REGIONAL PLANNING TECHNICAL WORKING GROUP

The Regional Planning Technical Working Group (RPTWG) may take action on any item appearing on this agenda.

Thursday, March 8, 2007
1:15 – 3:15 p.m.
SANDAG, 7th Floor Conference Room
401 B Street, Suite 800
San Diego, CA 92101-4231

Staff Contact: Carolina Gregor
(619) 699-1989
cgr@sandag.org

AGENDA HIGHLIGHTS

• 2007 REGIONAL TRANSPORTATION PLAN INITIAL REVENUE CONSTRAINED AND REASONABLY EXPECTED REVENUE SCENARIOS
• PILOT SMART GROWTH INCENTIVE PROGRAM – LESSONS LEARNED
• UPDATE ON IMPLEMENTATION GUIDELINES FOR STATEWIDE PROPOSITIONS 1C AND 84
• I-PLACE³S AND PECAS: SANDAG’S NEXT GENERATION OF SMALL AREA LAND USE MODELS

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ITEM #                        RECOMMENDATION

1. WELCOME AND INTRODUCTIONS

2. PUBLIC COMMENTS AND COMMUNICATIONS

   Members of the public will have the opportunity to address the Technical Working Group on any issue within the jurisdiction of the Working Group. Speakers are limited to three minutes each.

   CONSENT ITEMS (3 through 5)

+3. TECHNICAL WORKING GROUP MEETING SUMMARY

   The Regional Planning Technical Working Group (TWG) should review and approve the February 8, 2007, meeting summary.

4. REMINDER: FORM 700 STATEMENT OF ECONOMIC INTERESTS (Carolina Gregor)

   TWG members and alternates are required to fill out a Form 700 Statement of Economic Interests on an annual basis. The form can be downloaded from the Fair Political Practices Commission Website at http://www.fppc.ca.gov/index.html?=36. Signed forms must be mailed to Deborah Gunn at SANDAG by Monday, March 19, 2007.

5. UPCOMING NEXUS STUDY WORKSHOP (Bob Leiter)

   The TransNet Regional Transportation Congestion Improvement Program (RTCIP) ensures that future development will contribute its fair share toward funding and mitigating new traffic impacts on the Regional Arterial System (RAS). THE RTCIP requires each local jurisdiction to establish a program or mechanism to collect an impact fee for new residential units. SANDAG has completed the required nexus study to satisfy the California Government Code requirements for funding programs utilizing a development impact fee. SANDAG will host a workshop on Thursday, April 5, 2007, from 12 noon to 4 p.m. in the SANDAG Board Room to discuss implementation of the RTCIP. TWG members are invited. Lunch will be served.
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<th>ITEM #</th>
<th>REPORT ITEMS (6 through 11)</th>
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<tr>
<td>6.</td>
<td>REPORTS FROM TWG MEMBERS</td>
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<td>INFORMATION</td>
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<td>Members of the TWG may report on their activities, upcoming events, and/or planning-related conferences.</td>
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<td>7.</td>
<td>2007 REGIONAL TRANSPORTATION PLAN INITIAL REVENUE CONSTRAINED AND REASONABLY EXPECTED REVENUE SCENARIOS (Mike Hix)</td>
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<td>DISCUSSION</td>
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<td>Staff will present initial options for Revenue Constrained and Reasonably Expected Revenue Scenarios for the 2007 Regional Transportation Plan (RTP). Staff also will discuss these options with SANDAG’s Transportation Committee and Board of Directors in March. Specific scenarios will go back to the Board in April and into the draft 2007 RTP in June 2007.</td>
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<td>9.</td>
<td>PILOT SMART GROWTH INCENTIVE PROGRAM - LESSONS LEARNED (Stephan Vance and Christine Eary)</td>
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<td>Based on the experience gained to date in developing and implementing the Pilot Smart Growth Incentive Program (SGIP), staff will report on lessons learned about how well the program is meeting its goals. The report will also address how these lessons might be used to develop the long-term Smart Growth Incentive Program that will be funded through the TransNet extension.</td>
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<td>UPDATE ON IMPLEMENTATION GUIDELINES FOR STATEWIDE PROPOSITIONS 1C AND 84 (Susan Baldwin)</td>
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<td>DISCUSSION</td>
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<td>Staff will update the TWG on the regional and statewide discussions on implementation guidelines for Propositions 1C and 84.</td>
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+10  I-PLACE$^3$S AND PECAS: SANDAG’S NEXT GENERATION OF SMALL AREA LAND USE MODELS
(Carolina Gregor and Ed Schafer)

a. I-PLACE$^3$S Sketch Modeling Tool: SANDAG has contracted with EcoInteractive to develop a sketch model planning tool for the San Diego region. I-PLACE$^3$S is designed to provide planners and communities with the opportunity to develop alternative “what-if” land use scenarios for selected planning areas and evaluate the results of those scenarios based on indicators related to housing, jobs, and other public facilities. The development of the model is nearing completion, and staff will provide an overview of the functions and capabilities of the tool. Training sessions on I-PLACE$^3$S are proposed for local planning staffs this spring.

