87-1 or Section 8 of Ordinance 04-01) prior to sales tax funds being available and receive reimbursement including interest from sales tax funds if it is determined by the Commission that the following terms and conditions are met.

1. The project(s) is included in the approved transportation sales tax Program of Projects, and no other financing technique is found to be more desirable or cost effective to utilize in order to advance the improvement.

2. The city or county shall be reimbursed for the local funds expended as soon as sales tax funds become available, or on a schedule agreed to between the local agency and the Commission.

3. That no more than 30 percent of the funds will be used for maintenance projects if the funds are borrowed from TransNet revenues pursuant to Section 2(C)(1) of Ordinance 04-01.

Rule #4: SR 78 Corridor Reserve Fund Allocation Policies

Adoption Date: Originally Adopted May 26, 1989 (Resolution R-89-82)
Wording changed December 14, 1990 (Resolution RC91-10)
Amendment: Amended at November 18, 2005, Board Meeting.
Text: For purposes of allocating funds under Section 2(a)(3) in Ordinance 87-1:

1. Only those projects designated as “funded” on the SR 78 Corridor project list approved on December 13, 1990 by the SR 78 Corridor Policy Committee are eligible to receive SR 78 Corridor Reserve Funds.

2. The list of SR 78 Corridor projects and their priority and funding eligibility may be revised by a majority vote of the SR 78 Corridor Policy Committee and the approval of the Board of Directors.

3. The basic contribution for a non-Caltrans project on the SR 78 Corridor Reserve funded list is 50 percent of the estimated right-of-way, engineering, and construction costs. However, the total amount of Corridor Reserve Funds designated for projects within one jurisdiction may be allocated to vary from the basic 50 percent for any given project as long as the cumulative total for programmed projects at any point in time does not exceed 50 percent.
4. The basic contribution for a Caltrans project on the SR 78 Corridor Reserve funded list is 100 percent of the estimated right-of-way, engineering, and construction costs.

5. Contributions from the SR 78 Corridor Reserve Fund to any one jurisdiction cannot exceed 50 percent (100 percent for Caltrans) of the project cost estimates shown on the approved funded list of December 13, 1990. If actual project costs are less than estimated, a maximum contribution of 50 percent (100 percent for Caltrans) of the new costs shall be in effect.

6. A project that for any reason is removed from the funded list can only be replaced by the next highest ranked unfunded project (or projects), regardless of jurisdiction and only if the funded list of projects does not exceed the total Corridor Reserve dollars available. As with other funded projects, Corridor Reserve funds can only be used to improve the replacement project(s) to minimal four-lane standards (six lanes at freeway interchanges).

   Added June 22, 1990 (Resolution RC90-40):

7. SR 78 Corridor Reserve funds for right-of-way will not be encumbered until a project has environmental clearance and the first 25 percent of the total value of the right-of-way is acquired. When a total of 75 percent of the right-of-way has been acquired, the construction funds will be encumbered at the request of the agency.

   Added December 14, 1990 (Resolution RC91-10):

8. All agencies submitting projects from the SR 78 Corridor Funded Project List for programming are encouraged to pursue matching funds from the State's SB 300 program.

   Added February 22, 1991 (Resolution RC91-13):

9. Any new source of state highway funds for the San Diego region should be considered for allocation to the TransNet SR 78 Corridor Reserve to offset local funds which were used for projects which are normally the responsibility of the State, such as freeway-freeway interchange improvements and ramp metering systems.
Rule #5: Use of Local Street and Road TransNet Funds for the Development of Transportation Demand Management Programs

Adoption Date: August 25, 1989 (Resolution RC90-23)

Amendment: Amended at November 18, 2005, Board Meeting.

Text: The development and implementation of a Transportation Demand Management Program shall be an eligible use of Local Street and Road funds pursuant to Section 19(E) of Ordinance 87-1 and Section 21(c) of Ordinance 04-01. Transportation Demand Management shall mean a comprehensive set of strategies designed to influence travel behavior with respect to mode, time, frequency, route, or distance in order to improve the efficiency and effectiveness of local streets and roads. Principal strategy measures involve, but are not limited to, ridesharing, alternative work hours, and parking management.

Rule #6: Fund Accounting and Interest Allocation

Adoption Date: March 23, 1990 (Resolution RC90-35)

Amendment: Amended at November 18, 2005, Board Meeting.

Text: For the purposes of determining compliance with Section 12 of Ordinance 87-1 and Section 13 of Ordinance 04-01, each agency shall maintain a separate fund (fund accounting) for TransNet revenues, if possible. Where the creation of a separate fund is not possible due to accounting methodology used by the agency, an alternative approach to maintaining separate accountability for TransNet revenue and expenditures must be developed and submitted to the Commission staff for concurrence. Interest earned on TransNet revenues received by the agency must be allocated to the TransNet fund and used only for projects approved by the Commission in the Program of Projects. For accounting purposes, the interest earnings shall be considered to be expended first. Further, the Ordinances allow the agencies to retain any unused TransNet funds. Interest accrued should be applied to each active project that carries an outstanding balance. The agency can determine the method of the interest distribution to be validated by the audit.

Rule #7: Program of Projects Approval Process and Amendments

Adoption Date: March 23, 1990 (Resolution RC90-35)

Amendments: Amended at November 18, 2005, and December 15, 2006 Board Meetings.

Text: Each local agency shall develop a five-year list of projects to be funded with TransNet revenues under Section 2D of Ordinance 87-1 and Section 4D of Ordinance 04-01 in accordance with the Regional Transportation Improvement Program (RTIP) update schedule. All projects a local agency wishes to include in its Program of Projects must be consistent with the Regional Transportation Plan and approved by the Commission for inclusion in the RTIP. A local agency’s projects shall not receive Commission approval until the Commission
receives a resolution from the local agency that documents that the local agency held a clearly noticed public hearing regarding the proposed list of projects prior to approval by the local agency's legislative body of the projects. The language that must be included in the resolution and the deadlines for submission shall be prescribed by the Commission. The resolution shall contain the provisions set forth in Rule #15.

A Program of Projects amendment shall be initiated when a local agency desires to add a new project to the approved Program of Projects, to delete an approved project in its entirety, or to change the TransNet funds programmed for a project by $2 million or 10 percent of total project, whichever is less. Projects proposed in the amendment must have been approved by the governing body of the local agency within the preceding 12 months. The local agency shall initiate the amendment process by holding a clearly noticed public hearing and submitting a resolution using the language and deadlines prescribed by the Commission as documentation of governing body approval. The amendment must be approved by the Commission prior to the expenditure of funds on the new or amended projects.

**Rule #8: Determination of New Transit Services**

**Adoption Date:** March 23, 1990 (Resolution RC90-35)

**Amendment:** Amended at November 18, 2005, Board Meeting.

**Text:**
For the purpose of determining compliance with Section 4(B)(2)(c) of Ordinance 87-1, the level of service provided in FY 1988 shall be considered at the base level of service in existence prior to the availability of TransNet revenues which must be maintained through other funding sources. Compliance with the “new” service requirement shall be determined using the following procedure:

1. Determine the number of vehicle service miles operated during the fiscal year using TransNet revenues for any given operator by dividing the TransNet revenues for operations by the total systemwide operating cost for that operator and multiplying the total vehicle service miles operated by the quotient.

2. Subtract the number of miles determined in Step 1 from the total system vehicle service miles operated during the year.

3. If the adjusted number of miles from Step 2 is greater than or equal to they FY 1988 base level, then the compliance test is met.

4. The attached table of base statistics from FY 1988 (Attachment 1) will be used to determine compliance. These figures reflect all publicly funded operators within the MTDB (MTS) and North County Transit District (NCTD) service areas (Articles 4, 4.5, and 8) because TransNet revenues could potentially be used by the operators to fund service improvements on any of these systems.
Rule #9: Use of TransNet Revenue for Bus Purchases

Adoption Date: March 23, 1990 (Resolution RC90-35)

Amendment: Amended at November 18, 2005, Board Meeting.

Text: TransNet revenues may be used to support the purchase of buses required to operate new services funded with TransNet revenues. The number of buses which can be purchased with TransNet revenues shall be determined using the following procedures.

1. Determine the number of annual new vehicle service miles service being operated in accordance with Rule Number 8 – Determination of New Transit Services.

2. Divide the number of new miles of service by the systemwide average annual vehicle services miles per bus for a given operator to determine the equivalent number of buses required to operate the new service. Round up to the nearest whole number of bus equivalents.

The TransNet revenues used for bus purchases shall come out of the revenues available under Section 4(B)(2)(c) of Ordinance 87-1. The use of TransNet revenues for bus purchases shall be used to the maximum extent possible as matching funds for available state and federal capital funds. If, at some point in the future, the number of buses purchased with TransNet revenues cannot be justified based on the number of new miles being operated with TransNet revenues, then a pro-rated reimbursement to the TransNet fund will be required based on the remaining useful life of the vehicles. TransNet revenues may not be used to support the purchase of replacement buses for the “existing” (FY 1988) level of service. Any buses purchases with TransNet revenues will remain under the ownership of MTDB (MTS) or NCTD and be made available to the operator chosen to operate the new services.

Rule #10: Use of TransNet Revenues to Replace Reduced State and Federal Operating Support

Adoption Date: March 23, 1990 (Resolution RC90-35)

Amendment: Amended at November 18, 2005, Board Meeting.

Text: For purposes of determining compliance with Section 4(B)(2)(c) of Ordinance 87-1, the maximum amount of TransNet funds that MTDB (MTS) or NCTD are eligible to use to replace federal funds in a given year is equal to the FY 1987 base year levels of federal and state operating support ($6,113,307 for MTS and $2,511,816 for NCTD) less the amount of state and federal operating support available in that year. The priority on the use of funds under this section is to provide new service improvements. MTS and NCTD are encouraged to use other available revenues, such as Transportation Development Act (TDA) funds, to offset reductions in state and federal funds, if possible, and to use TransNet funds under these sections for new service improvements.
Rule #11: Use of TransNet Revenues for Transportation Services for Seniors and the Disabled

Adoption Date: March 23, 1990 (Resolution RC90-35)

Amendment: Amended at November 18, 2005, Board Meeting

Text: The funds made available under Section 4(B)(1) of Ordinance 87-1 or Section 4(c)(1) of Ordinance 04-01 for improved transportation services for seniors and the disabled shall be used to augment the revenues made available under the Transportation Development Act (TDA) Article 4.5 program for the same purposes. These TransNet funds shall be allocated to eligible service providers using the fund distribution formula approved by the SANDAG Board of Directors for use in distributing the TDA Article 4.5 funds. For accounting purposes, following the expenditure of fare revenues and other local and other local operating revenues, the interest earnings on the TransNet and TDA funds shall be considered to be spent first, followed by the TransNet funds, then the TDA funds.

Rule #12: Use of TransNet Revenues for Accessibility Improvements

Adoption Date: March 23, 1990 (Resolution RC90-35)

Text: In the development of TransNet-funded local street and road projects, local jurisdictions may include, within the street right-of-way, improvements to enhance accessibility to the transportation system, including, but not limited to, accessibility improvements to bus stop areas.

Rule #13: Investments

Adoption Date: July 27, 1990 (Resolution RC91-2)

Amendment: Repealed at November 18, 2005, Board Meeting. This rule has been superseded by the Annual Investment Policy Update (see Resolution No. 2006-06 approved at the September 23, 2005, SANDAG Board of Directors meeting).

Rule #14: Capital Equipment Acquisition Loans to SANDAG

Adoption Date: November 16, 1990 (Resolution RC91-6)

Text: The loan of unused administrative allocations from TransNet funds to SANDAG for the purpose of acquiring office and computer equipment is authorized when lower cost financing is not available. The repayment schedule shall be based upon funding authorized in the SANDAG-approved budget and will include interest at a rate equal to the interest earning rate of the San Diego County Pooled Money Fund.
Rule #15: Local Agency Hold Harmless Agreements

Adoption Date: October 25, 1992 (Resolution RC92-7)

Text: Each local agency shall be required to hold harmless and defend the Commission against challenges related to local TransNet projects. This rule is to be implemented by requiring that each local agency agree in its resolution approving its projects for TransNet funding to hold the Commission harmless.

Rule #16: Repayment of Commercial Paper Program Proceeds

Adoption Date: September 23, 2005

Amendment: Amended at November 18, 2005, Board Meeting.

Text: Each agency receiving proceeds from the TransNet Commercial Paper Program shall be responsible for its proportionate share of the ongoing interest and related administrative costs from the date the proceeds are received until the principal amount of the loan is fully repaid. Repayment of the principal amount shall commence within three years of the agency’s receipt of the proceeds and shall be completed within five years of the agency’s receipt of the proceeds. Repayment of the proceeds may be accomplished by rolling the outstanding amount into a long-term bond issue during the five-year repayment period. In such cases, the agency would then be responsible for its proportionate share of the bond issuance costs and annual debt service costs. The repayment of debt, in all cases, is the first priority on the use of the agency’s share of annual TransNet revenues.

Rule #17: Fiscal and Compliance Audits

Adoption Date: November 18, 2005

Amendment: Amended at June 22, 2007, Board Meeting.

Text: I. Fiscal and Compliance Audit Procedures

The fiscal and compliance audit is an essential tool to determine that TransNet funds are being used for the intended purposes. The Commission has the fiduciary responsibility to ensure that the public funds are used in accordance with the TransNet Ordinance and Expenditure Plan. In order to complete the audits in a timely manner, SANDAG proposes the following:

A. July/August: SANDAG meets with the auditors to review the audits required for the year and provide all necessary documentation/information for the auditors to begin work.

B. September to November: Auditors schedule site visits. Recipient agencies must be ready and available to meet with the auditors and provide requested financial schedules and other information necessary for the completion of the audit.

C. November/December: Auditors issue draft reports to both SANDAG and the agencies. The agencies must be available to review and comment on
the draft report in a timely manner. All outstanding issues should be resolved within four weeks.

D. December/January: Auditors issue the final reports. If there are outstanding issues, those should be resolved so that the audit is completed no later than March.

SANDAG Responsibility: SANDAG will provide all information necessary to complete the audit.

Agency Responsibility: All agencies must be ready for the site visit, provide requested information, and review and comment on the draft reports in a timely manner.

If the auditor is unable to complete the audit because an agency was not ready or did not provide the required information or reviews in a timely manner, then the agency will be deemed in noncompliance of the Ordinance. SANDAG will withhold future TransNet payments (except for required debt service payments) until the audit is completed.

The Ordinance states that the Commission:

[S]hall not allocate any revenues...to any eligible local agency in any fiscal year until that local agency has certified to the Commission that it will include in its budget for that fiscal year an amount of local discretionary funding for street and roads purposes at least equal to the minimum maintenance of effort requirement. An annual independent audit shall be conducted to verify that the Maintenance of Effort requirements were met. Any local agency which does not meet its Maintenance of Effort requirement in any given year shall have its funding reduced in the following year by the amount by which the agency did not meet its required Maintenance of Effort level. Any local street and road revenues not allocated pursuant to the Maintenance of Effort requirement shall be redistributed to the remaining eligible agencies according to the formula described in [the Ordinance].

Although there are no specific MOE requirements for the highway, transit, or other discretionary programs, the verification of fund usage is essential. Therefore, the withholding of TransNet fund payments applies to all agencies that do not have a completed audit.

II. Exceptions

SANDAG acknowledges the existence of unforeseen circumstances which may prevent an audit from completion. Should situations warrant an extension, the agencies must submit a request for an extension to be considered by the SANDAG Transportation Committee, including an explanation of the situation and specific timelines for completion of the audit.
III. Audit Adjustments

Specific Project Funding/Discretionary Programs

This section applies to funding allocated for the specified projects under the Highway and Transit Programs under Ordinance 87-1, including funding allocated for bicycle facility improvements. Under the TransNet Extension (Ordinance 04-01), this section applies to the Major Corridor funding – Section 4(A) and (B) and the four discretionary programs: (1) Transit Senior program – Section 4(C)(2); (2) Local Environmental Mitigation program – Section 4(D)(2); (3) Local Smart Growth Incentive program – Section 4(D)(3); and (4) Bicycle, Pedestrian, and Neighborhood Safety Program – Section 4(E).

After the projects are completed and there are funds remaining, the agency is required to return the money to the program. After the fiscal audit determines that the project has been completed, SANDAG will transmit a letter to the agency to return the funds to SANDAG. The agency must remit the balance within 60 days of the letter. Should an agency fail to respond in a timely manner, all future TransNet payments (including funds from the other programs) to that agency will be suspended until the funds are returned.

Local Street and Road Formula Program (Section 4(C) of Ordinance 87-1 and Section 4(D)(1) of Ordinance 04-01) and Transit Funding (Section 4(B) of Ordinance 87-1 and Sections 4(C)(1), 4(C)(3), and 4(C)(4) of Ordinance 04-01).

The audit identifies the status of each project funded with TransNet funds – i.e., completed projects, projects that have negative balances, inactive projects, and ongoing projects. The agencies are responsible to work with the auditors to make proper adjustments as follows:

- Completed projects: once a project is identified as completed and there are TransNet funds remaining with that project, the agency is required to transfer the balance to another TransNet-eligible project (any project included in the approved Program of Projects). The audit should make note to which project the funds will be transferred. Completed projects should no longer show in the following year’s audit.

- Projects with negative balances: an ongoing project or a completed project may have expended all the TransNet funds but the agency decided to augment with other funds. In this case, the project should show zero balance for the amount of TransNet expended rather than showing a negative balance. If the project is completed, then it should no longer show in the following year’s audit. If the project is ongoing and the agency intends to backfill the project with the following year’s TransNet funds, then it should be noted in the audit. However, this practice is discouraged as it will throw off the MOE calculation.

- Inactive projects: if a project has had no activity since the last audit, over a period of two audits, the agency must either close out the project and transfer any remaining TransNet funds to another TransNet-eligible project or amend the RTIP to reflect the updated
project schedule note when the project will be completed. These projects should no longer show in the following year’s audit. Any remaining TransNet funds must be transferred to another TransNet-eligible project.

IV. Local Agency Balance Limitations

Based on the audit, an agency that maintains a balance of more than 30 percent of its annual apportionment (after debt service payments) must use the remaining balance to fund projects. SANDAG will defer payment until the unused balances fall below the 30 percent threshold.