b. PECAS: SANDAG is currently preparing a contract with Drs. John Hunt and John Abraham of the University of Calgary to develop an integrated urban simulation model for the San Diego region. Currently, Drs. Hunt and Abraham are under contract with Caltrans and the University of California Davis to develop a PECAS-based freight movement model for the state. PECAS will replace the Urban Development Model as SANDAG’s small-area forecasting tool. The new PECAS model uses current rents and vacancy rates to trigger the development of additional square footage of residential and non-residential space. In addition, it uses land economics and explicit travel costs to locate the new development in space. This model will provide SANDAG with a more sensitive simulation tool for various policy studies. The model will take three or four years to develop. During model development, staff will consult with the TWG for their input and suggestions regarding model development. A presentation will be made on the PECAS model.

11. ADJOURNMENT AND NEXT MEETING

The next TWG meeting will be held on Thursday, April 12, 2007, from 1:15 - 3:15 p.m.
Agenda Item #1: Welcome and Introductions

Niall Fritz, City of Poway, chaired the meeting. Self-introductions were conducted.

Agenda Item #2: Public Comments and Communications

There were no public comments.

CONSENT ITEMS (3 through 7)

Agenda Item #3: Summary of the January 11, 2007, Technical Working Group Meeting

This item was not pulled from the Consent agenda.

Agenda Item #4: Tribal Representation on SANDAG Board and Policy Committees

Coleen Clementson, SANDAG staff, informed the TWG about the SANDAG Board’s recent action approving the addition of the Southern California Tribal Chairman’s Association (SCTCA) to the Board of Directors as a voting member, as well as to the Transportation, Regional Planning, and Public Safety Policy Advisory Committees, as advisory members. On January 26, 2007, the Chairs of SANDAG and SCTCA signed a Memorandum of Understanding to memorialize the agreement.

Agenda Item #5: U.S. Environmental Protection Agency (EPA) Smart Growth Implementation Assistance Program

This item was not pulled from the Consent agenda.

Agenda Item #6: SANDAG Fiscal Year 2008 Overall Work Program (OWP) Elements Related to the Implementation of the Regional Comprehensive Plan (RCP), Housing, Smart Growth, and Tribal Activities

This item was not pulled from the Consent agenda.

Agenda Item #7: Updated Roster and Form 700 Statement of Economic Interest

This item was not pulled from the Consent agenda.

A motion and second were made to approve the Consent Agenda. The motion passed unanimously.
Agenda Item #8: Reports from Technical Working Group (TWG) Members and Recognition of Steve Apple, Director of Community Development from the City of Solana Beach

TWG members and SANDAG staff thanked Mr. Apple for his 21 years of service to the City of Solana Beach and his outstanding service to the Working Group.

Susan Baldwin, SANDAG staff, provided an update on the Regional Housing Needs Assessment (RHNA) Board Policy No. 033 implementation. She noted that SANDAG received seven applications for the bicycle/pedestrian funding, which are required to comply with the Board policy. Eight jurisdictions (including the seven applicants) have completed their housing elements including the City of San Diego, which received a compliance letter from the California Department of Housing and Community Development on February 5, 2007. All seven applicants have submitted some type of final report of how many units were built during the first year of the housing element cycle for the four income categories. Whether the data are consistent is yet to be determined. At the last meeting we discussed whether to use building permits or certificates of occupancy and about combining the moderate and above moderate income data together, and also about whether to count the previous 2.5 years of housing production before the housing element cycle started in evaluating progress toward the RHNA goals. Staff has decided that we will not use units produced during the 2.5 years for this application period but will consider their use in the future. We are still analyzing the information provided by the seven applicants to determine if we have the information we need or if there is any data missing. Staff will contact the jurisdictions individually regarding any missing information or questions that may arise from the data submitted.

Agenda Item #9: 2007 Regional Transportation Plan (RTP) Unconstrained Network

Mike Hix and Dave Schumacher, SANDAG staff, presented the TWG with the Unconstrained Highway and Transit Networks developed for the 2007 Regional Transportation Plan (RTP). The Unconstrained Network is not limited by revenues, and attempts to meet the 2030 travel needs of the region where reasonable.