Rule #18:

Adoption Date: June 23, 2006

Text: As specified in Section 2(C)(1) of the Ordinance 04-01, at least 70 percent of the revenues provided for local street and road purposes should be used for congestion relief purposes and no more than 30 percent for maintenance purposes. Attachment 2 provides a set of guidelines to be used in the implementation of this new requirement beginning with the 2006 Regional Transportation Improvement Program (RTIP) update. These guidelines apply to the programming of all available local TransNet funding (annual formula funds and prior year carry-over balances) beginning with July 1, 2008 (Fiscal Year 2008-09).

Rule #19: Conflict of Interest for ITOC Representatives

Adoption Date: December 15, 2006

Policy Text: The Board intends to make every effort to ensure the representatives selected to serve on the Independent Taxpayers Oversight Committee (ITOC) are free from any bias that would interfere with objective decision making by the ITOC. The Conflict of Interest section of the “Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the TransNet Program,” which is part of the TransNet Extension Ordinance, states in part: “ITOC members shall not have direct commercial interest or employment with any public or private entity, which receives TransNet sales tax funds authorized by this Ordinance.” The Board interprets this language to impose the same level of restrictions on the ITOC representatives as those that apply to SANDAG Board members pursuant to California state law found at Government Code sections 87100 et seq. and 1090 et seq.

Attachments: 1. FY 1988 Base Year Statistics
               2. SANDAG Board Item No. 12, June 23, 2006
### Metropolitan Transit Development Board (MTS) Area

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<td><strong>Total</strong></td>
<td><strong>1,573,623</strong></td>
</tr>
</tbody>
</table>

**MTDB (MTS) Area Total** 16,768,923

### North County Transit District

<table>
<thead>
<tr>
<th>Fund Source</th>
<th>Operator/Service</th>
<th>Vehicle Service Miles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Article 4.0</td>
<td>NCTD Fixed Route</td>
<td>7,651,408</td>
</tr>
<tr>
<td></td>
<td>NCTD FAST</td>
<td>126,744</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>7,778,152</strong></td>
</tr>
<tr>
<td>Article 4.5</td>
<td>NCTD Lifeline</td>
<td>386,680</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>386,680</strong></td>
</tr>
</tbody>
</table>

**NSDCTDB (NCTD) Area Total** 8,164,832

**REGIONAL TOTAL** 24,933,755

Adopted: February, April, and May 1988; August 1989; March, July, and November 1990; October 1992; September and November 2005

Amended: June and December 1990; February 1991; November 2005

44
TransNet Local Street and Road Program  
TransNet Ordinance and Expenditure Plan Implementation Guidelines  
June 23, 2006

The TransNet Ordinance requires that at least 70 percent of the revenues provided for local street and road purposes should be used to fund direct expenditures for facilities contributing to congestion relief. No more than 30 percent of these funds should be used for local street and road maintenance purposes. The required multi-year Regional Transportation Improvement Program (RTIP) project lists submitted by local agencies that are found to be out of compliance with this requirement will not be approved. Local agencies may request an exception to this requirement and must provide justification for such a request as part of its project list submittal.

The following table categorizes and lists the more typical types of facilities that are considered to contribute to congestion relief. For other facilities not listed, it must be demonstrated that congestion relief can be obtained before the project can be considered part of the 70 percent Congestion Relief category. Maintenance costs of items listed in the 70 percent Congestion Relief category are eligible under the 30 percent category. Facilities that are not considered to contribute to congestion relief (Items 28-30) are eligible under the 30 percent category.

<table>
<thead>
<tr>
<th>Congestion Relief (At least 70%)</th>
<th>Maintenance and Non-Congestion Relief (No more than 30%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New or Expanded Facilities</strong></td>
<td></td>
</tr>
<tr>
<td>1. New roadways and bridges</td>
<td>▪ Lane removal for bike lanes</td>
</tr>
<tr>
<td>2. Roadway and bridge widening</td>
<td>▪ Pavement overlay (less than 1 inch)</td>
</tr>
<tr>
<td>3. Roadway widening for bike lanes</td>
<td>▪ Pot hole repair, chip seal, fog seal, crack seal (except when part of roadway rehabilitation project)</td>
</tr>
<tr>
<td><strong>Major Rehabilitation and Reconstruction</strong></td>
<td>▪ Roadway realignment that does not increase roadway capacity</td>
</tr>
<tr>
<td>4. Roadway rehabilitation (grinding and overlay, or new structural pavement, or new overlay 1-inch thick or greater)</td>
<td>▪ Bridge replacement for aesthetic purposes</td>
</tr>
<tr>
<td>5. Roadway realignment</td>
<td>▪ Minor drainage improvements not part of a congestion relief project</td>
</tr>
<tr>
<td>6. Bridge retrofit or replacement</td>
<td></td>
</tr>
<tr>
<td>7. Roadway drainage improvements for the purpose of improving capacity-impeding conditions such as significant and frequent roadway flooding</td>
<td></td>
</tr>
<tr>
<td>8. New sidewalk or sidewalk widening</td>
<td></td>
</tr>
<tr>
<td><strong>Traffic Operations</strong></td>
<td></td>
</tr>
<tr>
<td>9. Median installation for safety improvement or left-turn movement</td>
<td>▪ Stand alone landscaping project of an existing median</td>
</tr>
<tr>
<td>10. New traffic signal, passive permissive left turn (PPLT) installation, signal removal for congestion relief reasons, traffic signal upgrades, intersection lighting</td>
<td>▪ Traffic signal replacement, bulb replacement, hardware, software, inductive loop repair</td>
</tr>
<tr>
<td>11. Traffic signal coordination</td>
<td></td>
</tr>
<tr>
<td>12. Traffic signal interconnection</td>
<td></td>
</tr>
</tbody>
</table>
### Congestion Relief (At least 70%)

13. Centrally controlled traffic signal optimization system
14. Traffic surveillance or detection system (video)
15. Traffic data collection system for performance monitoring purposes (in pavement detection, radar)

#### Smart Growth-Related Infrastructure*

16. Traffic calming measures
17. Pedestrian ramps
18. Pedestrian traffic signal activation
19. Pedestrian crossings/overcrossings
20. Buffer area between sidewalk and street
21. Pedestrian roadway lighting

#### Transit Facilities

22. New bus stops
23. Bus stop enhancements
24. Bus-only lanes
25. Queue jumper lanes for buses
26. Traffic signal priority measures for buses
27. Transit operational costs for shuttle and circulator routes

### Maintenance and Non-Congestion Relief (No more than 30%)

- Light bulb replacement
- Bus-only lanes that do not provide congestion relief

#### Non-Congestion Relief

28. Erosion control (unless required as part of a congestion relief project)
29. Landscaping (unless required as part of a congestion relief project)
30. Roadway signing and delineation (unless it is a congestion relief project)

---

Note: Staff costs for congestion relief project development (environmental, preliminary engineering, design, right-of-way acquisition, and construction management) are eligible expenditures under the 70 percent category. Staff costs for transportation infrastructure maintenance or traffic operations efforts are eligible under the 30 percent category. Costs for general TransNet fund administration and transportation planning are eligible up to 1 percent of annual revenues.

* To receive credit for providing congestion relief under the 70 percent category, smart growth-related infrastructure must be provided in one of the existing or planned (not potential) seven Regional Comprehensive Plan smart growth land use type characteristic areas: Metropolitan Center, Urban Center, Town Center, Community Center, Transit Corridor, Special Use Center, or Rural Community. Smart growth-related infrastructure built outside of one of the seven types of characteristic areas is eligible under the 30 percent category.
ANNUAL REVIEW OF BOARD POLICY NO. 033: IMPLEMENTATION GUIDELINES FOR SANDAG REGIONAL HOUSING NEEDS ASSESSMENT MEMORANDUM

Introduction

On April 28, 2006, the Board of Directors adopted Board Policy No. 033: Implementation Guidelines for SANDAG Regional Housing Needs Assessment (RHNA) Memorandum (Attachment 1).

This policy sets forth guidelines for incentives related to the RHNA for the 2005-2010 housing element cycle, which was adopted by the Board on February 25, 2005. As part of the approval of the final RHNA for the San Diego region, the Board agreed to provide certain financial incentives to jurisdictions that provide a greater share of affordable housing now and in the future.

Board Policy No. 033 identifies the funding programs that will be subject to the RHNA policy, the housing element-related eligibility requirements for the funding programs affected by the policy, and how incentive points will be allocated based upon lower income housing production.

The policy also specifies that an annual review shall be prepared to determine whether changes to the guidelines are needed. It further states that issues to be considered during the annual review include, but are not limited to: lessons learned during the prior year, the relationship between the RHNA memorandum and SANDAG smart growth goals, and new funding sources proposed to be subject to the memorandum.

Discussion

Pilot Smart Growth Incentive Program

The first funding program affected by the RHNA policy was the Pilot Smart Growth Incentive Program. This funding program awarded more than $22.5 million of federal Transportation Enhancement funding to 16 projects in six jurisdictions. (Thirty-three projects from 12 agencies requested more than $44 million in funding during FY 2006.) Based on the RHNA policy adopted on February 25, 2005, 22 bonus points (15 percent of the total points) were granted to jurisdictions in which the percentage of low income households in the 2000 United States Census was greater than the 1999 regional average of those households. The jurisdictions that received the bonus points included National City, El Cajon, Imperial Beach, Lemon Grove, La Mesa, Escondido, Vista, Chula Vista, San Diego, and San Marcos. Per the policy adopted by the Board on February 25, 2005, this bonus system was only intended to apply to the Pilot Smart Growth Incentive Program.

Recommendation

The Executive Committee is asked to discuss the issues described below. Staff recommends that no changes to Board Policy No. 033 be made at this time, but that the policy be reviewed again in May 2008.
TDA/TransNet Bicycle Pedestrian Funds

Board Policy No. 033 has been applied to two funding cycles of the Transportation Development Act (TDA)/TransNet Bicycle and Pedestrian funding program.

For the FY 2007 TDA/TransNet Bicycle and Pedestrian funding cycle (for which applications were due in February 2006), Board Policy No. 033 required that jurisdictions submit a draft of their housing element to the California Department of Housing and Community Development (HCD) by the TDA/TransNet funding application due date. Jurisdictions that had not submitted a draft of their housing element to HCD were ineligible for funding in the FY 2007 cycle.

In the FY 2008 TDA/TransNet Bicycle and Pedestrian funding cycle, eligibility for these funds required that prior to the application due date jurisdictions must:

1. Have adopted a housing element that has been found in compliance with state law by the HCD (Section 2.4.2 of Policy No. 033) (See Attachment 2 for a report on the status of housing elements in the San Diego region.);

2. Have submitted information to SANDAG regarding the actual production of housing units in all four income categories (very low, low, moderate, and above moderate) (Sections 2.4.3 and 2.4.3.1); and

3. Have (if applicable) provided information to SANDAG regarding progress toward complying with any rezoning programs contained in its housing element that are required to meet the adequate site identification requirements of state law (Sections 2.4.3 and 2.4.3.1).

In addition to the eligibility requirements listed above for FY 2008, Board Policy No. 033 calls for points to be awarded for affordable lower income housing production in the evaluation of projects. A maximum of 50 points (25 percent of the total points) can be awarded to a project based on the number of affordable lower income housing units produced in the jurisdiction in relation to their annualized RHNA goals.

For the FY 2008 program, six jurisdictions met the housing element eligibility criteria and submitted information regarding their housing production in four income categories (Chula Vista, El Cajon, Escondido, La Mesa, San Diego, and San Marcos) between July 1, 2005, and June 30, 2006, the first year of the housing element cycle. Attachment 3 includes the evaluation criteria and points awarded to the TDA/TransNet program applicants for the FY 2008 funding cycle. Based upon an initial evaluation, this approach appears to provide more graduated results than the affordable housing approach applied to the Pilot Smart Growth Incentive Program as can be seen by the points awarded. (Final action by the Transportation Committee and Board on the FY 2008 TDA/TransNet Bicycle and Pedestrian funding cycle is scheduled in June.)

Analysis of Board Policy No. 033 Implementation and Next Steps

The purpose of Board Policy No. 033 is to incentivize housing element compliance and reward jurisdictions for the production of affordable lower income housing units. Because the FY 2008 TDA/TransNet cycle is the first funding program to which the policy has been fully applied, staff recommends that no changes be made at this time, but that the policy be reviewed again following the FY 2009 TDA/TransNet funding cycle that is scheduled in 2008.
Also, the next major funding source to be affected by the policy is the TransNet Smart Growth Incentive Program. As the criteria for this program are developed for the FY 2009 funding cycle, SANDAG working groups and committees should consider whether any changes should be made to the policy based on the lessons learned from two years of implementation, and the relationship between the RHNA memorandum and SANDAG smart growth goals. Another issue that should be considered, that has been raised by Regional Planning Technical Working Group members, is whether the total number of affordable lower income units that are produced should be part of the evaluation process in addition to the percentage of units produced in relation to the RHNA goals.

BOB LEITER
Director of Land Use and Transportation Planning

Attachments: 1. Board Policy No. 033: Implementation Guidelines for SANDAG Regional Housing Needs Assessment

Key Staff Contact: Susan Baldwin, (619) 699-1943, sba@sandag.org
IMPLEMENTATION GUIDELINES FOR SANDAG REGIONAL HOUSING NEEDS ASSESSMENT MEMORANDUM

Purpose

The purpose of this policy is to provide guidelines on the implementation of the memorandum adopted by the SANDAG Board of Directors on February 25, 2005, in association with the adoption of the 2005-2010 Regional Housing Needs Assessment (RHNA) (Attachment 1, referred to herein as the “Memorandum”). The Memorandum laid out specific provisions regarding SANDAG’s allocation of discretionary funding to local agency projects in relation to local jurisdiction housing element compliance and lower income housing production.

These implementation guidelines restate the provisions of the Memorandum and define how they will be implemented. The numbered italicized wording in this Policy is taken verbatim from the Memorandum; the implementation guidelines are contained in the text that follows. This policy shall be reviewed and evaluated annually to determine whether changes to the guidelines are needed. Issues to be considered during the annual review include, but are not limited to: lessons learned during the prior year, the relationship between the RHNA memorandum and SANDAG’s smart growth goals, and new funding sources proposed to be subject to the memorandum.

Pilot Smart Growth Implementation Program

1. Jurisdictions whose 1999 lower income households as a percentage of total households is estimated to be greater than the regional average shall receive 15 bonus points (out of 100 possible) for projects requesting funding through the Pilot Smart Growth Incentive Program. (This would include National City, El Cajon, Imperial Beach, Lemon Grove, La Mesa, Escondido, Vista, Chula Vista, San Diego, and San Marcos.)

   1.1 This provision of the Memorandum has been implemented. The Pilot Smart Growth Incentive Program criteria, which were approved by the SANDAG Board on April 22, 2005, included the required bonus points for the cities noted above (22 points out of 147 points - 15 percent of the total points awarded).

Future Discretionary Funding Criteria

2. In addition to the current Pilot Smart Growth Incentive Program, for all future discretionary funding allocated to local agency projects by SANDAG (following the adoption by jurisdictions of housing elements for 2005-2010), the following criteria shall apply:

   a. In order to qualify for such funding, a jurisdiction will be required to demonstrate that it is in compliance with provisions of its adopted housing element which set forth their commitment to providing adequate multi-family zoned land or other actions necessary to accommodate their share of lower income housing under the adopted RHNA.
b. Incentive points (a minimum of 25 points out of 100 possible) will be given to projects in jurisdictions in which lower income housing units are being produced in accordance with the housing unit figures contained in Alternative 3.

c. In order to verify compliance with these provisions, each jurisdiction shall annually submit a report to SANDAG indicating its progress in complying with requirements of its housing element, as well as actual production of housing units within its jurisdiction by income category, during the preceding year.

2.1 To implement Items 2.a. – 2.c. of the Memorandum, “discretionary funding allocated to local agency projects by SANDAG” shall be defined as: funds allocated by SANDAG to local jurisdictions (the cities or County) through a competitive process. These funds are listed in Attachment 2 and include the TransNet Smart Growth Incentive Program, Transportation Development Act (TDA) Non-motorized Program, and TransNet Bicycle Program, among others.

2.2 The following types of funding shall not be subject to the provisions of the Memorandum:

2.2.1 Formula funds allocated by population or number of miles, because they are not allocated on a competitive basis.

2.2.2 Discretionary funds allocated to Caltrans, the two transit agencies, and SANDAG because they are not local agencies.

2.2.3 Funds allocated directly by Caltrans to local jurisdictions because SANDAG is not involved in their allocation.

2.2.4 Funds which can be allocated to entities other than local jurisdictions (e.g., TransNet Environmental Mitigation Program Regional Habitat Conservation Fund).

Attachment 3 provides a more detailed list of funding sources/programs that shall not be subject to the Memorandum.

2.3 As new funding sources become available, the Board of Directors shall decide whether they should be subject to the Memorandum and this Policy shall be amended.

2.4 To be eligible to apply for future discretionary funding allocated by SANDAG to local agency projects, local jurisdictions shall do the following:

2.4.1 During the first year of the housing element cycle (July 1, 2005 – June 30, 2006), a jurisdiction shall have submitted a draft of its housing element to HCD or have self-certified its housing element in compliance with state law by the due date for the grant application. This screening criterion shall apply for any discretionary funding programs subject to the Memorandum whose application due date is between July 1, 2005, and December 31, 2006.
2.4.2 Starting January 1, 2007, jurisdictions shall be required to have adopted housing elements (which have been found in compliance with state law by HCD or self-certified). Also, those jurisdictions that were not able to identify adequate sites to meet their RHNA goals and were required to include a program in their housing elements to identify additional sites by rezoning must be able to demonstrate that they are making progress toward implementing the rezoning program in conformance with the schedule contained in their housing elements. “Making progress” toward implementing the rezoning program is defined as having demonstrated a good faith effort in undertaking the rezoning program described in the housing element.

2.4.3 Starting in 2006, jurisdictions shall be required to submit an annual report with the information described in Section 2.4.3.1 below in order to be eligible for funding programs for the following calendar or fiscal year, whichever is applicable. The report must be have been submitted to SANDAG prior to the application due date for the funding source. The first annual reports are due on October 1, 2006, and cover the first year of the 2005-2010 housing element cycle (July 1, 2005 – June 30, 2006). Starting in 2007, the reports will be due on April 1 per Senate Bill 253 (Torlakson), which changed the reporting time frame to the calendar year and the reporting due date to April 1 of each following year.