Carolina Gregor, SANDAG staff, commented that staff has created maps that overlay the smart growth areas included on the Smart Growth Concept Map with the transit routes included in the Unconstrained Network, and that staff will be available to discuss any questions with TWG members after the meeting.

Questions and comments included:

Andy Hamilton, Air Pollution Control District, asked if the transportation model is sensitive to freeway based bus rapid transit (BRT) versus arterial based BRT. Mr. Schumacher responded that the model can replicate travel times savings but replicating subjective features accurately is more difficult. He added that SANDAG has to prove its case to the Federal Transit Administration (FTA) in order to receive the discretionary capital funding and they are very strict about the models used.

Bill Chopyk, City of La Mesa, asked where the BRT line on Interstate 15 (I-15) ends. Mr. Schumacher stated that it connects to Temecula and Murrieta in Riverside County, where planners from that area are analyzing and coordinating how to extend service and make the appropriate connections. Mr. Hix added that SANDAG operates many vanpools to Riverside County and is working with them to determine when those van pools can be converted to bus service. Mr. Chopyk asked if something...
similar is being planned for I-8 East to connect with Imperial Valley. Mr. Hix stated that the demand for BRT is still very low from Imperial Valley.

Mr. Hix passed out regional maps of the Unconstrained Highway and Transit Network and highlighted the differences from the last RTP. He stated that the unconstrained network will be brought back to the Transportation Committee and to the SANDAG Board in March, with approval of the scenarios by the Board in April.

Barbara Redlitz, City of Escondido, asked which side of the freeway the SPRINTER extension to North County Fair would be on. Mr. Schumacher stated there was a study conducted a few years ago to evaluate the placement and that this is something that can be further discussed with the City of Escondido.

Mr. Hamilton questioned the Board’s commitment to smart growth. He stated State Route (SR) 78 is a congested area and asked if the Board will be rewarding smart growth areas with transportation projects. Mr. Hix responded that the challenge will be the funding shortfalls for this RTP. The costs of infrastructure and construction have gone up and SANDAG may not be able to fund already committed projects unless the Board considers alternate funding sources.

Mr. Fritz asked where the service demand is coming from on SR 76, east of I-15. Mr. Hix stated that some of it is coming from the development occurring on the tribal reservations. Caltrans is conducting specific studies on traffic in that area which is calling for the expansion of the roadways, and from other developments included in the GP 2020 of the County of San Diego.

In response to Mr. Hamilton’s question, Ms. Gregor stated that from a policy perspective, there continues to be significant commitment to smart growth in the region through the Regional Comprehensive Plan (RCP) and the RTP. Outlined in the land use section of the 2008 Overall Work Program, which was highlighted in Agenda Item #6, SANDAG will be creating a “Smart Growth Toolkit” that will provide assistance for local smart growth projects in Smart Growth Areas, including emerging planning tools, community outreach and education, and smart growth financing strategies to help get projects built. Some of these tools, including the I-PLACE’S sketch modeling tool, will be featured at upcoming TWG meetings, and SANDAG will be providing training opportunities for local planning staffs to learn about their application.

Mr. Chopyk asked where the highway lines on the regional network end and if the I-5 high-occupancy-vehicle (HOV) lanes connect with Orange County through the San Onofre checkpoint. Mr. Hix stated that, yes, there is a major Orange County study looking at the I-5 corridor and how the lanes will match up.

Agenda Item #10: Integrated Regional Infrastructure Strategy (IRIS) of the Regional Comprehensive Plan (RCP) and Future Funding for Habitat Preservation, Beach Sand Replenishment, and Regional Stormwater Management

Jane Signaigo-Cox presented an overview of the Integrated Regional Infrastructure Strategy (IRIS) of the RCP. The IRIS took a systematic approach to addressing regional infrastructure needs and identifying existing and future revenue sources in the following regional infrastructure areas: transportation; water supply and delivery; wastewater; stormwater management; solid waste collection, recycling and disposal; energy supply and delivery; education; and parks and open space. Ms. Signaigo-Cox also provided updated estimates of infrastructure needs in three non-transportation areas: habitat, beach sand replenishment, and stormwater management.
Questions and comments included:

Lance Schulte, North County Transit District, asked about the costs of stormwater management to address runoff from streets and roads. Rob Rundle, SANDAG staff, answered that SANDAG worked with local jurisdictions to help determine the costs they will incur to comply with the permit requirements. Mr. Schulte commented that perhaps a supplemental gas tax may be appropriate because it would link stormwater management to the road system, where most of the runoff comes from.