2.4.3.1 The annual report shall provide information regarding the actual production of housing units by all four income categories (very low, low, moderate, and above moderate). If the report is submitted for the first time in years two, three, four, or five of the housing element cycle, it shall include the total number of units produced by income category during each year of the housing element cycle. The report also shall indicate (if relevant) progress toward complying with any rezoning programs contained in the housing element that are required to meet the adequate site identification requirements of state law (as noted in paragraph 2.4.2 above).

2.5 Memorandum Item 2.b. ties the allocation of funding to the production of lower income housing through the award of incentive points based on the number of lower income housing units produced in accordance with RHNA Alternative 3 (Attachment 4).

2.5.1 Production of lower income housing units will be evaluated and points awarded for each application for discretionary funds based on the percentage of lower income (total very low and low combined) units that were produced in the jurisdiction. The number of lower income units will be calculated for each year on a cumulative basis, and compared to annualized RHNA Alternative 3 numbers. An example of the methodology to calculate the incentive points is shown in Attachment 5. Units shall be counted based on certificates of occupancy or final inspection. Lower income units that were acquired and rehabilitated may only count toward the RHNA Alternative 3 goals when this type of unit was used to meet the site identification requirements for the RHNA numbers as permitted in state law.

Attachments: 1. February 25, 2005, RHNA Memorandum to SANDAG Board of Directors
2. Discretionary Funding Programs Subject to Board RHNA Memorandum
3. Funding Programs Not Subject to Board RHNA Memorandum
4. Final Regional Housing Needs Assessment Modified Alternative 1 (Adopted RHNA) and Alternative 3
5. Hypothetical Example of Allocation of Incentive Points

Adopted April 2006
February 25, 2005

TO: SANDAG Board of Directors

FROM: Mayor Lori Pheiler, Mayor Steve Padilla, and Councilmember Jim Madaffer

SUBJECT: Agenda Item No. 12 – Final Regional Housing Needs Assessment (RHNA)

Our regional housing needs are significant – both now and in the future. Addressing these needs is often a complex process when dealing with the varied interests of the cities in our region. We are committed to doing everything we can to address our regional housing needs. Recognizing the differences between the cities, we are proposing an incentive-based compromise to the RHNA Modified Alternative 1. Simply put, for those cities that are willing and able to accommodate additional housing, those cities should be compensated through incentives that would help improve existing as well as future infrastructure.

We recommend the Board approve Modified Alternative 1, with the following provisions:

1. Jurisdictions whose 1999 lower income households as a percentage of total households is estimated to be greater than the regional average (Attachment 2, Column 1) shall receive 15 bonus points (out of 100 possible) for projects requesting funding through the Pilot Smart Growth Incentive Program. (This would include National City, El Cajon, Imperial Beach, Lemon Grove, La Mesa, Escondido, Vista, Chula Vista, San Diego, and San Marcos.)

2. In addition to the current Pilot Smart Growth Incentive Program, for all future discretionary funding allocated to local agency projects by SANDAG (following the adoption by jurisdictions of housing elements for 2005-2010), the following criteria shall apply:

   a. In order to qualify for such funding, a jurisdiction will be required to demonstrate that they are in compliance with provisions of their adopted housing element which set forth their commitment to providing adequate multi-family zoned land or other actions necessary to accommodate their share of lower income housing under the adopted RHNA.

   b. Incentive points (a minimum of 25 points out of 100 possible) will be given to projects in jurisdictions in which lower income housing units are being produced in accordance with the housing unit figures contained in Alternative 3 (Attachment 2, Column 13).

   c. In order to verify compliance with these provisions, each jurisdiction shall annually submit a report to SANDAG indicating their progress in complying with requirements of their housing element, as well as actual production of housing units within their jurisdiction by income category, during the preceding year.
## Discretionary Funding Programs

**Subject to Board RHNA Memorandum (Local Jurisdiction Projects)**

<table>
<thead>
<tr>
<th>Funding Program</th>
<th>Total Funding</th>
<th>Timeframe Available</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Federal</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Transportation Enhancements (TE) Program - Pilot Smart Growth Incentive Program</td>
<td>$19.1 M</td>
<td>FY 2006 to FY 2010</td>
</tr>
<tr>
<td></td>
<td>$6.4 M</td>
<td>FY 2010 to FY 2011</td>
</tr>
<tr>
<td><strong>State</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Transportation Development Act (TDA) Article 3 - Non-motorized Program</td>
<td>$2.4 M</td>
<td>Annual apportionments</td>
</tr>
<tr>
<td></td>
<td>(FY 2006 allocation)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$2.5 M</td>
<td>(FY 2007 allocation)</td>
</tr>
<tr>
<td><strong>Local</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• TransNet Bicycle Program</td>
<td>$3 M</td>
<td>$1 M annually from 2006 to 2008</td>
</tr>
<tr>
<td><strong>Future</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Federal</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• To be determined (TBD)</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td><strong>State</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td><strong>Local</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• TransNet Bicycle, Pedestrian and Neighborhood Safety Program</td>
<td>$280 M*</td>
<td>2009 to 2048</td>
</tr>
<tr>
<td>• TransNet Smart Growth Incentive Program</td>
<td>$285 M*</td>
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<tr>
<td>• TransNet Senior Transportation Mini-grant Program</td>
<td>$73 M*</td>
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<tr>
<td><strong>Regional Rail Grade Separation Program (Funding source TBD)</strong></td>
<td>TBD</td>
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<tr>
<td></td>
<td></td>
<td>$100 M in Revenue Constrained</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$200 M in MOBILITY 2030 Plan</td>
</tr>
</tbody>
</table>

*In 2002 dollars

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1 In prior funding cycles, the SANDAG Board of Directors has allocated funding to local jurisdictions through a competitive process for Regional Arterial System, Traffic Signal Optimization, Highway Noise Barrier, Regional Bikeway, and Transportation Enhancements programs. To the extent that such competitive funding programs are made available in the future, they would be subject to the Board RHNA memorandum.
## FUNDING PROGRAMS NOT SUBJECT TO BOARD RHNA MEMORANDUM

### Current Funding Programs

**Federal**
- Regional Surface Transportation Program (RSTP)
- Congestion Mitigation & Air Quality (CMAQ)
- Transportation Enhancement (TE) Program
- Federal Transit Administration (FTA) Urbanized Area Formula Program (Section 5307)
- FTA Fixed Guideway Modernization Program (Section 5309 Rail Mod)
- FTA Section 5310 Elderly & Disabled Program

**State**
- State Transportation Improvement Program (STIP) – Regional Improvement Program (RIP)
- STIP – Interregional Improvement Program (IIP)
- State Highway Operation and Protection Program (SHOPP)
- TDA Article 4 – General Public Transit Services (Fixed Transit Route Services)
- TDA Article 4.5 – Community Transit Service (Accessible Service for the Disabled)
- TDA Article 8 – Special Provisions (Express Bus and Ferry Services)
- TDA Planning and Administration
- State Transit Assistance (STA)

**Local**
- TransNet Highway Program
- TransNet Transit Program
- TransNet Local Streets & Roads Program

### Future Funding Programs

**Federal** – same as current programs above

**State** – same as current programs above

**Local**
1. TransNet Congestion Relief Program – Major Transportation Corridor Improvements
   a. Highway & transit capital projects
   b. Operating support for bus rapid transit (BRT) & rail transit capital improvements
2. TransNet Congestion Relief Program – Transit System Services Improvements & Related Programs
3. TransNet Congestion Relief Program – Local System Improvements & Related Programs
   a. Local Street & Road Program
4. Environmental Mitigation Program (EMP)
5. TransNet Administration and Independent Taxpayer Oversight Committee (ITOC)

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1 There are a variety of federal and state discretionary funding programs allocated directly by Caltrans that provide funding to local jurisdictions (e.g., Highway Bridge Repair & Replacement [HBRR], Safe Routes to School, etc.). Because SANDAG does not have decision-making authority over these funding programs, they would not be subject to the Board RHNA memorandum.

2 With the exception of the EMP funds, these funds (STIP-RIP, RSTP, CMAQ, TE) are being used to match the TransNet Early Action Program (EAP) and other high priority regional projects. If, however, some portion of these funds were allocated by the SANDAG Board of Directors to local jurisdictions through a competitive process, they would be subject to the Board RHNA memorandum and this policy.
## Final Regional Housing Needs Assessment
### Modified Alternative 1 ( Adopted RHNA) and Alternative 3

<table>
<thead>
<tr>
<th>Regional Share</th>
<th>Very Low</th>
<th>Low</th>
<th>Moderate</th>
<th>Above Moderate</th>
<th>Very Low</th>
<th>Low</th>
<th>Moderate</th>
<th>Above Moderate</th>
</tr>
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<tbody>
<tr>
<td>Carlsbad</td>
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<td></td>
<td>1,922</td>
<td>1,460</td>
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<tr>
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<td>3,875</td>
<td>2,945</td>
<td>3,255</td>
<td>7,148</td>
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<td>Coronado</td>
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<td>Del Mar</td>
<td>25</td>
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<td>El Cajon</td>
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<td></td>
<td>86</td>
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<td>117</td>
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<tr>
<td>Encinitas</td>
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<td>392</td>
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<td>Escondido</td>
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<td>548</td>
<td>417</td>
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<td>87</td>
<td></td>
<td></td>
<td></td>
<td>13</td>
<td>9</td>
<td>16</td>
<td>49</td>
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<tr>
<td>La Mesa</td>
<td>396</td>
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<td></td>
<td>89</td>
<td>68</td>
<td>75</td>
<td>164</td>
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<td>Lemon Grove</td>
<td>242</td>
<td></td>
<td></td>
<td></td>
<td>46</td>
<td>32</td>
<td>46</td>
<td>118</td>
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<td></td>
<td></td>
<td>18</td>
<td>39</td>
<td>60</td>
<td>202</td>
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<td></td>
<td></td>
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<td>285</td>
<td>216</td>
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<td>505</td>
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<td>45,741</td>
<td></td>
<td></td>
<td></td>
<td>10,292</td>
<td>7,822</td>
<td>8,645</td>
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<td>Units to/from Unincorporated Area</td>
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<td></td>
<td></td>
<td>353</td>
<td>268</td>
<td>0</td>
<td>(621)</td>
</tr>
<tr>
<td>San Diego - Revised*</td>
<td>45,741</td>
<td></td>
<td></td>
<td></td>
<td>10,645</td>
<td>8,090</td>
<td>8,645</td>
<td>18,362</td>
</tr>
<tr>
<td>San Marcos</td>
<td>6,254</td>
<td></td>
<td></td>
<td></td>
<td>1,407</td>
<td>1,069</td>
<td>1,182</td>
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<td>Santee</td>
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<td></td>
<td>317</td>
<td>241</td>
<td>261</td>
<td>562</td>
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<td></td>
<td>30</td>
<td>22</td>
<td>25</td>
<td>53</td>
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<tr>
<td>Vista</td>
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<td></td>
<td></td>
<td></td>
<td>510</td>
<td>388</td>
<td>428</td>
<td>941</td>
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<tr>
<td>Unincorporated Area - Original</td>
<td>12,358</td>
<td></td>
<td></td>
<td></td>
<td>2,781</td>
<td>2,113</td>
<td>2,336</td>
<td>5,129</td>
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<tr>
<td>Units to/from Unincorporated Area</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(353)</td>
<td>(268)</td>
<td>0</td>
<td>621</td>
</tr>
<tr>
<td>Unincorporated Area - Revised*</td>
<td>12,358</td>
<td></td>
<td></td>
<td></td>
<td>2,476</td>
<td>1,881</td>
<td>2,336</td>
<td>5,666</td>
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<tr>
<td>San Diego Region</td>
<td>107,301</td>
<td></td>
<td></td>
<td></td>
<td>24,143</td>
<td>18,348</td>
<td>20,280</td>
<td>44,530</td>
</tr>
<tr>
<td>Draft RHNA Allocation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>24,144</td>
<td>18,348</td>
<td>20,280</td>
<td>44,529</td>
</tr>
</tbody>
</table>

**Note:** Some jurisdiction allocations by income category were adjusted slightly to ensure that regional income category percentages provided by the California Department of Housing and Community Development (HCD) -- 22.5 percent very low income, 17.1 percent low income, 18.9 percent moderate income, and 41.5 percent above moderate income -- were met.

*Adjusted to reflect transfer of lower income units from Unincorporated Area to City of San Diego.

**Modified Alternative 1 was approved by the SANDAG Board on February 25, 2005.

***Alternative 3 is referenced in the memorandum approved by the SANDAG Board in conjunction with the approval of the Final RHNA.

Totals may be affected by rounding.

March 18, 2005
### Example

**Hypothetical Allocation of Incentive Points**

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Alt. 3 – Low/Very Low Income Units*</th>
<th>Annual Number Year 1</th>
<th>Number Produced Year 1**</th>
<th>Percentage of Alt. 3 Year 1**</th>
<th>Incentive Points**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad</td>
<td>4,322</td>
<td>864</td>
<td>300</td>
<td>35%</td>
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</tr>
<tr>
<td>Chula Vista</td>
<td>6,322</td>
<td>1,264</td>
<td>632</td>
<td>50%</td>
<td>13</td>
</tr>
<tr>
<td>Escondido</td>
<td>845</td>
<td>169</td>
<td>127</td>
<td>75%</td>
<td>19</td>
</tr>
<tr>
<td>Imperial Beach</td>
<td>22</td>
<td>4</td>
<td>4</td>
<td>100%</td>
<td>25</td>
</tr>
<tr>
<td>San Diego</td>
<td>17,739</td>
<td>3,548</td>
<td>1,419</td>
<td>40%</td>
<td>10</td>
</tr>
<tr>
<td>San Marcos</td>
<td>2,400</td>
<td>480</td>
<td>288</td>
<td>60%</td>
<td>15</td>
</tr>
<tr>
<td>Unincorporated County</td>
<td>4,758</td>
<td>952</td>
<td>400</td>
<td>42%</td>
<td>11</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Alt. 3 – Low/Very Low Income Units</th>
<th>Cum. Annual Number Year 2</th>
<th>Cum. Number Produced Year 2**</th>
<th>Percentage of Alt. 3 Cum. Year 2**</th>
<th>Incentive Points Year 2**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad</td>
<td>4,322</td>
<td>1,728</td>
<td>400</td>
<td>23%</td>
<td>6</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>6,322</td>
<td>2,528</td>
<td>832</td>
<td>33%</td>
<td>8</td>
</tr>
<tr>
<td>Escondido</td>
<td>845</td>
<td>338</td>
<td>253</td>
<td>75%</td>
<td>19</td>
</tr>
<tr>
<td>Imperial Beach</td>
<td>22</td>
<td>8</td>
<td>22</td>
<td>275%</td>
<td>25</td>
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<tr>
<td>San Diego</td>
<td>17,739</td>
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<td>3,500</td>
<td>49%</td>
<td>12</td>
</tr>
<tr>
<td>San Marcos</td>
<td>2,400</td>
<td>960</td>
<td>960</td>
<td>100%</td>
<td>25</td>
</tr>
<tr>
<td>Unincorporated County</td>
<td>4,758</td>
<td>1,904</td>
<td>500</td>
<td>28%</td>
<td>7</td>
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</tbody>
</table>

* 7.5 year number in RHNA Alternative 3 may be modified based on 5-year number included in local housing elements.

** These percentages and numbers are hypothetical for the purpose of explaining the methodology.
Housing Element Status Report  
May 4, 2007

Housing elements were due to be completed in the San Diego region by June 30, 2005.

Adopted by City Council; letter of compliance received from California Department of Housing and Community Development or self-certified

1. Chula Vista  
2. El Cajon  
3. Escondido  
4. La Mesa  
5. Lemon Grove  
6. San Diego  
7. San Marcos  
8. Solana Beach

Draft in process

1. Carlsbad  
2. Coronado  
3. Del Mar  
4. Encinitas  
5. Imperial Beach  
6. National City  
7. Oceanside  
8. Poway  
9. Santee  
10. Vista  
11. County of San Diego
## Allocation of Incentive Points for FY 2008 TDA/TransNet Bicycle and Pedestrian Project Selection Process

February 26, 2007

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Alt.3 - Low/Very Low Income Units</th>
<th>Annual Number Year 1 (Column 2 ÷ 5)</th>
<th>Number Produced Year 1</th>
<th>Percentage of Alt. 3 Year 1 (Column 3 ÷ Column 2)</th>
<th>Incentive Points (Column 3 x 50 pts.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chula Vista</td>
<td>6,322</td>
<td>1,264</td>
<td>150</td>
<td>12%</td>
<td>6.0</td>
</tr>
<tr>
<td>El Cajon</td>
<td>161</td>
<td>32</td>
<td>10</td>
<td>31%</td>
<td>15.5</td>
</tr>
<tr>
<td>Escondido</td>
<td>845</td>
<td>169</td>
<td>3</td>
<td>2%</td>
<td>1.0</td>
</tr>
<tr>
<td>La Mesa</td>
<td>135</td>
<td>27</td>
<td>0</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>San Diego</td>
<td>17,739</td>
<td>3,548</td>
<td>488</td>
<td>14%</td>
<td>7.0</td>
</tr>
<tr>
<td>San Marcos</td>
<td>2,400</td>
<td>480</td>
<td>156</td>
<td>33%</td>
<td>16.5</td>
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Introduction

At its December 15, 2006, meeting, the Board of Directors approved the SANDAG Legislative Program for calendar year 2007. The Legislative Program, which includes policies and proposals for possible federal and state legislation and local activities, serves as a guide for Board and staff to follow as bills are developed and activities occur during the respective state and federal legislative sessions.

As shown in the Legislative Program, several of the SANDAG highest or high priority goals are related to housing and smart growth legislation. These include:

**Goal 1A:** To pursue funding from the statewide infrastructure bond measures to support implementation of the Regional Transportation Plan (RTP) and Regional Comprehensive Plan (RCP);

**Goal 2B:** Legislation that rewards jurisdictions that produce more housing, especially affordable and transit-oriented developments; supports regional fair-share allocation of housing funds; and provides additional funding for affordable housing with greater local/regional control over the allocation of those funds;

**Goal 3B:** Legislation assisting in the implementation of the RCP, including ensuring a reliable, ongoing funding source for regional blueprint planning and funding incentives for smart growth, e.g., mixed-use projects, transit-oriented development, walkable communities, etc.; and

**Goal 13B:** Participate in efforts related to legislative and administrative reform of state housing element law and ensuring adequate state funding for the Regional Housing Needs Assessment (RHNA) process.

Periodic status reports on legislative activities are provided to the Executive Committee and Board during the year. This status report provides a summary of the pending bills related to the implementation of Proposition 1C (Housing and Emergency Shelter Trust Fund Act of 2006) and the Sustainable Communities section of Proposition 84 (The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006), and other housing- and smart growth-related bills.

**Discussion**

The state legislature has introduced numerous bills related to the implementation of Propositions 1C and 84 Sustainable Communities, as well as many other housing- and smart
growth-related bills during the current 2007-2008 legislative session. Attachment 1 categorizes and summarizes these bills into the following categories: Proposition 1C Implementation (21 bills); Proposition 84 Sustainable Communities Implementation (four bills); Housing Element and Housing/Smart Growth-Related (11 bills); and California Environmental Quality Act (CEQA) (three bills).

This report includes a brief description of the Proposition 1C and 84 Sustainable Communities programs and the bills associated with them. It also provides a brief summary of the Housing Element and Housing/Smart Growth-Related and CEQA bills that could affect implementation of the RCP. If requested by the Executive Committee, staff can provide a more detailed analysis of selected bills at a future meeting.

At this time SANDAG is monitoring the bills contained in this report, and recommended positions are not included. However, the Executive Committee may want to discuss the issues raised on two bills, AB 842 (Jones) and SB 375 (Steinberg), which are summarized below.

SANDAG also has been working to develop a regional consensus with a group of stakeholders on criteria/guidelines for the implementation of the programs contained in Propositions 1C and 84 Sustainable Communities. The group’s focus has been on developing criteria/guidelines that will benefit the San Diego region and help implement the RCP. SANDAG held two stakeholder meetings (March 15 and May 1, 2007); Attachment 2 is a draft summary of the stakeholder consensus to date. SANDAG proposes to share the consensus document with the San Diego legislative delegation at a meeting in Sacramento on Wednesday, May 16, 2007. The Executive Committee is welcome to comment on the criteria/guidelines. It is staff’s understanding that the bills related to the implementation of Propositions 1C and 84 Sustainable Communities may become two-year bills.

The housing and smart growth bills are summarized below by category.

**Proposition 1C Implementation Bills**

**Regional Planning, Housing, and Infill Incentive Account ($850 million)**
Implementing Legislation Required

This program will provide grants for capital improvement projects related to infill housing and other related infill development (with no more than $200 million for park projects); and brownfield cleanup that promotes infill housing or other related infill development.

Pending Legislation: AB 29 (Hancock), AB 842 (Jones), AB 997 (Arambula), AB 1231 (Garcia), SB 46 (Perata), SB 522 (Dutton), SB 763 (Ridley-Thomas) - The key Senate vehicle for allocating the $850 million infill program is SB 46 by Senate President Pro Tem Don Perata. This bill establishes a process for the State Department of Housing and Community Development (HCD) to award grants for residential and mixed-use infill developments, and related infrastructure to those developments, throughout California. Among other requirements, eligible projects must include the provision of affordable housing units and meet specified density requirements.

**Housing Urban-Suburban-and-Rural Parks Account ($200 million)**
Implementing Legislation Required

The urban-suburban-rural parks program will provide $200 million in funding for housing-related parks in urban, suburban, and rural areas. These park funds are intended to provide incentives for the production of housing.

Pending Legislation: AB 1252 (Caballero), AB 1536 (Smyth) - Issues addressed in these bills include the proposal that the Department of Parks and Recreation (DPR) allocate the funds in consultation
with HCD, that grants should be provided in park deficient areas, to jurisdictions that have adopted a compliant housing element, and in conjunction with a housing project in which at least 25 percent of the units will be affordable to very low or low income households.

Transit-Oriented Development Account ($300 million)

The Transit-Oriented Development (TOD) account will provide $300 million in funding for a TOD Implementation Program to be administered by HCD. The purpose of the program is to provide local assistance to cities, counties, transit agencies, and developers to develop or facilitate the development of higher-density uses within close proximity to transit stations. Grants can be made to local jurisdictions or transit agencies for the provision of infrastructure, or loans can be made for the development and construction of a housing project within one-quarter mile of a transit station, in which at least 15 percent of the units in the proposed development shall be affordable to very low or low-income households for at least 55 years. (These provisions were included in Proposition 1C, as was the designation of HCD to allocate the funds.)

Pending Legislation: AB 842 (Jones), AB 1091 (Bass), AB 1675 (Nunez) – AB 842 (Jones) proposes that substantial preference be given to applications for these funds that are located in a jurisdiction that has a general plan that will reduce the amount of vehicle miles traveled (VMT) by at least ten percent, and that are located in a region covered by a council of governments that has adopted a regional blueprint (like the RCP) that will reduce VMT by at least 10 percent. Staff has worked with its lobbyists concerning the bill’s focus on reducing VMT by 10 percent. The RCP has many other performance goals besides VMT reduction, such as protecting natural resources, encouraging better jobs-housing balance, ensuring economic prosperity, and others. Priority for funding, therefore, should reflect these diverse goals, not just VMT reduction. The Executive Committee may want to discuss AB 842 and consider a possible position on the bill.

AB 1091 (Bass) proposes to eliminate the grants for TOD-related infrastructure, and proposes that the funds be used for a loan program for the development of housing with an affordable component near a transit station.

Affordable Housing Innovation Fund ($100 million)
Implementing Legislation Required

The Affordable Housing Innovation Fund program will provide competitive grants or loans to pilot projects aimed at reducing the costs of affordable housing through innovative cost-saving approaches.

Pending Legislation: AB 792 (Garcia), AB 1017 (Ma), AB 1493 (Saldana), SB 545 (Cox), SB 586 (Dutton) – These bills propose a variety of programs that are noted in Attachment 1.

Proposition 84 Sustainable Communities Implementation Bills

Urban Greening Projects ($90 million)
Implementing Legislation Required

The $90 million in urban greening funds is to be allocated through planning grants to projects that reduce energy consumption, conserve water, improve air and water quality, and provide other community benefits. Priority will be given to projects that provide multiple benefits, use existing public lands, serve communities with the greatest need, and facilitate joint use of public resources and investments, including schools.
Pending Legislation: AB 1303 (Smyth), AB 1602 (Nunez), SB 292 (Wiggins), SB 732 (Steinberg) – These bills suggest different ways of administering the urban greening funds (i.e., which agency should administer the funds) and how they should be used (see Attachment 1).

Regional and Local Land Use Planning Grants and Incentives ($90 million)
Implementing Legislation Required

This $90 million planning grants and incentives program will promote water conservation, reduce automobile use and fuel consumption, encourage greater infill and compact development, protect natural resources and agriculture lands, and revitalize urban and community centers.

Pending Legislation: AB 1253 (Caballero), SB 167 (Negrete McLeod) – AB 1253 (Caballero) specifies that these funds be used for: the preparation and amendment of general plans, and programs to implement city and county general plans, including specific plans, habitat conservation plans, zoning ordinances, and design standards. SB 167 (Negrete McLeod) proposes that the Governor’s Office of Planning and Research administer the funds.

Housing Element and Housing/Smart Growth-Related Bills and CEQA Bills

The legislature is considering a number of bills associated with changes to housing element law, the implementation of housing programs, such as density bonus law and changes to the CEQA. Attachment 1 contains a summary of these bills.

Housing Element and Housing/Smart Growth-Related Bills

Some of the key housing element and housing-related bills would:

1. Limit the percentage of a vacant site zoned for nonresidential use that could be identified to meet a jurisdiction’s RHNA goals and allow only 30 percent of the lower income needs to be identified on such sites [AB 414 (Jones)];

2. Allow tax increment financing in transit village plan areas [AB 1221 (Ma)];

3. Exempt jurisdictions from complying with the density bonus law if a local inclusionary housing ordinance is in effect [AB 1256 (Caballero)];

4. Require that moderate income housing projects conform with the same 30 year affordability restrictions that are required for low and very low income housing projects [AB 1449 (Saldana)];

5. Require local jurisdiction general plans to encompass a planning and projection period of at least 20 years, and require that each general plan element except the housing element be updated every ten years; housing elements would still be required to be updated every five years [SB 303 (Ducheny)] (a number of amendments are being proposed to this bill); and

6. Establish a pilot project allowing for the formation of 100 housing and infrastructure zones in the state [SB 934 (Lowenthal)].

CEQA Bills

Two of the CEQA bills provide exemptions for urban infill housing projects [AB 872 (Davis) and AB 1096 (DeVore)].
SB 375 (Steinberg) has four key provisions: (1) it requires regional transportation planning agencies (RTPAs) like SANDAG, as part of their long-range transportation plans, to adopt preferred growth scenarios that would achieve certain goals, such as reduction in vehicle miles traveled and greenhouse gas emissions in the region; (2) it would require certain transportation planning and programming activities by regional agencies to be consistent with the preferred growth scenario, including the programming of transportation projects in the Regional Transportation Improvement Program (RTIP), among other things; (3) it requires the California Transportation Commission to adopt guidelines for the use of travel demand models by RTPAs that meet specified standards; and (4) it provides for various forms of CEQA relief in communities that conform their general plans to the preferred growth scenario. The preferred growth scenario for RTPs would be required to:

- Identify areas sufficient to house all the population of the region, including all economic segments, over the course of the planning period;
- Identify significant resource land and significant farmland and excludes these lands from the scenario to the greatest extent feasible; and
- Allow the RTP to comply with the federal Clean Air Act.

Staff has been working with its lobbyists on this bill regarding issues relating primarily to the definition and purpose of the “preferred growth scenario.” Language in SB 375 provides that the preferred growth scenario does not regulate the use of land, nor shall it be subject to any state review or approval. The bill also states that nothing in a preferred growth scenario shall be interpreted as superseding or interfering with the exercise of the land use authority of cities and counties within the region.

Yet the bill also requires RTPs and subsequent transportation programming and project development activities to be based on the preferred growth scenario. Staff believes there is an inherent conflict between the definition of the scenario and federal metropolitan planning rules and regulations that require RTPs to be based on reasonable economic and demographic forecasts and adopted land use plans and policies.

Staff will continue to work with our delegation and the bill’s author on concerns regarding SB 375. The Executive Committee may want to discuss SB 375 and consider a possible position on the bill.

Conclusion

Staff will continue to monitor housing- and smart growth-related bills that affect implementation of the RCP. Staff also will continue to work with regional stakeholders, the San Diego legislative delegation, and other key state legislators on legislation and guidelines associated with the implementation of Proposition 1C and Proposition 84 Sustainable Communities.

BOB LEITER
Director of Land Use and Transportation Planning

Attachments: 1. Summary of Housing and Smart Growth Legislation
               2. Draft Summary of Propositions 1C/84 Sustainable Communities Stakeholders Consensus

Key Staff Contact: Susan Baldwin, (619) 699-1943, sba@sandag.org
### Summary of Housing and Smart Growth Legislation

<table>
<thead>
<tr>
<th>Proposition 1C Implementation Legislation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CA AB 29</strong></td>
</tr>
<tr>
<td><strong>AUTHOR:</strong> Hancock [D]</td>
</tr>
<tr>
<td><strong>TITLE:</strong> Infill Development: Incentive Grants</td>
</tr>
<tr>
<td><strong>LAST AMEND:</strong> 04/19/2007</td>
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<td><strong>LOCATION:</strong> Assembly Housing and Community Development Committee</td>
</tr>
<tr>
<td><strong>SUMMARY:</strong> Relates to infill development. Requires certain of the Housing and Emergency Shelter Trust Funds to be made available to the Department of Housing and Community Development for the purposes of making infrastructure grants for construction or acquisition of capital assets to qualifying cities, counties, and cities and counties. Requires a project to meet certain, listed criteria in order to be eligible for grant funding.</td>
</tr>
</tbody>
</table>

| **CA AB 600**                              |
| **AUTHOR:** Garcia [R]                     |
| **TITLE:** Housing-Related Park Program    |
| **LAST AMEND:** 03/27/2007                  |
| **LOCATION:** Assembly Water, Parks and Wildlife Committee |
| **SUMMARY:** Establishes the Housing-Related Park Program to provide grants for the creation, development, or rehabilitation of community or neighborhood parks to cities, counties, and cities and counties that have deficient parks and deficient park acreage, and issue building permits for housing developments consisting of newly constructed units that are affordable to low- or very low-income households. |

| **CA AB 792**                              |
| **AUTHOR:** Garcia [R]                     |
| **TITLE:** Environmentally Sustainable Affordable Housing Program |
| **LAST AMEND:** 03/29/2007                  |
| **LOCATION:** Assembly Housing and Community Development Committee |
| **SUMMARY:** Establishes the Environmentally Sustainable Affordable Housing Program consisting of the Construction Liability Insurance Reform Pilot Program, the Green Building, Energy Efficiency and Building Design Program, and the Affordable Housing for Teachers Program. Requires the department to fund these programs. |

| **CA AB 842**                              |
| **AUTHOR:** Jones [D]                      |
| **TITLE:** Regional Plans: Traffic Reduction |
| **LAST AMEND:** 03/29/2007                  |
| **FILE:** 63                               |
| **LOCATION:** Assembly Second Reading File |
| **SUMMARY:** Requires the Transportation Commission to update its guidelines for the preparation of regional transportation plans, including a requirement that each regional transportation plan provide for a 10 percent reduction in the growth increment of vehicle miles traveled. Requires a specified sum of funds to be made available from a specified account to the Department of Housing and Community Development to fund grants to assist agencies of local governing in the planning and production of infill housing. |

| **CA AB 997**                              |
| **AUTHOR:** Arambula [D]                   |
| **TITLE:** Infill Capital Outlay Project and Planning Grants |
| **LOCATION:** Assembly Housing and Community Development Committee |
| **SUMMARY:** Requires the Department of Housing and Community Development to administer the Regional Planning, Housing, and Infill Incentive Account. Requires specified amounts from the account to be available to fund grants to cities, counties, cities and counties, redevelopment agencies, incorporated mutual water companies, special districts, and nonprofit organizations for capital outlay projects that will serve development on land that meets the definition. |
CA AB 1017  AUTHOR:  Ma [D]
TITLE:  Affordable Housing Program
LAST AMEND:  04/09/2007
LOCATION:  Assembly Housing and Community Development Committee
SUMMARY:
Establishes the Affordable Housing Revolving Development and Acquisition Program under the administration of the Department of Housing and Community Development for the purpose of funding projects to develop or preserve affordable housing. Requires the department to issue a Notice of Funding Availability to select a private sector entity to manage funding, including reviewing and approving loan applications, originating loans, and servicing loans. Establishes the Affordable Housing Committee.

CA AB 1053  AUTHOR:  Nunez [D]
TITLE:  Housing and Emergency Shelter Trust Fund Act
LAST AMEND:  03/29/2007
COMMITTEE:  Assembly Housing and Community Development Committee
HEARING:  04/25/2007 9:00 am
SUMMARY:
Relates to the Housing and Emergency Shelter Trust Fund Act of 2006. Relates to finance of existing housing programs, capital outlay related to infill development, brownfield cleanup that promotes infill development, and housing-related parks. Requires the Secretary of Business, Transportation and Housing, in consultation with various agencies, to prepare and submit a specified report and a strategic plan, and obtain approval for the plan prior to expending any funds that are not continuously appropriated.

CA AB 1091  AUTHOR:  Bass [D]
TITLE:  Transit-Oriented Development Implementation Program
LAST AMEND:  04/17/2007
COMMITTEE:  Assembly Local Government Committee
HEARING:  04/25/2007 1:30 pm
SUMMARY:
Requires the Department of Housing and Community Development to establish guidelines for the distribution of funds made available under the Transit-Oriented Development Implementation Program, based on certain criteria relating to providing multiple benefits, coordinating funding from sources other than bond funds derived under the Housing and Emergency Shelter Trust Fund Act of 2006. Deletes the requirement that the department make specified grants to cities, counties, and transit agencies.

CA AB 1231  AUTHOR:  Garcia [R]
TITLE:  Infill Development: Incentive Grants
LOCATION:  Assembly Housing and Community Development Committee
SUMMARY:
Requires the Department of Housing and Community Development to use funds allocated from the Regional Planning, Housing, and Infill Incentive Account to make infrastructure grants for construction or acquisition of capital assets to qualifying cities, counties, and cities and counties. Requires the grants to be used for infrastructure that is directly related to identified infill housing projects.

CA AB 1252  AUTHOR:  Caballero [D]
TITLE:  Housing Urban-Suburban-and-Rural Parks Account
LAST AMEND:  04/10/2007
COMMITTEE:  Assembly Housing and Community Development Committee
HEARING:  04/25/2007 9:00 am
SUMMARY:
Creates the Housing-Related Parks Program to provide grants to cities and counties for the creation or rehabilitation of parks in conjunction with eligible housing projects.
CA AB 1493  AUTHOR: Saldana [D]
TITLE: Affordable Housing Innovation Fund
LOCATION: Assembly Housing and Community Development Committee
SUMMARY: Requires a specified sum from the funds in the Affordable Housing Innovation Fund to be used for the purposes of making matching grants under the Local Housing Trust Fund Matching Grant Program to cities and counties, or a city and county, and existing charitable nonprofit organizations that have created, funded, and operated housing trust fund.

CA AB 1536 AUTHOR: Smyth [R]
TITLE: Housing and Emergency Shelter Trust Fund Act of 2006
LAST AMEND: 03/27/2007
LOCATION: Assembly Water, Parks and Wildlife Committee
SUMMARY: Requires the Department of Parks and Recreation to be the primary agency authorized to administer the housing-related parks grants in urban, suburban, and rural areas, and to administer the grants for park creation, development, or rehabilitation to encourage infill development.

CA AB 1675  AUTHOR: Nunez [D]
TITLE: Transit-Oriented Development Implementation Program
LOCATION: ASSEMBLY
SUMMARY: Relates to changes to provisions of to Transit Oriented Development Implementation Programs.

CA SB 46  AUTHOR: Perata [D]
TITLE: Housing and Emergency Shelter Trust Fund Act
LAST AMEND: 04/10/2007
LOCATION: Senate Appropriations Committee
SUMMARY: Makes technical, nonsubstantive changes to the Housing and Emergency Shelter Trust Fund Act of 2006 which authorizes the issuance of bonds to finance various existing housing programs, capital outlay related to infill development, brownfield cleanup that promotes infill development and housing-related parks. Establishes a competitive grant program for infill housing development and infrastructure needs.