Patrick Murphy, City of Encinitas, asked if the estimated cost for the open space acquisition and maintenance is related to the maintenance of the property that is purchased through the acquisition or the maintenance of open space in general. Keith Greer, SANDAG staff, responded that it is both and includes anything that is identified as preserve land.

**Agenda Item #11: TransNet Regional Habitat Conservation Fund Program**

Keith Greer, SANDAG staff, provided information regarding the TransNet Regional Habitat Conservation Fund Program. In November the Regional Planning Committee was asked to recommend that that SANDAG Board approve: (1) the proposed budget for FY 2007 Environmental Mitigation Program (EMP) Regional Habitat Conservation Fund (RHCF) expenditures totaling $2 million when funds become available; (2) the conceptual five-year funding strategy for management and monitoring identified by the EMP working group; and (3) authorization for the Executive Director to solicit proposals and develop contracts when funds become available.

Questions and comments included:

Mr. Schulte asked if SANDAG is looking at easements and working with conservancies when they are trying to acquire habitat. Mr. Greer stated that SANDAG is looking at those things as well as looking at broader approaches in order to better leverage Proposition 84 dollars and other funds.

Mr. Chopyk asked where the biological gnatcatcher surveys will be conducted. Mr. Greer stated that for the first time, they will be conducted county-wide and will include coastal sage scrub areas. He stated that the survey will be done on randomly selective publicly-owned lands. Mr. Chopyk stated that many jurisdictions are already doing their own monitoring and noted there may be some overlap in the work of SANDAG and the jurisdictions. He stated he was glad to see that SANDAG is doing this work and is interested in possibilities for information-sharing.

Mr. Hamilton asked what the organizational model of the EMP program is. Mr. Greer stated that the gnatcatcher program already is an existing program, and in terms of the larger structure, the program developer position will be a contract position that will make recommendations to SANDAG committees and Board on what they believe is politically feasible for the region.

Karen Brindley, City of San Marcos, stated she wanted to reinforce the importance of approaching this issue from a regional management perspective as well as a regional funding perspective.
Agenda Item #12: Follow-up on Bond Proposition Funding

Ms. Clementson provided an update on the meeting SANDAG staff held with leaders from business, labor, environmental organizations, and public agencies on January 31, 2007, to discuss their ideas on how to help ensure that the San Diego region is competitive in receiving bond dollars. She added that since that meeting, some preliminary discussion has occurred about which entities at the regional level would take the lead on these efforts. Ms. Clementson stated that on Proposition 1B, SANDAG will take the lead; on Proposition 84, Keith Greer will take the lead; no resolution has been made on Proposition 1C. Ms. Clementson added that staff will keep the TWG informed on this issue.

Questions and comments included:

Nancy Bragado, City of San Diego, stated that the City of San Diego has been working on establishing a list of priorities under the bond measures through the Mayor’s office.

Ms. Clementson stated that is has been suggested that some of the Proposition 1C money should be block granted to SANDAG to help supplement the Smart Growth Incentive Program (SGIP) and that SANDAG be responsible for distributing those funds. Ms. Clementson noted that the San Diego region will be more successful in obtaining funding if there is a unified approach.

Ms. Baldwin announced that SANDAG is hosting two meetings in March at the request of the Department of Housing and Community Development (HCD). The first meeting is to gain feedback on the “BEGIN” program that is focused on homeownership and regulatory relief. The second meeting will discuss criteria being developed to allocate the Transit-Oriented Development (TOD) funds that HCD is responsible for allocating that do not require implementing legislation. She added that TWG members can participate in the development of the criteria for the program by attending the meeting and by reviewing the program guidelines on HCD’s Web site: http://www.hcd.ca.gov/fa/begin/. Ms. Baldwin stated she would forward information on the meetings to TWG members.

Agenda Item #13: Report on the First SPRINTER Smart Growth Working Group

Ms. Baldwin stated that the SPRINTER Smart Growth Working Group held its first meeting on January 31, 2007. She noted that the idea of the group is to work together on the implementation of smart growth around the 15 SPRINTER stations in North County. Some of those sites are existing/planned smart growth areas, but a majority of them qualify as potential smart growth areas that require land use changes. Ms. Baldwin stated that the working group is primarily made up of TWG members and Cities/Counties Transportation Advisory Committee (CTAC) members of the jurisdictions located within the SPRINTER corridor. Jerry Backoff, City of San Marcos, has agreed to chair this group and Michael Shanahan is the vice chair. She stated that the next meeting will be held in March and will include a tour of the SPRINTER line. The group plans to meet quarterly.