CA SB 292  AUTHOR: Wiggins [D]
TITLE: State Bond Funds: Allocation
LAST AMEND: 04/16/2007
COMMITTEE: Senate Natural Resources and Water Committee
HEARING: 04/24/2007 9:00 am
SUMMARY: Requires the Secretaries for Environmental Protection and the Resources Agency to develop a planning grant program for local and regional agencies and nonprofit organizations to develop urban greening plans. Requires the program to comply with the requirements of the Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006. Provides grant priority to local and regional agencies and nonprofits that have adopted such a plan.

CA SB 522  AUTHOR: Dutton [R]
TITLE: Infill Housing: Incentives
LAST AMEND: 04/19/2007
LOCATION: Senate Rules Committee
SUMMARY: Relates to the finance of existing housing programs, capital outlay related to infill development, brownfield cleanup and housing-related parks. Sets forth findings and declarations regarding expenditure of the funds deposited in the Regional Planning, Housing and Infill Incentive Account. Authorizes a program for grants to cities and counties for the construction or acquisition of capital assets.
CA SB 545  
**AUTHOR:**  Cox [R]  
**TITLE:** Affordable Housing Innovation Fund  
**LOCATION:** Senate Transportation and Housing Committee  
**SUMMARY:** Authorizes the Legislature, in awarding funds from the Affordable Housing Innovation Fund, to review and adopt policies that alleviate identified obstacles associated with the construction of workforce housing in communities residing within the jurisdiction of a bistate compact.

CA SB 546  
**AUTHOR:** Ducheny [D]  
**TITLE:** Department of Housing and Community Development: Funds  
**COMMITTEE:** Senate Transportation and Housing Committee  
**HEARING:** 04/24/2007 1:30 pm  
**SUMMARY:** Requires a specified report at the Department of Housing and Community Development to include certain information relating to the programs funded under the Housing and Emergency Shelter Trust Fund Act of 2002 and the Housing and Emergency Shelter Trust Fund Act of 2006.

CA SB 586  
**AUTHOR:** Dutton [R]  
**TITLE:** Affordable Housing Innovation Fund  
**LAST AMEND:** 04/10/2007  
**LOCATION:** Senate Second Reading File  
**SUMMARY:** Establishes the Affordable Housing Revolving Development and Acquisition Program. Requires a Notice of Funding Availability. Authorizes applicants to apply for loans to purchase real property for development or preservation of affordable low-income housing. Requires regulations establishing the minimum criteria for a program manager and for a point system for prioritizing requests. Allocates funds for a local housing trust fund matching grant program.

CA SB 753  
**AUTHOR:** Correa [D]  
**TITLE:** Mobilehomes and Manufactured Homes: Purchase  
**LAST AMEND:** 04/16/2007  
**COMMITTEE:** Senate Transportation and Housing Committee  
**HEARING:** 04/24/2007 1:30 pm  
**SUMMARY:** Authorizes funds under the CalHome Program, which enables low and very low income households to become or remain homeowners, to be used to finance the purchase of the land beneath a mobilehome or manufactured home by the owner, or the purchase of both the lot and the home. Provides that conditions in existing law related to funding mutual housing and certain cooperative housing do not apply to financing of an interest in certain manufactured housing communities or mobilehome parks.

CA SB 763  
**AUTHOR:** Ridley-Thomas [D]  
**TITLE:** Hazardous Substances: Brownfields Liability  
**LAST AMEND:** 04/16/2007  
**LOCATION:** Senate Environmental Quality Committee  
**SUMMARY:** Declares legislative intent to review the application procedures under the California Land Reuse and Revitalization Act of 2004 to ensure that all bona fide purchasers of brownfield sites have equal and fair opportunity to avail themselves of the act, and that all bona fide purchasers of brownfield sites have equal and fair opportunity to apply for bond moneys from the Housing and Emergency Shelter Trust Fund Act of 2006.
<table>
<thead>
<tr>
<th>Proposition 84 Implementation Legislation</th>
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</thead>
<tbody>
<tr>
<td><strong>CA AB 1253</strong></td>
</tr>
<tr>
<td><strong>Title:</strong> Regional and Local Land Use Plans</td>
</tr>
<tr>
<td><strong>Last Amend:</strong> 04/17/2007</td>
</tr>
<tr>
<td><strong>Committee:</strong> Assembly Water, Parks and Wildlife Committee</td>
</tr>
<tr>
<td><strong>Hearing:</strong> 04/24/2007 9:00 am</td>
</tr>
<tr>
<td><strong>Summary:</strong> Creates the Sustainable Communities Regional and Local Land Use Planning Program within the Resources Agency. Requires the agency Secretary to administer the program. Appropriates unspecified sums from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 for grants and incentives for the development of specified regional and local land use plans, for grants and loans to local governments, councils of governments, and other public agencies.</td>
</tr>
</tbody>
</table>

| **CA AB 1303** | **Author:** Smyth [R]  |
| **Title:** Urban Greening |  |
| **Last Amend:** 04/09/2007 |  |
| **Committee:** Assembly Water, Parks and Wildlife Committee |  |
| **Hearing:** 04/24/2007 9:00 am |  |
| **Summary:** Requires the Department of Parks and Recreation to establish a local assistance program to offer grants to an eligible city, county or district authorized to provide park, recreational or open-space services or a combination of those services. Requires the San Diego River Conservancy to create an urban greening program for urban greening projects that reduce energy consumption, conserve water, improve air and water quality, and provide other community benefits. |  |

| **CA AB 1602** | **Author:** Nunez [D]  |
| **Title:** Environment: Sustainable Communities |  |
| **Committee:** Assembly Natural Resources Committee |  |
| **Hearing:** 04/23/2007 1:30 pm |  |
| **Summary:** Establishes the sustainable communities and urban greening grant program. Grants to local public agencies and nonprofit organizations for the purpose of improving the sustainability and liability of communities through the development of green infrastructure that provides multiple benefits, including improved air and water quality, energy and water conservation, climate change mitigation, and recreational and other community benefits. |  |

| **CA SB 167** | **Author:** Negrete McLeod [D]  |
| **Title:** General Plans: Planning Grants and Incentives |  |
| **Last Amend:** 03/12/2007 |  |
| **Location:** Senate Appropriations Committee |  |
| **Summary:** Requires the Governor's Office of Planning and Research to award grants and loans to cities and counties to prepare and adopt general plans, habitat conservation plans, zoning ordinances, design standards, regional blueprint projects, and municipal service reviews, including the costs of complying with the California Environmental Quality Act. Appropriates funds from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 for FY 2007-2008. |  |

<p>| <strong>CA SB 732</strong> | <strong>Author:</strong> Steinberg [D]  |
| <strong>Title:</strong> Coastal Protection Bond Act of 2006 |  |
| <strong>Last Amend:</strong> 04/17/2007 |  |
| <strong>Location:</strong> Senate Appropriations Committee |  |
| <strong>Summary:</strong> Creates the Sustainable Communities Council in state government, and establishes the Sustainable Communities Fund, for receipt of bond funds available for urban greening and planning grants and incentives. Specifies the council's responsibilities, including those related to the bond funds. Revises the definition of local public agency under the Integrated Regional Water Management Planning Act to include an investor-owned utility regulated by the Public Utilities Commission. |  |</p>
<table>
<thead>
<tr>
<th>Bill Number</th>
<th>Author</th>
<th>Title</th>
<th>Committee</th>
<th>Hearing Date</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA AB 414</td>
<td>Jones [D]</td>
<td>Local Planning: Residential Development</td>
<td>Assembly Housing and Community Development Committee</td>
<td>05/09/2007 9:00 am</td>
<td>Limits the manner in which a city, county, or city and county jurisdiction utilizes, in identifying land suitable for residential development to meet the jurisdiction's share of the regional housing need, vacant sites zoned for nonresidential use that allows residential development and for which the applicable zoning and development standards allow substantially all of the site to be developed without residential use.</td>
</tr>
<tr>
<td>CA AB 637</td>
<td>Plescia [R]</td>
<td>Affordable Housing</td>
<td></td>
<td></td>
<td>Relates to affordability of housing units and the use and transfer of pooled housing funds.</td>
</tr>
<tr>
<td>CA AB 884</td>
<td>Dymally [D]</td>
<td>Low-Income Housing Tax Credit Allocation Program</td>
<td>Assembly Housing and Community Development Committee</td>
<td>04/25/2007 9:00 am</td>
<td>Adds additional members to the State Tax Credit Allocation Committee which provides low-income housing tax credits to stimulate the production and rehabilitation of shelter for lower income individuals and families. Requires the committee to consider whether a project is an infill project or eliminates neighborhood blight, among the criteria used in allocating housing tax credits.</td>
</tr>
<tr>
<td>CA AB 1221</td>
<td>Ma [D]</td>
<td>Transit Village Developments: Tax Financing</td>
<td>Assembly Local Government Committee</td>
<td>05/09/2007 1:30 pm</td>
<td>Allows a city or county that prepares a transit village plan, with the agreement with each government agency that operates every transit station in the transit district, to engage in tax increment financing to fulfill the goals of a transit development plan.</td>
</tr>
<tr>
<td>CA AB 1256</td>
<td>Caballero [D]</td>
<td>Density Bonus: Exemption: Local Inclusionary Ordinance</td>
<td>Assembly Local Government Committee</td>
<td></td>
<td>Exempts a city, county, or city and county from complying with the density bonus requirement, and the incentive and concession requirement related to low income housing development under the Planning and Zoning Law if the local government has in effect a local inclusionary ordinance, as specified, that meets certain requirements.</td>
</tr>
<tr>
<td>CA AB 1266</td>
<td>Cook [R]</td>
<td>Local Government: Housing</td>
<td>ASSEMBLY</td>
<td></td>
<td>Makes changes to existing law which permits local governments to conduct a review or appeal regarding allocation data provided by the Department of Housing and Community Development or the council of governments regarding the locality's share of the regional housing need or the submittal of data or information for a proposed allocation, as specified.</td>
</tr>
</tbody>
</table>
CA AB 1449  AUTHOR: Saldana [D]
TITLE: Density Bonus
LOCATION: Assembly Local Government Committee
SUMMARY:
Relates to density bonuses under the Planning and Zoning Law. Revises the eligibility requirements for construction of moderate income housing units to conform to the requirements in existing law for low and very low income housing units.

CA AB 1497  AUTHOR: Niello [R]
TITLE: Local Government: Housing Elements
LOCATION: Assembly Local Government Committee
SUMMARY:
Exempts from the inventory of land suitable for residential development, land that is currently under a Williamson Act contract, if it meets specified criteria, and land that is owned by the state or federal government. Requires each council of government or delegate subregion to analyze the inventory of land suitable for residential development and identify the number of housing sites that are contingent upon the rezoning of agricultural lands.

CA SB 303  AUTHOR: Ducheny [D]
TITLE: Local Government: Housing
LAST AMEND: 04/18/2007
COMMITTEE: Senate Environmental Quality Committee
HEARING: 04/23/2007 1:30 pm
SUMMARY:
Requires each county or city general plan to encompass a specified planning and projection period. Requires the housing element statement be relative to the maintenance, preservation, improvement, and development of housing for extremely low, very low, low and moderate income households, and special needs housing. Requires an estimate of the maximum number of housing units for specified categories that can be constructed, rehabilitated or conserved over a specified period. Relates to infill procedures.

CA SB 923  AUTHOR: Oropeza [D]
TITLE: Local Government: Housing
LOCATION: Senate Rules Committee
SUMMARY:
Relates to changes to existing law which permits local governments to conduct a review or appeal regarding allocation data provided by the Department of Housing and Community Development or the council of governments regarding the locality's share of the regional housing need or the submittal of data information for a proposed allocation.

CA SB 934  AUTHOR: Lowenthal [D]
TITLE: Housing and Infrastructure Zones
COMMITTEE: Senate Transportation and Housing Committee
HEARING: 04/24/2007 1:30 pm
SUMMARY:
Establishes a pilot project allowing for the formation of 100 housing and infrastructure zones in the state. Authorizes Economic Development and Infrastructure Development Bank to finance the purchase, construction, expansion, improvement, seismic retrofit, or rehabilitation of real or other tangible property, including interchanges, ramps and bridges, material streets, parking facilities, transit facilities, sewage treatment and water reclamation plants, and interceptor pipes.
Exempts an urban infill affordable housing development project of less than 300 units from the provisions of the Environmental Quality Act, if the project complies with all applicable local land use and zoning ordinances and regulations.

Provides that the construction of housing for agricultural employees, housing that is affordable to low-income households, and housing on an infill site in an urbanized area is exempt from the California Environmental Quality Act.

Relates to guidelines for travel demand guidelines used in regional transportation plans, the requirement a regional transportation plan include a preferred growth scenario designed to achieve goals for the reduction of vehicle miles in the region, an environmental document under the Environmental Quality Act that examines specific impacts of a transportation project located in a local jurisdiction that has amended its general plan and the legislative body finds the project meets specified criteria.
Summary of
Propositions 1C/84 Sustainable Communities Stakeholders Consensus
May 4, 2007

Introduction

On January 30, 2007, SANDAG held a California Bond Stakeholders Meeting with leaders from business, labor, environmental groups, and public agencies to discuss their ideas to help ensure that the San Diego region is competitive and will receive its fair share of the state infrastructure bonds passed in November 2006. The funding will help reduce traffic congestion, provide workforce housing, and protect and enhance our local environment.

Since the general stakeholders meeting, two stakeholders meetings have been held to discuss Proposition 1C and Proposition 84 Sustainable Communities on March 15, 2007, and May 1, 2007.

Invitees to the March 15 and May 1 meetings included the Regional Planning Technical Working Group (TWG) (planning/community development directors); the Regional Housing Working Group (RHWG); and the attached list of stakeholders (Exhibit A), which included attendees of the January 30, 2007, stakeholders meeting held at SANDAG, and other interested parties. A list of meeting attendees also is included in Exhibit A.

Summary of Stakeholder Consensus Regarding Criteria/Guidelines for Propositions 1C/84

The following is a draft of the consensus developed on criteria/guidelines for Propositions 1C/84 that resulted from the two regional stakeholders meetings held at SANDAG on March 15, 2007, and May 1, 2007. These criteria/guidelines will be sent out to the stakeholders for their review and comment before the Executive Committee meeting. Any changes suggested by stakeholder members will be provided to the Executive Committee on May 11.

The following criteria/guidelines for implementing legislation associated with Propositions 1C and 84 Sustainable Communities (and any revisions based on the comments of the stakeholders and/or Executive Committee) will be provided to the San Diego legislative delegation and other key state legislators. If incorporated into the implementing legislation and program regulations, these criteria/guidelines will help fund projects in the region that will implement key aspects of the Regional Comprehensive Plan (RCP).

Geographic allocation of funds

The allocation of bond funds should be based on a 40/60 percent Northern California/Southern California split. This split recognizes the north/south population breakdown in the state and has been used successfully in allocating transportation, park, and housing (Proposition 46) funds in the past.

Who allocates funds

Based on the ranking criteria listed below, state departments such as the Department of Housing and Community Development (HCD) and Department of Parks and Recreation should allocate the bond funds.
Ranking criteria for allocation of funds

Ranking criteria, not screening or threshold criteria, should be used to allocate funds in competitive processes. Stakeholders generally agreed on the use of the following ranking criteria:

**Housing-related**

- Certified housing element and annual report submitted to state
- Affordable housing component (15 percent of units should be affordable to households that make 80 percent or less of Area Median Income (AMI) for rental units or less than 120 percent of AMI for ownership units (AMI for 2006 is $64,900 for a family of four)
- Level of affordability (more points for providing housing affordable to households making less than 80 percent AMI)
- Length of affordability (more points for remain affordable for a longer period of time)
- Total number of units planned in association with the bond-funded project based on the ratio of units to bond funds requested
- Zoning and development standards in place that facilitate minimum residential densities per state housing element law or “regional blueprint plan” density targets (e.g., the SANDAG Smart Growth Concept Map density targets)

**Project proximity to services/transit; efficiency; and urban design**

- Project is within 1/4 mile of public transit service or in an area designated on the Smart Growth Concept Map with minimum 15-minute, peak-hour frequencies
- Project is located in proximity to parks and other public facilities/amenities
- Project accommodates joint uses (e.g. schools and parks, parking for transit center and adjacent uses)
- Project meets urban design/pedestrian-friendly criteria (similar to SANDAG Pilot Smart Growth Incentive Program criteria)
- Project is designed in accordance with sustainable development and green building principles

**Leveraging of funds**

Projects that leverage other funds should be ranked higher

**Project location/Regional Blueprint Plan consistency**

- Project is consistent with Regional Blueprint Plan (e.g., in the San Diego region, project is located in an area identified on Smart Growth Concept Map)
- Project is located in low/moderate income Census tract
- Project is located within infill or redevelopment area
- Project is located in underserved/park-deficient community, per general plan standards (park projects) (also, consider allocation of park funds on per capita basis)
**General Comments**

- Consistent criteria should be used in the allocation of housing/smart growth-related Proposition 1C and 84 program funds.
- Maximum award levels should be set to ensure multiple jurisdictions receive funds.
- Project readiness should be a key criterion. (Issues related to project readiness include: if projects with CEQA compliance are funded, the funds may be replacing funds already funded through another source. An alternative to CEQA compliance might be requiring that a project must be started five years from date of award of funds.)

Attachment: Exhibit A
List of Invitees/Attendees - March 15 and May 1 Proposition 1C and Proposition 84 Sustainable Communities Meetings

Invitees to meetings:

Tom Scott, San Diego Housing Federation
Andrew Poat, San Diego Regional Economic Development Corporation (EDC)
Jeff Marston, Marston & Marston
Tyree Dillingham, Governor’s office
Elyse Lowe, Councilmember Jim Madaffer’s office
Steve Hill, Councilmember Toni Atkins’ office
Job Nelson, Mayor Sanders’ office
Brent Eidson, Mayor Sanders’ office
Matt Adams, San Diego BIA
Mike Mercurio, San Diego Association of Realtors
Tim Baker, San Diego Housing Federation
Simonne Ruff, Corporation for Supportive Housing
Richard Lawrence, Affordable Housing Coalition of San Diego County
Laura Benson, Environmental Health Coalition
Mike Nagy, San Diego Regional Chamber of Commerce
Sherm Harmer, Urban Housing Partners
Jim Waring, Mayor Sanders’ office
Catherine Trout, County Department of Housing and Community Development
Betsy Morris/Todd Phillips - San Diego Housing Commission
Hannah Cohen, Regional Task Force on the Homeless
Bill Anderson, City of San Diego
Jaymie Bradford, City of San Diego
Julie Dubick, Mayor Sanders’ office
Catherine Hill, League of California Cities
Donald Cohen, Center on Policy Initiatives
Pam Ison, Councilmember Toni Atkins office
Kirsten Clemons, Assemblymember Lori Saldana’s office
Regional Housing Working Group members
Regional Planning Technical Working Group members

Attendees of March 15, 2007, meeting:

Rachel Hurst, City of Coronado
Roni Keiser, City of Escondido
Barbara Kraber, City of Lemon Grove
Job Nelson, City of San Diego
Andrew Poat, San Diego Regional Economic Development Corporation (EDC)
Connie Soucy, Access to Independence
Laura Benson, Environmental Health Coalition
David Rehmann, San Diego Association of Realtors (SDAR)
Peter Armstrong, San Diego Housing Commission
Tom Scott, San Diego Housing Federation
Adam Krahn, San Diego Housing Federation
Susan Baldwin, SANDAG
Attendees of March 15, 2007, meeting (continued):

Bob Leiter, SANDAG
Coleen Clementson, SANDAG
Jane Signaigo-Cox, SANDAG
Carolina Gregor, SANDAG
Catherine Hill, League of California Cities

Attendees of May 1, 2007, meeting:

David Cooksy, City of El Cajon
Roni Keiser, City of Escondido
Bill Chopyk, City of La Mesa
David DeVries, City of Lemon Grove
Jim Lyon, City of Poway
Job Nelson, City of San Diego
Nancy Bragado, City of San Diego
Hugo Mora, County of San Diego
Kirsten Clemons, Office of Assemblymember Lori Saldana
Andrew Poat, San Diego Regional Economic Development Corporation (EDC)
Connie Soucy, Access to Independence
David Rehmann, San Diego Association of Realtors (SDAR)
Tom Scott, San Diego Housing Federation
Scott Molloy, BIA
Jeff Marston, Marston and Marston
John LaRaia, Barratt American
Susan Baldwin, SANDAG
Bob Leiter, SANDAG
Jane Signaigo-Cox, SANDAG
Catherine Hill, League of California Cities
REVIEW OF LEGISLATION RELATED TO PROPOSITION 1B

Introduction

At its December 15, 2006, meeting, the Board of Directors approved the SANDAG Legislative Program for calendar year 2007. The Legislative Program, which includes policies and proposals for possible federal and state legislation and local activities, serves as a guide for Board members and staff to follow as bills are developed and activities occur during the respective state and federal legislative sessions.

One of this year’s highest priority goals is to pursue funding from the statewide infrastructure bond measures to support implementation of the Regional Transportation Plan (RTP) and Regional Comprehensive Plan (RCP) (Goal No. 1A). This report provides a summary of the pending bills related to Proposition 1B (Prop 1B) implementation.

Discussion

Proposition 1B, approved by the voters at the November 2006 general election, enacts the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, which authorizes the issuance of $19.925 billion of general obligation bonds for various transportation programs.

During this 2007-2008 legislative session, state legislators have introduced a number of bills to implement various Prop. 1B programs (Attachment 1). Since last month’s Executive Committee meeting, many of the bills have been amended and moved through the legislative committee process. The bills are summarized below by Proposition 1B program area. Issues for Executive Committee discussion also are included.

Trade Corridors Improvement Fund

The Trade Corridors Improvement Fund (TCIF) is a $2 billion program to be allocated by the California Transportation Commission (CTC) for improvements along trade corridors of national significance. CTC is required to consult the State Trade Infrastructure and Goods Movement Plan, trade infrastructure and goods movement plans adopted by regional transportation planning agencies (RTPAs), and the Statewide Port Master Plan.

Pending Legislation: SB 9 (Lowenthal), SB 262 (Runner), SB 307 (Dutton) – SB 9 is expected to be the Senate vehicle for implementing the TCIF. The bill would require:
• Proposed projects to be included in an approved RTP;

• The CTC to allocate funds in a manner that places emphasis on projects that demonstrate regional support and cooperation by multiple agencies and jurisdictions;

• The CTC to consider specified emissions associated with the construction and operation of a proposed project, and the project’s potential to reduce emissions associated with trade activity (or potential to produce no net increase in emissions in a region);

• Local agencies applying for funds to develop a plan (in coordination with air districts) to mitigate emissions associated with their projects or pay a mitigation fee to the air district in lieu of developing a plan; and

• Projects receiving funds to be fully funded and ready for construction, and that funds only be used for construction costs.

The newly proposed requirements for projects to be in an approved RTP and demonstrate regional cooperation and support are positive aspects of SB 9 for the San Diego region.

Implementation of high priority projects such as State Route (SR) 11 and the East Otay Mesa Port of Entry (POE) also are expected to result in air quality improvements, through the reduction in truck idling emissions. Staff recommends that specific language recognizing reduction in truck idling at land ports of entry as an air quality benefit be added to the proposed legislation. Further clarity also is needed on the proposed requirements for applicants to prepare air quality mitigation plans and/or pay mitigation fees to local air districts.

SB 9 also would require projects receiving TCIF allocations to be fully funded and ready for construction, and that funds only be used for construction costs. Because the current concept for implementation of SR 11/East Otay Mesa POE is as a toll facility, staff recommends adding language that allows the leveraging of tolls and other nontraditional funding sources for project implementation.

**Trade Corridor Emissions Reductions**

This $1 billion program is to be allocated by the California Air Resources Board (CARB) for emissions reductions from activities related to the movement of freight along trade corridors.

Pending Legislation: AB 575 (Arambula), AB 1209 (Karnette), SB 19 (Lowenthal) - **AB 575** and **AB 1209** are identical bills that would require CARB to develop program guidelines and to allocate funds on a competitive basis by considering: the reduction of public health risks achieved; cost-effectiveness and technological feasibility; long-term benefits; and the availability of matching funds.

**SB 19**, the likely Senate vehicle, specifies the types of projects that are eligible for funding. These include the development of comprehensive plans to reduce emissions associated with goods movement activity in a region; replacement, repower, or retrofit of heavy-duty diesel trucks, diesel switching locomotive engines, harbor craft, and cargo handling equipment; and the provision of onshore electrical power for ocean carriers at seaports (cold ironing). Staff recommends expanding
the list of eligible projects to include projects and measures that would reduce idling emissions at land ports of entry.

**State-Local Partnership Program**

This $1 billion program is to be allocated by the CTC for projects nominated by RTPAs such as SANDAG. The program requires a dollar for dollar match of local funds.

Pending Legislation: AB 1351 (Levine), SB 47 (Perata), SB 748 (Corbett), SB 872 (Ackerman) – SB 47 remains a spot bill and has not moved through the legislative process. The other three – AB 1351, SB 748, and SB 872 – are moving forward. They each outline the criteria and eligibility requirements for implementing the State-Local Partnership Program (SLPP). Each would distribute SLPP funding over a consecutive five-year cycle (either FY 2008-FY 2012 or FY 2011-FY 2015). The bills also have different definitions of the eligible sources of local matching funds (e.g., local sales tax measures only, all voter approved taxes and fees dedicated to transportation purposes, etc.).

Staff recommends supporting proposed legislation that distributes SLPP funding through a defined competitive process, that allows for flexibility for required local matching funds, and that advances SLPP funding sooner rather than later. Priority for funding also should consider “ready to go” projects that leverage other non-SLPP revenue sources. In its current form, SB 748 aligns the best with these principles. If the Executive Committee would like to support SB 748, staff recommends that the eligible projects be defined at a higher threshold (e.g. $10 million to $20 million, rather than $1 million as currently proposed).

**Public Transportation Modernization, Improvement, and Service Enhancement Account**

This $3.6 billion Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) program is to be allocated as flexible formula funds for transit rehabilitation, replacement, safety, capital projects, bus rapid transit, and rolling stock purchase.

Pending Legislation: AB 901 (Núñez), SB 716 (Perata) – These two bills have different approaches to allocating the program funding. Introduced by Assembly Speaker Fabian Núñez and sponsored by the California Transit Association (CTA), AB 901 supports allocation of the bond funds on a formula basis with Caltrans oversight to verify conformity with the provisions of the PTMISEA. Funded projects would need to be consistent with adopted short-range transit plans and/or other applicable plan approved by the transit boards.

SB 716 by Senate President Pro Tem Don Perata would require the CTC to administer and oversee the allocation of PTMISEA funds. The bill would require the CTC to verify project eligibility, and to verify that proposed projects have a 10-year useful life and are fully funded. CTA continues to work closely with the staffs of Assembly Speaker Núñez and Senate President Pro Tem Perata on aligning the different approaches in these two bills.

**Transit System Safety, Security, and Disaster Response Account**

This $1 billion program is to be allocated for capital projects that increase protection against security and safety threat and develop disaster response capacity for public transit systems.
Pending Legislation: AB 1350 (Núñez), SB 45 (Perata) – **AB 1350** would require the Office of Emergency Services (OES) and Caltrans, in consultation with eligible transit operators, to prepare a joint report by February 4, 2008, that inventories existing programs and outlines proposed strategies for investment of the bond funds. **SB 45** lays out an approach for allocating program funding; under this approach, the Office of Homeland Security would allocate 75 percent of transit system safety and security funding through a threat-based risk assessment and 25 percent through a formula basis, and OES would be responsible for allocating funds for disaster response capital projects. As with the PTMISEA program, CTA is working closely with the staffs of Assembly Speaker Núñez and Senate President Pro Tem Perata to align the different approaches in these two bills.

**Port, Harbor, and Ferry Terminal Security**

This $100 million program is to be allocated by the Office of Emergency Services as grants for port, harbor, and ferry terminal security improvements.

Pending Legislation: AB 784 (Karnette), SB 745 (Oropeza) – Both continue to be spot bills. **AB 784** includes legislative intent language about ensuring the funding support interoperability of public safety agency communications systems, and **SB 745** would require OES to consult with the California Maritime Security Council when developing the criteria for allocating program funding.

**Local Street and Road Improvement, Congestion Relief, and Traffic Safety**

This $2 billion program is to be allocated by the State Controller to cities and counties throughout the state in accordance with formulas specified in Proposition 1B.

Pending Legislation: SB 286 (Lowenthal) – **SB 286** is sponsored by the League of California Cities and the California State Association of Counties (CSAC). In its current form, the bill would require the bond funds to be allocated by the Controller in at least two cycles that cover four years, with at least one-half of each eligible local agency’s total allocation amount to be made during the first cycle of payments not later than January 1, 2008 (Prop. 42 “gap” year).

**General**

Pending Legislation: AB 995 (Nava), AB 1672 (Núñez) – These two bills are not program-specific. **AB 995** would prohibit the Budget Act and new legislation from including appropriations for specific transportation projects and would prohibit the Legislature from enacting legislation to continuously appropriate Prop. 1B bond proceeds. **AB 1672** would require to the CTC to consult with the chairs of the appropriate legislative committees not less than 60 days prior to changes to any guidelines for funding of projects under Prop. 1B.

**KIM KAWADA**
Policy and Legislative Affairs Program Manager

Attachment: 1. Summary of Bills Related to Proposition 1B Implementation Legislation

Key Staff Contact: Kim Kawada, (619) 699-6994, kka@sandag.org
## Summary of Bills Related to Proposition 1B Implementation Legislation

### Trade Corridors Improvement Fund

<table>
<thead>
<tr>
<th>Bill</th>
<th>Author</th>
<th>Title</th>
<th>Introduced</th>
<th>Last Amend</th>
<th>Location</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA SB 9</td>
<td>Lowenthal [D]</td>
<td>Trade Corridor Improvement: Transportation Project</td>
<td>12/04/2006</td>
<td>04/10/2007</td>
<td>Senate Appropriations Committee</td>
<td>Requires inclusion in a regional transportation plan. Requires for funding emphasis to be on consideration of specified emissions associated with the construction and operation of the project and the project’s potential to reduce emissions associated with trade activity. Requires inclusion of a plan to mitigate emissions associated with their projects. Provides funding for projects that support movement of freight with zero emissions.</td>
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<tr>
<th>Bill</th>
<th>Author</th>
<th>Title</th>
<th>Introduced</th>
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<tr>
<th>Bill</th>
<th>Author</th>
<th>Title</th>
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<th>Location</th>
<th>Summary</th>
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</thead>
<tbody>
<tr>
<td>CA SB 262</td>
<td>Runner G [R]</td>
<td>Transportation: Trade Corridors Improvement</td>
<td>02/14/2007</td>
<td>Senate Transportation and Housing Committee</td>
<td>Requires the Transportation Commission, when allocating certain funds to projects, to consider the impact of a project on goods movement and port operations in the Southern California region and the potential of a project to benefit the inland port concept in order to relieve congestion at and in the vicinity of the Port of Los Angeles and the Port of Long Beach.</td>
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</table>

### Trade Corridor Emissions Reduction

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<thead>
<tr>
<th>Bill</th>
<th>Author</th>
<th>Title</th>
<th>Introduced</th>
<th>Last Amend</th>
<th>Location</th>
<th>Summary</th>
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</thead>
<tbody>
<tr>
<td>CA AB 575</td>
<td>Arambula [D]</td>
<td>Highway Safety Traffic Reduction: Emission Reductions</td>
<td>02/21/2007</td>
<td>05/01/2007</td>
<td>Assembly Appropriations Committee</td>
<td>Relates to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 that provides a specified amount of funds from that act to be appropriated to the State Air Resources Board for emission reductions. Requires the board to develop guidelines meeting specified requirements for the allocation of those funds, and to allocate funds on a competitive basis to projects and measures that are shown to achieve the greatest emission reductions from freight movement activities.</td>
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<tr>
<th>Bill</th>
<th>Author</th>
<th>Title</th>
<th>Introduced</th>
<th>Last Amend</th>
<th>Location</th>
<th>Summary</th>
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<tbody>
<tr>
<td>CA AB 1209</td>
<td>Karnette [D]</td>
<td>Air Resources Board: Emission Reduction Projects</td>
<td>02/23/2007</td>
<td>05/01/2007</td>
<td>Assembly Appropriations Committee</td>
<td>Relates to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Requires the State Air Resources Board to allocate funds on a competitive basis to projects and measures that are shown to achieve the greatest emission reductions from freight movement activities.</td>
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activities related to freight movement along the state's trade corridors. Requires the projects to result in emission reductions not required by law or regulation in effect as of a specified date and states how the funds must be used.

<table>
<thead>
<tr>
<th>CA SB 19</th>
<th>AUTHOR:</th>
<th>Lowenthal [D]</th>
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<tbody>
<tr>
<td>TITLE:</td>
<td>Trade Corridor: Projects to Reduce Emissions: Funding</td>
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<tr>
<td>INTRODUCED:</td>
<td>12/04/2006</td>
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<td>LAST AMEND:</td>
<td>04/10/2007</td>
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<tr>
<td>LOCATION:</td>
<td>Senate Appropriations Committee</td>
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<tr>
<td>SUMMARY:</td>
<td>Relates to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Specifies a list of projects eligible for this funding. Requires that the Air Resources Board ensure that these funds are supplemented and matched with funds from federal, state, local, and private sources to the maximum extent feasible. Requires applicants for this funding to include with their application for funding a plan to reduce emissions associated with goods movement activity.</td>
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<tr>
<th>CA AB 1351</th>
<th>AUTHOR:</th>
<th>Levine [D]</th>
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<tbody>
<tr>
<td>TITLE:</td>
<td>Transportation: State-Local Partnerships</td>
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<tr>
<td>INTRODUCED:</td>
<td>02/23/2007</td>
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<td>LAST AMEND:</td>
<td>04/10/2007</td>
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<tr>
<td>LOCATION:</td>
<td>Assembly Appropriations Committee</td>
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<tr>
<td>SUMMARY:</td>
<td>Amends the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006. States the intent of the Legislature to appropriate a specified amount of funds for the State-Local Partnership Program for funding transportation projects for a specified period. Defines local funds under the program relating to a local match as revenues from any locally imposed transportation related sales tax. Requires certain related reports.</td>
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<tr>
<th>CA SB 47</th>
<th>AUTHOR:</th>
<th>Perata [D]</th>
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<tr>
<td>TITLE:</td>
<td>Transportation Bonds</td>
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<tr>
<td>INTRODUCED:</td>
<td>12/22/2006</td>
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<tr>
<td>LOCATION:</td>
<td>Senate Rules Committee</td>
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<tr>
<td>SUMMARY:</td>
<td>States the intent of the Legislature to enact provisions governing project eligibility, matching fund requirements, and the application process relative to allocation of bond proceeds of the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 to the State-Local Partnership Program.</td>
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<tr>
<th>CA SB 748</th>
<th>AUTHOR:</th>
<th>Corbett [D]</th>
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<tbody>
<tr>
<td>TITLE:</td>
<td>Transportation: State Local Partnerships</td>
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<tr>
<td>INTRODUCED:</td>
<td>02/23/2007</td>
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<td>LAST AMEND:</td>
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<td>LOCATION:</td>
<td>Senate Appropriations Committee</td>
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<tr>
<th>CA SB 872</th>
<th>AUTHOR:</th>
<th>Ackerman [R]</th>
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<tbody>
<tr>
<td>TITLE:</td>
<td>State-Local Partnership Program</td>
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<tr>
<td>INTRODUCED:</td>
<td>02/23/2007</td>
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<tr>
<td>LOCATION:</td>
<td>Senate Appropriations Committee</td>
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<tr>
<td>SUMMARY:</td>
<td>Creates the State-Local Partnership Program and appropriates a specified amount per year for five years beginning in the FY 2010-2011. Provides for allocation of state funds to eligible highway and mass transit guideway projects nominated by local agencies are to be funded with at least 50 percent of local funds derived from a locally imposed transportation sales tax.</td>
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### Public Transportation Modernization, Improvement, and Service Enhancements Account

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<tr>
<th>Bill</th>
<th>Author</th>
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<th>Summary</th>
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<tbody>
<tr>
<td>CA AB 901</td>
<td>Nunez [D]</td>
<td>Transportation: Highway Safety Traffic Reduction</td>
<td>02/22/2007</td>
<td>04/18/2007</td>
<td>Assembly Appropriations Committee</td>
<td>Relates to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 that requires funds from the proceeds of bonds under the act for allocation to public transit operators and transportation planning agencies. Requires the Department of Transportation and Transportation Commission to provide information regarding their needs and describing the total amount of verified project funding needed in the budget year and the amount required by each agency seeking funding.</td>
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<tr>
<th>Bill</th>
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<tbody>
<tr>
<td>CA SB 716</td>
<td>Perata [D]</td>
<td>Transit Operators</td>
<td>02/23/2007</td>
<td>04/10/2007</td>
<td>Senate Appropriations Committee</td>
<td>Relates to appropriations to transportation agencies for transit capital projects pursuant to a specified order. Specifies requirements for an eligible project sponsor to receive an allocation of funds appropriated from the account. Requires the Transportation Commission and the Controller to administer these provisions.</td>
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</table>

### Transit System Safety, Security, and Disaster Response Account

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<tr>
<th>Bill</th>
<th>Author</th>
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<tbody>
<tr>
<td>CA SB 45</td>
<td>Perata [D]</td>
<td>Transportation Funds: Transit System Safety</td>
<td>12/22/2006</td>
<td>04/10/2007</td>
<td>Senate Appropriations Committee</td>
<td>Establishes the application process for capital projects for funding from the Transit System Safety, Security, and Disaster Response Account, which allocations would be made by the Office of Homeland Security (OHS) to transit operators. Requires OHS to report on the projects receiving funding. Provides for allocations by the Office of Emergency Services to transit operators to develop disaster response transportation systems capable of moving goods, people, and equipment in the aftermath of a disaster.</td>
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### Port, Harbor, and Ferry Terminal Security

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<th>Bill</th>
<th>Author</th>
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<tbody>
<tr>
<td>CA AB 784</td>
<td>Karnette [D]</td>
<td>Transportation Bonds</td>
<td>02/22/2007</td>
<td>04/24/2007</td>
<td>Assembly Appropriations Committee</td>
<td>Relates to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 which authorizes the issuance of general obligations bonds for various transportation purposes and provides that a portion of the bond funds shall be available to the Office of Emergency Services to be allocated as grants for port, harbor, and ferry terminal security</td>
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</tbody>
</table>
improvements. Provides that, with respect to funds allocated by the Office, applicants not comply with competitive bidding requirements.