Questions and comments included:

Mr. Hamilton asked if political representatives from the involved jurisdictions are members of the working group. Ms. Baldwin responded that no elected officials are members of the working group;
however, this group will be reporting to the Regional Planning Committee (RPC). Ms. Clementson added the RPC has approved the working group’s charter.

Mr. Schulte added that representatives from Palomar Pomerado Health were at the meeting speaking about the importance of transit for their employees and patients. Ms. Baldwin stated that representatives from California State University San Marcos (CSUSM) and Mira Costa College were in attendance and hopefully a Palomar College representative will be present at the next meeting.

Mr. Hamilton stated he has been asked by Kaiser Permanente to do a smart growth presentation for their architects.

Ms. Gregor mentioned that professors from San Diego State University (SDSU) have expressed interest in having their students look at some of SANDAG’s potential smart growth areas for their student projects, and encouraged jurisdictions to contact her if they are interested in collaborating with the university.

**Agenda Item #14: Proposal for Joint Meeting with the Cities/County Transportation Advisory Committee (CTAC)**

Ms. Gregor stated that due to scheduling conflicts, the proposed joint meeting with CTAC and the TWG is no longer scheduled and the RTP Reasonably Expected Scenario will be brought to each group separately.

Ms. Baldwin suggested holding a Housing Element Debriefing Session, possibly before or after the next TWG meeting.

**Agenda Item #15: Adjournment and Next Meeting**

The next TWG meeting will be held on Thursday, March 8, 2007, from 1:15 – 3:15 p.m.
PILOT SMART GROWTH INCENTIVE PROGRAM - LESSONS LEARNED

File Number 300220

Introduction

The 2003 Regional Transportation Plan (RTP), MOBILITY 2030, called for the creation of a five-year, $25 million pilot program to provide transportation funding incentives to encourage smart growth development. In 2004, the Regional Comprehensive Plan (RCP) also called for SANDAG to coordinate its transportation investments with local land use decisions through incentives and collaboration. In implementing both the RTP and the RCP, SANDAG established its Pilot Smart Growth Incentive Program (SGIP) in 2005, awarding $19.1 million to 14 local smart growth development projects. An additional $3.4 million was awarded in 2006, bringing the total to $22.5 million divided among 16 projects. The pilot program is a precursor to a longer-term smart growth incentive program that will be funded through the local TransNet half-cent sales tax program, beginning in FY 2009 when $6 million in funding will be available for smart growth projects. The TransNet program will dedicate 2 percent of the annual revenues over its 40-year life.

The purpose of this report is to outline lessons learned thus far in implementing the pilot program, and to begin looking toward the development of the longer-term TransNet Smart Growth Incentive Program. It also provides a brief update on the status of the currently funded projects. The list of projects in Attachment 2 provides information on the status of the projects.

Discussion

Project Selection Process

In April 2005, the SANDAG Board of Directors approved project evaluation criteria and program guidelines for the SGIP, and authorized staff to issue a call for projects funded through the federal Transportation Enhancements (TE) program. The evaluation criteria were established by the SANDAG Board of Directors after extensive input from the Regional Planning and Transportation Committees, the Regional Planning Technical Working Group (RPTWG), the Cities/County Transportation Advisory Committee (CTAC), and the Regional Planning Stakeholders Working Group (RPSWG) (see Attachment 1). SANDAG received applications for 33 projects from 12 agencies, requesting over $44 million in funding. The maximum allowable grant was $2 million.
The projects were evaluated by a panel of six volunteers from the RPSWG, a volunteer from the San Diego Council of Design Professionals, and a SANDAG staff member. This process proved highly effective for several reasons. There was broad agreement on the evaluation criteria, the evaluation panel had no stake in the projects they were evaluating, and their independent evaluations produced very consistent rankings among the top rated projects. In short, the process was widely regarded as fair and impartial.

**Program Objectives and Results**

During the pilot program development process, a number of program objectives were identified, and the following results have been observed thus far:

- **The Projects are “Ready-to-Go.”** Six of the approved projects were scheduled for completion in 2006, with the remaining ten projects scheduled for completion between 2007 and 2009. However, as of February 2007, none of the projects have been completed. It is typical to see optimistic project schedules in grant applications, but a good portion of the additional project development time has been a result of the federal funding process, as described in more detail below.

- **The Projects Influence Land Development.** The funded projects should positively influence land development through pedestrian enhancements, creation of public gathering spaces, transit area enhancement and such that help create an environment that promotes smart growth development. The funding is helping to close the gap for projects that are at more advanced stages of development, or is otherwise laying the groundwork for smart growth development by helping to create a more attractive environment for private investment in land development.