CA SB 745

**AUTHOR:** Oropeza [D]
**TITLE:** Transportation Funding: Port Security
**INTRODUCED:** 02/23/2007
**LAST AMEND:** 04/09/2007
**LOCATION:** Senate Transportation and Housing Committee
**SUMMARY:** Requires the Office of Emergency Services to develop criteria for allocating general obligation bond funds for port, harbor, and ferry terminal security.

Local Streets and Roads

CA SB 286

**AUTHOR:** Lowenthal [D]
**TITLE:** Transportation Bonds: Implementation
**INTRODUCED:** 02/15/2007
**LAST AMEND:** 05/02/2007
**LOCATION:** Senate Appropriations Committee
**SUMMARY:** Requires Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 funds for local street and road purposes to be allocated in cycles. Requires the Controller to use the population figures from the Department of Finance in making allocations to cities. Requires an applicant for these funds to submit a list of projects expected to be funded with bond funds to the Department of Finance and to report various information to the Department of Finance.

Infrastructure General

CA AB 995

**AUTHOR:** Nava [D]
**TITLE:** Ports Infrastructure, Security, and Air Quality
**INTRODUCED:** 02/22/2007
**LAST AMEND:** 04/24/2007
**LOCATION:** Assembly Appropriations Committee
**SUMMARY:** Relates to transportation. Requires projects funded from bonds issued under the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006 to meet highest benefits compared to cost. Provides that projects that reduce pollution to be given priority for funding from bond proceeds. Prohibits the Budget Act from including appropriations and the Legislature from enacting legislation containing specified transportation projects funded from the proceeds of these bonds.

CA AB 1672

**AUTHOR:** Nunez [D]
**TITLE:** Transportation: Infrastructure
**INTRODUCED:** 02/23/2007
**LAST AMEND:** 04/23/2007
**LOCATION:** Assembly Appropriations Committee
**SUMMARY:** Requires the State Transportation Commission consult with the chairs of the appropriate policy committees of the Legislature not less than 60 days prior to adopting changes to any guidelines for the expenditure of funds pursuant to the Highway Safety, Traffic Reeducation, Air Quality and Port Security Fund of 2006.

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Introduction

Senate Bill 10 (SB 10), the San Diego County Regional Airport Authority Reform Act of 2007, currently calls for restructuring of the board of directors of the Airport Authority and transfers expanded responsibility for airport land use planning to SANDAG. The bill was introduced by Senator Christine Kehoe (D-39th District) and principally co-authored by Assemblymember George Plescia (R-75th District). Additional co-authors include Senator Denise Ducheny and Assemblymembers Mary Salas and Lori Saldaña.

Last month, the Executive Committee discussed proposed amendments to SB 10. Many of the concerns expressed were similar to those brought up at the February 23, 2007, Board meeting. Both the Board of Directors and the Executive Committee have raised issues that remain a concern, such as funding for the airport planning responsibilities that would be assigned to SANDAG as of January 1, 2008; ensuring the proposed changes to the Airport Authority’s governance structure results in appropriate representation of the City of San Diego, County of San Diego, and the four subregions; the need for better coordination and integration of aviation and ground access planning; and connecting aviation/ground access plans into the Regional Transportation and Comprehensive Plans.

Thus far the Board and Executive Committee have refrained from taking a position on SB 10 and instead directed staff to continue to work with Senator Kehoe and others to resolve the issues identified. For the past month SANDAG Board members and staff have continued to meet with Airport Authority Board members and staff and Senator Kehoe’s staff to discuss potential amendments to SB 10.

Discussion

Proposed amendments to the current provisions of SB 10 are summarized below:

Airport Land Use Compatibility Planning

In its current form, SB 10 would reassign airport land use compatibility planning responsibilities to SANDAG as of January 1, 2008. As the Airport Land Use Commission (ALUC), SANDAG would be required to review and update the Airport Land Use Compatibility Plans (ALUCPs) as needed, and no less often than every five years. SANDAG and Authority staffs have discussed retaining the airport land use compatibility responsibilities at the Airport Authority. If this proposed amendment is approved, no changes to current state law concerning ALUC/ALUCP requirements would be made.
New Airports and Ground Access Transportation Planning Responsibilities

Under the current form of SB 10, SANDAG would be assigned responsibility to prepare a long-range Regional Aviation System Plan in consultation with the San Diego County Regional Airport Authority and others. SANDAG and Airport Authority staffs have had several discussions about the new requirement for SANDAG to prepare a long-range plan concerning airport ground access and other matters. There is general concurrence that the components of the new plan and its coordination with existing and potential plans prepared by SANDAG and other agencies needs to be better defined. Proposed amendments to SB 10 to accomplish this include:

- The Airport Authority shall be responsible for preparing a new Regional Aviation Strategic Plan (RASP) in consultation with the airport operators of the region, state, and federal agencies, the public, airport operators in adjacent regions, and the 18 cities and County. The RASP shall identify the region’s long-range air service needs, coordinate the master plans and ALUCPs of the 16 airports in San Diego County, and take into account the interregional aviation and rail plans from regions adjacent to San Diego County.

- SANDAG shall be responsible for integrating the RASP with the ground access needs identified in the general plans and circulation elements of the 18 cities and County; Caltrans highway plans; transit service plans for Metropolitan Transit System and North County Transit District; and interregional aviation and rail plans from bordering regions.

- The new integrated plan prepared by SANDAG would be renamed the Airports Multimodal Accessibility Plan (AMAP) to better describe its purpose. The AMAP would be a component of the Regional Transportation Plan (RTP), which in turn is a component of the Regional Comprehensive Plan (RCP).\(^1\)

- SANDAG would prepare the AMAP through a collaborative public planning process, in consultation with the Airport Authority, cities and County, Caltrans, transit agencies, and civilian and military airport operators both within the County and adjacent to it.

- Preparation and adoption of the first AMAP could be completed within four to five years.

- Following adoption of the first AMAP, future updates to the RASP would be subject to a compatibility review by SANDAG to ensure its compatibility with the AMAP. The Airport Authority shall consider SANDAG comments prior to adopting the final RASPs.

- Following adoption of the first AMAP, the Airport Authority shall submit new and updated ALUCPs to SANDAG for a compatibility review prior to the adoption of the new/updated plans, and the Airport Authority shall consider SANDAG comments prior to adopting the final ALUCPs. This would ensure compatibility between the AMAP and the ALUCPs in the region.

- SANDAG and the Airport Authority shall enter into an agreement for the coordination of the RASP with the AMAP. The agreement shall include provisions for the timing of preparation of both plans and any plan updates. In addition, the agreement shall provide for coordinating agency efforts to obtain possible funding from outside sources (e.g., grants) and for sharing funding responsibilities equitably among the agencies.

\(^1\) SANDAG staff believes that preparation of the first AMAP would be similar in cost to what SANDAG has spent on the Regional Comprehensive Plan (RCP) or Regional Transportation Plan (RTP). The RTP and RCP cost SANDAG approximately $2,000,000 each to prepare.
Changes to Airport Authority Governance Structure

Most of the remaining provisions of SB 10 concern restructuring of the Airport Authority’s board of directors and redefining the characteristics of the Authority. Currently, the bill requires dissolution of the board of directors and replacement of it with a new seven member board of directors appointed by January 31, 2008, for staggered four-year terms. Staff has been working with Senator Kehoe’s staff to prepare proposed amendments that would instead call for a nine or ten member board consisting of:

- One city council member or resident from the east county cities (El Cajon, La Mesa, Lemon Grove, and Santee) appointed by the mayors of those cities
- One city council member or resident from the north county coastal cities (Carlsbad, Del Mar, Encinitas, Oceanside, and Solana Beach) appointed by the mayors of those cities
- One city council member or resident from the north county inland cities (Escondido, Poway, San Marcos, and Vista) appointed by the mayors of those cities
- One city council member or resident from the south county cities (Chula Vista, Coronado, Imperial Beach, La Mesa, Lemon Grove, and National City) appointed by the mayors of those cities
- Three representatives of the City of San Diego (the mayor, council members, and/or residents) appointed by the Mayor of the City of San Diego and subject to confirmation by the City Council of the City of San Diego
- Two representatives of the County of San Diego (members of the County Board of Supervisors and/or residents) appointed by the Chair of the Board of Supervisors and subject to confirmation by the Board of Supervisors
- Potentially one resident elected by two-thirds of the membership of the Authority board to serve as chair
- Board members would be subject to recall, and all meetings of the city selection committee to appoint or recall members would be held in accordance with the Brown Act.

SB 10 also includes reduction of the compensation of voting members to $150 per day of service with a maximum of six days of service a month. The Authority chair would receive an additional $500 per month.

KIM KAWADA
Policy and Legislative Affairs Program Manager

Key Staff Contacts: Kim Kawada, (619) 699-6994, kka@sandag.org
Julie D. Wiley, (619) 699-6966, jwi@sandag.org
San Diego Association of Governments

EXECUTIVE COMMITTEE

May 11, 2007

AGENDA ITEM NO.: 9

Action Requested: APPROVE

REVIEW OF MAY 25, 2007, DRAFT BOARD AGENDA

+1. APPROVAL OF APRIL 27, 2007, MEETING MINUTES

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Members of the public shall have the opportunity to address the Board on any issue within the jurisdiction of SANDAG. Anyone desiring to speak shall reserve time by completing a “Request to Speak” form and giving it to the Clerk of the Board prior to speaking. Public speakers should notify the Clerk of the Board if they have a handout for distribution to Board members. Speakers are limited to three minutes. Board members also may provide information and announcements under this agenda item.

CONSENT ITEMS (3 through ##)

+3. ACTIONS FROM POLICY ADVISORY COMMITTEES

This item summarizes the actions taken by the Borders Committee on April 27, the Transportation and Regional Planning Committees on May 4, the Executive Committee on May 11, and the Transportation Committee on May 18, 2007.

+4. CALIFORNIA BIODIVERSITY COUNCIL QUARTERLY MEETING (Keith Greer)

The California Biodiversity Council (CBC) met on April 11 and 12, 2007, in San Jose to discuss balancing the needs of biodiversity conservation and off-highway vehicle recreation. The CBC is a statewide council established to design a strategy to preserve biological diversity and coordinate implementation of this strategy through regional and local institutions. The CBC holds quarterly meetings around the state to improve coordination among state and federal land management agencies and local interests. Mike Chrisman, Secretary of the Resources Agency, and Mike Pool, State Director, co-chair the meetings.

+5. FY 2008 WEIGHTED VOTING FORMULA (Renée Wasmund)

On an annual basis, SANDAG is required to recompute the weighted vote of the Board of Directors based on updated population figures. The population figures used for this purpose have been certified by the California Department of Finance. The Board of Directors is asked to approve the FY 2008 weighted voting formula.
+6. QUARTERLY INVESTMENT REPORT – PERIOD ENDING DECEMBER 31, 2006 (Lauren Warrem) INFORMATION

State law requires that the Board of Directors be provided a quarterly report of investments held by SANDAG. This report includes all money under the direction or care of SANDAG as of December 31, 2006.

+7. QUARTERLY PROGRESS REPORT ON TRANSPORTATION PROJECTS (José A. Nuncio) INFORMATION

This quarterly report summarizes the current status of major highway, transit, arterial, traffic management, and transportation demand management projects in the SANDAG five-year Regional Transportation Improvement Program for the period January 1 through March 31, 2007.

+8. REPORT SUMMARIZING DELEGATED ACTIONS TAKEN BY EXECUTIVE DIRECTOR (Renée Wasmund) INFORMATION

In accordance with SANDAG Board Policy Nos. 003 (Investment Policy), 017 (Delegation of Authority), and 024 (Procurement and Contracting-Construction), this report summarizes certain delegated actions taken by the Executive Director since the last Board of Directors meeting.

9.

10.

CHAIR’S REPORTS (11 through XX)

11. REPORTS ON MEETINGS AND EVENTS ATTENDED ON BEHALF OF SANDAG INFORMATION

Board members will provide brief reports on external meetings and events attended on behalf of SANDAG since the last Board of Directors meeting.

+12. SENATE BILL 10: AIRPORT AUTHORITY REFORM ACT OF 2007 (Kim Kawada and Julie Wiley) DISCUSSION/POSSIBLE ACTION

SANDAG has continued to work with Senator Christine Kehoe, San Diego County Regional Airport Authority, City of San Diego, and others on Senate Bill 10, the San Diego County Regional Airport Authority Reform Act of 2007. The Board of Directors is asked to consider a possible position on the bill.
REPORTE (15 through XX)

+15. INTERSTATE 15 INTERREGIONAL PARTNERSHIP: PHASE II FINAL REPORT
(Imperial Beach Councilmember Patricia McCoy, Borders Committee Chair; Jane Clough-Riquelme)

The Borders Committee recommends that the Board of Directors approve the Final Report for Phase II of the Interstate 15 Interregional Partnership. The report summarizes the results of transportation, economic development, and housing strategies pursued during Phase II, including the two-county employment cluster study and the Caltrans cooperative county line transportation study.

+16. CORRIDOR MOBILITY IMPROVEMENT ACCOUNT-RELATED AMENDMENT TO THE TransNet EARLY ACTION PROGRAM* (San Diego Councilmember Jim Madaffer, Transportation Committee Chair; José A. Nuncio)

The $4.5 billion Corridor Mobility Improvement Account (CMIA) program of Proposition 1B is providing funds for key transportation projects in the San Diego region. The adoption of the CMIA program identifies funds that will provide a significant boost of non-TransNet funding to corridors included in the TransNet Ordinance. CMIA funds, however, can only be programmed for construction. The costs of initial environmental and design phases must be paid with other sources. This report outlines the current funding plans for the CMIA-funded projects and specific actions related to the TransNet Early Action Program needed to ensure that work on these initial phases can begin without delay.

+17. 2007 REGIONAL TRANSPORTATION PLAN: PROPOSED MODIFICATIONS TO THE REGIONAL ARTERIAL SYSTEM (San Diego Councilmember Jim Madaffer, Transportation Committee Chair; Heather Werdick)

The Regional Arterial System (RAS) constitutes that part of the local street and road network which, in conjunction with the system of highways and transit services, provide for mobility throughout the region. The RAS is being updated in conjunction with the 2007 Regional Transportation Plan. In October 2006, the Transportation Committee reviewed the screening criteria and approved the update process for the RAS. At its May 18, 2007, meeting, the Transportation Committee recommended approval of the RAS Update to the Board of Directors.
SANDAG Board Policy No. 033 requires an annual review and evaluation to determine whether changes to the Regional Housing Needs Assessment (RHNA) implementation guidelines are needed. Issues to be considered during the annual review include, but are not limited to: lessons learned during the prior year, the relationship between the RHNA memorandum and SANDAG smart growth goals, and new funding sources proposed to be subject to the memorandum.

Nancy Graham, Centre City Development Corporation President, will summarize the agency’s key regional projects in downtown San Diego.

The next Policy meeting of the Board of Directors is scheduled at 10 a.m. for Friday, June 8, 2007. The next Business meeting of the Board of Directors is scheduled at 9 a.m. for Friday, June 22, 2007.

+ next to an agenda item indicates an attachment
* next to an agenda item indicates a San Diego Regional Transportation Commission item
TO: Executive Committee

FROM: Susan Baldwin, SANDAG Staff

SUBJECT: Comments Received on Draft Summary of Propositions 1C/84 Sustainable Communities Stakeholders Consensus

Following the Propositions 1C/84 Sustainable Communities Stakeholders meeting held on Tuesday, May 1, 2007, staff sent a summary of the draft Stakeholders Consensus document developed during that meeting to the attendees and invitees requesting their comments.

The comments received by e-mail included: revisions proposed by the San Diego Building Industry Association (BIA); a letter with several comments and concerns from Lemon Grove City Manager Graham Mitchell; and a letter of support from Tom Scott, Executive Director of the San Diego Housing Federation (see attached proposed revisions/letters). In addition, we received e-mails from the cities of Chula Vista, Escondido, and Vista expressing general support for the draft document. Support also was expressed by the City of San Diego representative in a phone call, who attended the meeting.

SB

Attachments
Introduction

On January 30, 2007, SANDAG held a California Bond Stakeholders Meeting with leaders from business, labor, environmental groups, and public agencies to discuss their ideas to help ensure that the San Diego region is competitive and will receive its fair share of the state infrastructure bonds passed in November 2006. The funding will help reduce traffic congestion, provide workforce housing, and protect and enhance our local environment.

Since the general stakeholders meeting, two stakeholders meetings have been held to discuss Proposition 1C and Proposition 84 Sustainable Communities on March 15, 2007, and May 1, 2007.

Invites to the March 15 and May 1 meetings included the Regional Planning Technical Working Group (TWG) (planning/community development directors); the Regional Housing Working Group (RHWG); and the attached list of stakeholders (Exhibit A), which included attendees of the January 30, 2007, stakeholders meeting held at SANDAG, and other interested parties. A list of meeting attendees also is included in Exhibit A.

Summary of Stakeholder Consensus Regarding Criteria/Guidelines for Propositions 1C/84

The following is a draft of the consensus developed on criteria/guidelines for Propositions 1C/84 that resulted from the two regional stakeholders meetings held at SANDAG on March 15, 2007, and May 1, 2007. These criteria/guidelines will be sent out to the stakeholders for their review and comment before the Executive Committee meeting. Any changes suggested by stakeholder members will be provided to the Executive Committee on May 11.

The following criteria/guidelines for implementing legislation associated with Propositions 1C and 84 Sustainable Communities (and any revisions based on the comments of the stakeholders and/or Executive Committee) will be provided to the San Diego legislative delegation and other key state legislators. If incorporated into the implementing legislation and program regulations, these criteria/guidelines will help fund projects in the region that will implement key aspects of the Regional Comprehensive Plan (RCP).

Geographic allocation of funds

The allocation of bond funds should be based on a 40/60 percent Northern California/Southern California split. This split recognizes the north/south population breakdown in the state and has been used successfully in allocating transportation, park, and housing (Proposition 46) funds in the past.

Who allocates funds

Based on the ranking criteria listed below, state departments such as the Department of Housing and Community Development (HCD) and Department of Parks and Recreation should allocate the bond funds.
Ranking criteria for allocation of funds

Ranking criteria, not screening or threshold criteria, should be used to allocate funds in competitive processes. Additionally, all project benefit areas should meet minimum threshold criteria as defined below (approved housing element, minimum densities and waiver of development impact fees). Stakeholders generally agreed on the use of the following ranking criteria:

**Housing-related**

- **THRESHOLD:** Certified housing element and annual report submitted to state.
- Affordable housing component (15 percent of units should be affordable to households that make 80 percent or less of Area Median Income (AMI) for rental units or less than 120 percent of AMI for ownership units (AMI for 2006 is $64,900 for a family of four).
- Level of affordability (more points for providing housing affordable to households making less than 80 percent AMI).
- Quantity of planned affordable housing units and/or types of affordable housing options available.
- Length of affordability (more points for remain affordable for a longer period of time).
- Total number of housing units (market-rate and affordable) planned in association with the bond-funded project benefit area based on the ratio of units to bond funds requested (Units per Bond $). For example, if 1,000 units are planned for an area to receive $1,000,000 in bond funds, the ratio would be 1 unit/$1,000 in bond funds.
- **THRESHOLD:** The Project Benefit Area is zoned for multi-family housing. Zoning, and urban/infill development standards and urban parking standards (e.g., by-right tandem parking and reduced guest and resident parking ratios) are in place that facilitate minimum 25 units per acre or higher residential densities per state housing element law or “regional blueprint plan” density targets (e.g., the SANDAG Smart Growth Concept Map density targets).
- **THRESHOLD:** Development Impact Fees for bond-funded infrastructure are waived or reduced (e.g., development impact fees for parks should be reduced or eliminated if bond funds are provided for the new park.)

**PROJECT PROXIMITY TO SERVICES/TRANSIT; EFFICIENCY; AND URBAN DESIGN**

- Project Benefit Area contains or is within 1/4 mile of public transit service or in an area designated on the Smart Growth Concept Map with minimum 15-minute, peak-hour frequencies.
- Project Benefit Area contains or is located in proximity to parks and other public facilities/amenities.
- Bond-Funded Capital Project(s) accommodates joint uses (e.g. schools and parks, parking for transit center and adjacent uses).
- Project Benefit Area land use standards meets urban design/pedestrian-friendly design criteria (similar to SANDAG Pilot Smart Growth Incentive Program criteria).
• **Development** Projects within the project benefit area are designed in accordance with sustainable development and green building principles.

**Leveraging of funds**
Projects that leverage other funds should be ranked higher.

**Project location/Regional Blueprint Plan consistency**
- Project is consistent with Regional Blueprint Plan (e.g., in the San Diego region, project is located in an area identified on Smart Growth Concept Map)
- Project is located in low/moderate income Census tract
- Project is located within infill or redevelopment area
- Project is located in underserved/park-deficient community, per general plan standards (park projects) (also, consider allocation of park funds on per capita basis)

**General Comments**
- Consistent criteria should be used in the allocation of housing/smart growth-related Proposition 1C and 84 program funds.
- Maximum award levels should be set to ensure multiple jurisdictions receive funds.
- Project readiness should be a key criterion. (Issues related to project readiness include: if projects with CEQA compliance are funded, the funds may be replacing funds already funded through another source. An alternative to CEQA compliance might be requiring that a project must be started five years from date of award of funds.)

Attachment: Exhibit A
List of Invitees/Attendees - March 15 and May 1 Proposition 1C and Proposition 84 Sustainable Communities Meetings

Invitees to meetings:

Tom Scott, San Diego Housing Federation
Andrew Poat, San Diego Regional Economic Development Corporation (EDC)
Jeff Marston, Marston & Marston
Tyree Dillingham, Governor’s office
Elyse Lowe, Councilmember Jim Madaffer’s office
Steve Hill, Councilmember Toni Atkins’ office
Job Nelson, Mayor Sanders’ office
Brent Eidson, Mayor Sanders’ office
Matt Adams, San Diego BIA
Mike Mercurio, San Diego Association of Realtors
Tim Baker, San Diego Housing Federation
Simonne Ruff, Corporation for Supportive Housing
Richard Lawrence, Affordable Housing Coalition of San Diego County
Laura Benson, Environmental Health Coalition
Mike Nagy, San Diego Regional Chamber of Commerce
Sherm Harmer, Urban Housing Partners
Jim Waring, Mayor Sanders’ office
Catherine Trout, County Department of Housing and Community Development
Betsy Morris/Todd Phillips - San Diego Housing Commission
Hannah Cohen, Regional Task Force on the Homeless
Bill Anderson, City of San Diego
Jaymie Bradford, City of San Diego
Julie Dubick, Mayor Sanders’ office
Catherine Hill, League of California Cities
Donald Cohen, Center on Policy Initiatives
Pam Ison, Councilmember Toni Atkins office
Kirsten Clemons, Assemblymember Lori Saldana’s office
Regional Housing Working Group members
Regional Planning Technical Working Group members

Attendees of March 15, 2007, meeting:

Rachel Hurst, City of Coronado
Roni Keiser, City of Escondido
Barbara Kraber, City of Lemon Grove
Job Nelson, City of San Diego
Andrew Poat, San Diego Regional Economic Development Corporation (EDC)
Connie Soucy, Access to Independence
Laura Benson, Environmental Health Coalition
David Rehmann, San Diego Association of Realtors (SDAR)
Peter Armstrong, San Diego Housing Commission
Tom Scott, San Diego Housing Federation
Adam Krahn, San Diego Housing Federation
Susan Baldwin, SANDAG
Attendees of March 15, 2007, meeting (continued):

Bob Leiter, SANDAG
Coleen Clementson, SANDAG
Jane Signaigo-Cox, SANDAG
Carolina Gregor, SANDAG
Catherine Hill, League of California Cities

Attendees of May 1, 2007, meeting:

David Cooksy, City of El Cajon
Roni Keiser, City of Escondido
Bill Chopyk, City of La Mesa
David DeVries, City of Lemon Grove
Jim Lyon, City of Poway
Job Nelson, City of San Diego
Nancy Bragado, City of San Diego
Hugo Mora, County of San Diego
Kirsten Clemons, Office of Assemblymember Lori Saldana
Andrew Poat, San Diego Regional Economic Development Corporation (EDC)
Connie Soucy, Access to Independence
David Rehmann, San Diego Association of Realtors (SDAR)
Tom Scott, San Diego Housing Federation
Scott Molloy, BIA
Jeff Marston, Marston and Marston
John LaRaia, Barratt American
Susan Baldwin, SANDAG
Bob Leiter, SANDAG
Jane Signaigo-Cox, SANDAG
Catherine Hill, League of California Cities
May 8, 2007

Ms. Susan Baldwin  
Senior Regional Planner  
SANDAG  
401 B Street, Suite 800  
San Diego, CA  92101

SUBJECT:  Proposition 1C and Proposition 84 Sustainable Communities Funding Allocation

Dear Ms. Baldwin:

The purpose of this letter is to provide feedback regarding the proposed Sustainable Communities Funding Allocation. Lemon Grove also supports the statements made in the SANDAG response regarding the subject. Lemon Grove has six specific comments and concerns that will be addressed in this letter.

Lemon Grove has been attentively following the funding rules for Proposition 1C and Proposition 84 affordable housing funds. The City is making tremendous efforts to encourage higher density development in its downtown area, with emphasis of mixed-use development adjacent to trolley and bus nodes. Two years ago, Lemon Grove adopted an aggressive downtown specific plan that encourages transit oriented development. Also, the Lemon Grove Community Development Agency has aggressively pursued opportunities to participate with the development community in realizing affordable housing development projects.

Given the community's desire for redevelopment and the lower than County average land values, Lemon Grove is poised for significant development. However, given the manner in which the funding programs are currently designed, Lemon Grove believes that the majority of the funds available will be directed toward urban cores and not suburban markets like Lemon Grove. Without the additional affordable housing funds, the likelihood that development will be realized is greatly reduced.

After attending the Proposition 1C and Proposition 84 Sustainable Communities Funding Allocation stakeholder workshops at SANDAG, Lemon Grove staff is apprehensive that this new funding will continue to benefit the same governmental entities that past funding opportunities have benefited. It is Lemon Grove’s contention that the majority of funding from past initiatives have been focused on urban centers. It is also Lemon Grove’s assertion that the next potential location for significant affordable housing development is the suburban markets. This mostly untapped market has the potential to generate many more affordable housing units than the urban centers without creating concentrations of lower income pockets.
However, the cost per affordable housing unit is much greater in the suburban market given the density challenges suburban cities face, the NIMBYism in those communities, and the still emerging developer appetite for developing outside of the comfort zones (the urban cores). For this reason, Lemon Grove insists that the State modify the currently presented programs to accommodate suburban cities’ needs and to give funding priority to the suburban affordable housing market.

The six areas of comment and concern regarding the current program include:

1. Amend minimum transit frequencies so that projects within a quarter mile of a 30 minute peak frequency transit stops qualify for a transit oriented development incentive.

2. Amend minimum density requirements to be consistent with the SANDAG Smart Growth Concept Map and the Regional Comprehensive Plan or lower the minimum densities for the suburban center to 25 du/ac and for the urban neighborhoods to 15 du/ac.

3. Amend ranking criteria so that no incentives are given to projects that produce affordable units in excess of what is required by redevelopment law with regards to the level of affordability and the time to be maintained affordable.

4. Amend ranking criteria so that no incentives are given to projects that use more local funds.

5. Reinstate the ranking criteria to provide incentives for projects that produce a greater percent of their lower income housing in relation to Regional Housing Needs Assessment (RHNA) goals.

6. Provide the greatest incentives for projects that are built near transit stops, within lower income areas, and that are increasing housing density above what currently exists in the area.

The following paragraphs provide more information about the seven concerns/comments made.

Comment 1
HCD proposed maximum transit frequencies to be 10 minutes peak and 10-15 off-peak for suburban centers and 10 minutes peak and 20 minutes off-peak for urban neighborhoods. These frequencies are not consistent with the trolley service provided by MTS in Lemon Grove. Lemon Grove’s trolley stop frequencies are currently both at 15 minute peak and 30 minute off-peak frequencies. The frequency of bus stops in Lemon Grove range from 30 minutes to a hour during peak hours. In order to promote housing near suburban centers, the City recommends that all projects within a quarter mile of 30 minute peak frequency transit stops qualify for a transit oriented development incentive.

Comment 2
Lemon Grove is a bedroom community with more than 85 percent of the City’s residential land uses developed at densities below 7 du/ac. The City recently adopted the Downtown Village Specific Plan—the Plan rezoned the downtown area to encourage mixed-use development adjacent to a trolley station/bus node. The current minimum densities of the Downtown Village Specific Plan and the only other TOD project area range from 20 du/ac
to 45 du/ac. At these densities, housing unit structures would be built between 3 and 5 stories high.

Currently, there is only one other building in the City of Lemon Grove that is more than 2 stories, as such, the idea of 3-5 stories already pushes the limit of community acceptance. If these project areas were to be categorized as suburban centers, consistent with HCD’s proposal, densities of the City’s TOD project areas would need to be further increased to greater than 50 du/ac in order to qualify for funding. The TOD projects would then not mesh with existing development in the area at that greater density.

It is important that the State’s density requirements be consistent with the density requirements adopted by the council of governments throughout the State (including SANDAG). This requirement for suburban center projects to be a minimum density of 50 du/ac is not consistent with the Regional Comprehensive Plan (RCP) adopted by SANDAG nor the Smart Growth Concept Map (see table below). The City’s Downtown Village Specific Plan was designed to be consistent with the RCP and the Smart Growth Concept Map and the Smart Growth Concept Map even identifies the two Lemon Grove TOD project areas. Much work and research have already been conducted into these categories and density minimums and it is important for there to be consistency in planning between cities, counties and the State.

<table>
<thead>
<tr>
<th>Smart Growth Place Type</th>
<th>Minimum Residential &amp; Employment Targets</th>
<th>Minimum Transit Service Characteristics Based on RCP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metropolitan Center</td>
<td>75+ du/ac; 80+ emp/ac</td>
<td>Regional</td>
</tr>
<tr>
<td>Urban Center</td>
<td>40+ du/ac; 50+ emp/ac</td>
<td>Corridor</td>
</tr>
<tr>
<td>Town Center</td>
<td>20+ du/ac; 30+ emp/ac</td>
<td>Corridor/Community</td>
</tr>
<tr>
<td>Community Center</td>
<td>20+ du/ac</td>
<td>High-Frequency Local</td>
</tr>
<tr>
<td>Rural Village</td>
<td>10.9+ du/ac</td>
<td>N/A</td>
</tr>
<tr>
<td>Special Use Center</td>
<td>Optional residential; 45+ emp/ac</td>
<td>High-Frequency Local</td>
</tr>
<tr>
<td>Mixed Use Transit Corridor</td>
<td>25+ du/ac</td>
<td>High-Frequency Local</td>
</tr>
</tbody>
</table>

**Comment 3**
At the latest stakeholder meeting on May 1, 2007, ranking criteria was recommended for the allocation of funds. It is the feeling of the City of Lemon Grove that this ranking criteria disqualifies the City’s projects from funding and encourages funding to cities with urban cores and a much greater population. It seems that the next wave of affordable housing, both from a land use stance and an economic perspective, will occur in the suburban markets. If the goal is to take advantage of this wave and to rectify suburban sprawl, the policy should lean more favorably for the suburban market. The ranking criteria that is written now positions suburban markets to be at a disadvantage. Unlike the larger more affluent cities, Lemon Grove does not have a significant amount of
affordable housing funds and cannot afford to build affordable housing projects with City funds alone. Therefore, developing an application process that provides higher rankings to projects that produce affordable units in excess of what is required by redevelopment law results in a disadvantage to the City of Lemon Grove and other smaller jurisdictions. The draft document proposes 15 percent of units to be affordable to households that make 80 percent or less of Area Median Income (AMI) for rental units. This should be increased to 120 percent or less of AMI. Also, additional incentives for projects with a level and length of affordability in excess of what is required by redevelopment law further discourages funding in smaller jurisdictions.

Comment 4
Adding incentives to projects that use more local funds also discourages projects within smaller jurisdictions for the same reasons mentioned above. The cities that have more local funds to be used on these TOD housing projects should be considered to be in less need of the funding, not more.

Comment 5
The only added incentive that could have helped the City of Lemon Grove receive funding was deleted from the draft: “Production of lower income housing in relation to Regional Housing Needs Assessment (RHNA) goals.” Incentives such as this help smaller jurisdictions be competitive in the funding allocation process and should be encouraged.

Comment 6
The City would like to see the greatest incentives go towards housing projects that are built near transit stops, within lower income areas, and that are increasing housing density above what currently exists in the area. The City was under the impression that this was the overall purpose of the funding allocation. The added ranking criteria proposed at the May 1st meeting has displaced this overall purpose. Since part of the purpose is to increase housing density near transit stops, the City requests that an incentive be added for projects with a greater increase in density from what currently exists in the area. Example A: An area with 0 du/ac existing increasing to 25 du/ac would receive 25 incentive points. Example B: An area with 10 du/ac existing increasing to 80 du/ac would receive 70 incentive points. The existing area could be considered the project site and five hundred feet from the project boundaries.

Please provide me with the contact information of your liaison at HCD regarding this matter. Thank you for considering this request. Please feel free to call me at (619) 825-3800 if you have any questions, comments, or concerns.

Sincerely,

Graham Mitchell
City Manager

cc: Catherine Hill, League of California Cities
May 10, 2007

Mary Sessom, Chair
San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Re: Propositions 1C/84 Sustainable Communities Stakeholders Consensus

Dear Chairperson Sessom:

On January 24, 2007 SANDAG hosted a presentation by the Governor’s office on the bond packages included in his Strategic Growth Initiative. We learned that several of the components of the packages required further legislation to determine how the funds would be allocated. At that meeting it was suggested that the region attempt to get consensus on the principles for such legislation and then ask our legislative delegation to include them in the final bills. The goal was to develop criteria that make our local jurisdictions at least, if not more, competitive the other parts of the state.

Given that several of the infrastructure components to be defined were part of Proposition 1C, The Housing and Emergency Shelter Trust Fund Act of 2006, it was suggested that the San Diego Housing Federation take the lead on organizing a stakeholders’ working group to see if we could get regional consensus on these components. We met with Andrew Poat from the San Diego Regional Economic Development Corporation to discuss strategy and ultimately we asked SANDAG to staff the effort with the Federation and EDC as co-chairs. The staff report details what has taken place to date.

There was broad consensus on this document because it sets most of the criteria as ranking/scoring criteria as opposed to threshold/minimum criteria. While some individual interest groups, including the San Diego Housing Federation, would prefer that some criteria be threshold or minimum criteria, we believe that our members and our cities would compete very well under these ranking criteria without shutting out some potentially great projects that may not meet one threshold criterion.

For that reason, I urge your support of this consensus document.

Sincerely,

Tom Scott
Executive Director
May 10, 2007

Mary Sessom, Chair  
San Diego Association of Governments  
401 B Street, Suite 800  
San Diego, CA 92101

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Tom Scott  
Executive Director