- **The Projects Support Public Transit.** All of the projects are in areas directly served by public transit, and four are at or adjacent to light rail transit stations or a major bus transit corridor.

- **The Projects Support Housing Development.** According to the project applications, the recommended projects will directly support 3,800 units of new housing development, approximately 11 percent of which will be affordable housing. However, for some projects, market conditions or community opposition may have prevented the originally planned amount of housing from being built.

- **The Projects Demonstrate Smart Growth in a Variety of Settings.** The projects recommended for funding are distributed through every subregional area except the North County Coastal and unincorporated areas. This outcome was significantly impacted by the low-income household bonus points that were added to the evaluation criteria by the SANDAG Board as part of the process of reaching an agreement on the Regional Housing Needs Assessment (RHNA) allocation formula.
Lessons Learned Regarding Application and Selection Process

While the selection process generally was a success, SANDAG staff has identified several issues to consider in developing the future TransNet SGIP:

- Evaluating Urban Design Qualities of Projects. One of the more subjective components of the selection process was evaluating the urban design features of the projects. In the coming year, SANDAG will be developing Urban Design Guidelines that will illustrate urban design best practices for smart growth areas. The guidelines will help establish a definition of quality urban design that could be incorporated into the TransNet SGIP selection criteria. A method for incorporating both the Urban Design Guidelines and SANDAG’s Planning and Designing for Pedestrians into the selection process should be developed.

- Independent Review Panel. The independent review panel was a successful element of the Pilot SGIP. However, the current RPSWG will have completed its work on the RTP before the first TransNet SGIP project selection process, which is likely to take place early in 2008. An ongoing source of independent review panel members will have to be identified.

- Impact of the RHNA Allocation Formula Compromises. In the Pilot SGIP, bonus points were awarded to projects in jurisdictions with a higher percentage of low-income households than the regional average. As intended, this was a significant factor in the selection process. The future TransNet SGIP will be required to comply with Board Policy No. 033, which will award points based on affordable housing production rather than historical household income distribution. In principle, this should make the process more competitive across the region.

- Ensuring Projects Meet Program Objectives. As discussed above, most selected projects met the program’s objectives, but some of the projects were in areas where quality smart growth development was already taking place and the SGIP funds were primarily closing a funding gap for the project. When developing the TransNet SGIP, SANDAG policy makers should weigh the risk of providing funding as a true incentive to potential smart growth development against the relative certainty of supporting projects where the program is only providing the final increment of financing for a project that may move forward without SANDAG support.

- Rewarding Pending or Future Smart Growth Plans. The Pilot SGIP process only gave credit for the “Intensification of Development” criterion when the increased densities were in an adopted community plan. In at least one case, however, a community plan amendment was pending but not approved, and that prevented the project from competing successfully. In developing the TransNet SGIP, methods of accommodating such circumstances should be considered.
Lessons Learned Regarding Program Implementation

Through project oversight of the Pilot SGIP, SANDAG staff has identified the following implementation issues:

- **Not All Projects Survive the Project Development Process.** Some funded projects are early in the development process and could fall prey to community resistance or a change in local priorities. In fact, projects often are modified for a variety of reasons as they move through the development process. A method for evaluating such changes should be developed for the TransNet SGIP so it is clear when changes to a project are so significant that the funding decision should be reconsidered.

- **Related Land Development Does Not Always Occur as Promised.** Pilot SGIP applicants were evaluated in part on the related land development associated with the proposed project. To date, plans for several related land development projects have been deferred or modified due to market conditions or community opposition. This can affect the Pilot SGIP in two ways: (1) if the SGIP project’s matching funds were contingent on related land development, the jurisdiction is forced to identify other sources of funding to complete the project; and (2) the resulting project area densities could end up being less than those stated in the original SGIP application.

- **Community-based Organizations Should be Better Involved in the Process.** Providing mechanisms for community involvement in the process of generating projects for the program will help ensure community support for the selected projects. Additionally, a method of demonstrating broad-based community support for the project should be included in the application process. Greater community involvement would help increase a project’s chances of surviving the project development process, and could provide fertile ground for innovative ideas.

- **Program Funding Sources Affect the Project Development Process.** Funding the Pilot SGIP with federal TE funds has added complexity to the process, often resulting in longer project development timelines as applicants are required to meet federal funding and environmental requirements. Among the hurdles that had to be overcome have been completing a parallel TE application process, securing National Environmental Policy Act (NEPA) certification, and processing funding requests through the California Transportation Commission (CTC). The high demand for funds under this program may argue for supplementing the TransNet SGIP with federal TE funds, but this should be weighed against the potential impact on the project development process.

In summary, the Pilot SGIP has been largely successful, but there are ample opportunities to improve in the future. The selected projects were of high quality, but implementation is taking longer than anticipated. The process demonstrated that there is significant demand for smart growth incentive funding throughout the region, and there does not appear to be a shortage of worthy projects to fund. Providing incentives for smart growth has an entrepreneurial aspect to it that will require SANDAG policy makers to consider the level of risk they want to assume in the future program. In any case, the lessons learned from the pilot program should increase the effectiveness of the TransNet SGIP.
Next Steps

Staff will begin designing the TransNet SGIP prior to the end of the fiscal year. Staff is currently coordinating with staff from other regional transportation planning agencies in California to share lessons learned from their respective smart growth incentive programs. This report will be provided to CTAC, the Regional Planning and Transportation Committees, and the Regional Planning Stakeholders Working Group in April. After receiving feedback from these groups, staff will return to the SANDAG working groups to solicit assistance with developing the TransNet-funded incentive program.

Attachments: 1. Pilot Smart Growth Incentive Program Project Evaluation Criteria  
2. List of Pilot Smart Growth Incentive Program Projects and Funding Status  
3. Pilot Smart Growth Incentive Program Fact Sheet

Key Staff Contact: Stephan Vance, (619) 699-1924, sva@sandag.org
Pilot Smart Growth Incentive Program

Project Evaluation Criteria

I. Project Screening Criteria

Project screening criteria are meant to ensure the applicant is committed to the project, that the community supports it, and that it can be constructed within the schedule proposed. These criteria must be met in order for the project to be evaluated further.

A. Local Commitment/Authorization

The application must include a resolution or minute order from City Council, County Board of Supervisors, or Board of Directors authorizing the application, and committing to allocate the staff resources and matching funds necessary to complete the project as proposed.

B. Funding Commitment

The applicant must certify that funding for related improvements are in place to ensure the proposed project can be completed within the schedule proposed in the project application.

C. Funding Eligibility

The project must be eligible under the federal funding program guidelines.

II. Project Evaluation Criteria

Project evaluation criteria are used to score and rank projects. These criteria are based on the requirements of the funding source, and the goals of the Smart Growth Incentive Program.

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<td>Right-of-way Acquisition</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final Design</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B. Smart Growth Area Land Use Characteristics</th>
<th>5</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intensity of Development (0-5 points)</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Land Use and Transportation Characteristics of Project Area (0-5 points)</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Urban Design Characteristics of Project Area (0-5 points)</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Related Land Development Projects (0-5 points)</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Affordable Housing1 (0-5 points)</td>
<td>5</td>
<td>2</td>
</tr>
</tbody>
</table>

*Level of Project Development: Projects receive 1 point for each completed phase to a maximum of 5 points.*

*Intensity of Development: To what extent does the existing or planned project area meet the residential density levels identified in the RCP for its smart growth area type? Project areas at the minimum dwelling units per acre receive 1 point, and areas at the recommended upper end of the range receive 5 points.*

*Land Use and Transportation Characteristics of Project Area: How well does the existing or planned urban form in the project area meet the smart growth objectives of the RCP? Maximum points are given for areas that have, or are planned to have, a mix of residential and commercial uses appropriate to its smart growth area type, and have the appropriate transportation system characteristics.*

*Urban Design Characteristics of Project Area: How well does the existing or planned urban design in the project area conform to the smart growth design principles in the RCP? Maximum points are given for areas where the existing built environment, or the design standards for new construction provides a human-scale built environment. The street network and trail system should provide direct access to commercial and civic services, recreational opportunities, and transportation services. Building construction should be oriented to the pedestrian. Street design should accommodate bicyclists and pedestrians, including transit passengers.*

*Related Land Development Projects: Is there a current land development project associated with the proposed capital improvements? How well does it contribute to smart growth development by providing additional housing in the area?*

*Affordable Housing: Does the project serve affordable (subsidized) housing? How much additional affordable housing is provided?*
II. Project Evaluation Criteria (cont’d)

<table>
<thead>
<tr>
<th>C. Quality of Proposed Project.</th>
<th>Max. Points</th>
<th>Weight</th>
<th>Max. Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Pedestrian Access Improvements (0-5 points)</td>
<td>To what extent does the project improve pedestrian access to a regional transit station, transit corridor, or rural village center? Maximum points should be awarded to projects that connect people to activity centers (especially transit) following the design principles in SANDAG’s Planning and Designing for Pedestrians.</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>2 Bicycle Access Improvements (0-5 points)</td>
<td>To what extent does the project improve bicycle access to, and secure parking at a regional transit station, transit corridor, or rural village center? Maximum points should be awarded to projects that provide seamless bicycle access to the areas activity centers, and include secure bicycle parking.</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>3 Transit Facility Improvements (0-5 points)</td>
<td>To what extent does the project improve the transit patron environment at transit stations, along transit corridors, or at access points immediately adjacent to the transit facility?</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>4 Streetscape Enhancements (0-5 points)</td>
<td>How well does the project include public art elements, public seating, pedestrian-scale lighting, enhanced paving or wayfinding signage?</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>5 Traffic Calming Features (0-5 points)</td>
<td>How well does the project include one or more of the traffic calming features recommended in Planning and Designing for Pedestrians?</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>6 Parking Improvements (0-5 points)</td>
<td>How well does the project provide appropriate levels of auto access to regional transit and the related project area without detracting from the quality of public spaces, and without detracting from transit, bicycle and pedestrian circulation?</td>
<td>5</td>
<td>1</td>
</tr>
</tbody>
</table>

D. Matching Funds

Matching Funds (0-15) | The higher the percentage of matching funds, the greater the number of bonus points the project will receive. | 15 |

| PROJECT SCORE SUBTOTAL | 125 |

E. Low Income Household Bonus Points (15 percent of Total Score)

| TOTAL SCORE | 147 |

Notes

1Affordable housing is defined as income- or price-controlled housing. See the program guidelines for details.
2All bicycle facility improvements must comply with the requirements of the California Highway Design Manual, Chapter 1000.
3Low income household bonus points awarded per SANDAG Board policy (dated 2/25/05) to National City, El Cajon, Imperial Beach, Lemon Grove, La Mesa, Escondido, Vista, Chula Vista, San Diego, and San Marcos.
<table>
<thead>
<tr>
<th>Project Name</th>
<th>Sponsoring Jurisdiction</th>
<th>Project Summary</th>
<th>Total Project Cost</th>
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</tr>
</thead>
<tbody>
<tr>
<td>University Avenue Mobility Project- Phase I</td>
<td>City of San Diego</td>
<td>Improvements along University Avenue transit corridor in North Park: University Ave. from Florida St. to Boundary St., Lincoln Ave. from Utah St. to 32nd St., and North Park Way from 30th St. to 32nd St.</td>
<td>$2,550,000</td>
<td>$2,000,000</td>
<td>September-09</td>
<td>Preliminary engineering</td>
</tr>
<tr>
<td>Park Boulevard at Harbor Drive Pedestrian Bridge</td>
<td>City of San Diego/Centre City Development Corporation</td>
<td>Construction of a pedestrian bridge to serve as a grade-separated pedestrian crossing of Harbor Drive</td>
<td>$13,000,000</td>
<td>$2,000,000</td>
<td>September-08</td>
<td>Estimated construction start date: December 2007</td>
</tr>
<tr>
<td>Grossmont Trolley Station Pedestrian Enhancements</td>
<td>City of La Mesa/Metropolitan Transit System</td>
<td>Grossmont Trolley station pedestrian improvements including a tower with 2 elevators and stairs to a bridge that will enable pedestrians/transit users to access employment and entertainment centers at the top of the hill</td>
<td>$4,700,000</td>
<td>$2,000,000</td>
<td>January-09</td>
<td>Negotiating right-of-way</td>
</tr>
</tbody>
</table>
## SANDAG Pilot Smart Growth Incentive Program
### Smart Growth Projects and Status

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Washington/Goldfinch Intersection Pedestrian Improvement Project</td>
<td>City of San Diego</td>
<td>Pedestrian popouts, enhanced crosswalks/sidewalks, lighted bollards, trees, shrubs, ground cover, transit shelter, bike racks, enhanced paving in the median, upgraded traffic signals on all 4 corners</td>
<td>$928,000</td>
<td>$684,000</td>
<td>May-08</td>
<td>Estimated construction start date: December 2007</td>
</tr>
<tr>
<td>Bird Rock Area Traffic Management Plan</td>
<td>City of San Diego</td>
<td>Improvements in the Bird Rock neighborhood including 5 modern roundabouts, a raised landscaped median, diagonal parking, new pedestrian crossings and sidewalks, and transit facility and pedestrian improvements</td>
<td>$4,385,000</td>
<td>$2,000,000</td>
<td>August-07</td>
<td>In the process of awarding construction contract</td>
</tr>
<tr>
<td>Palomar Gateway Community Transit Area Project</td>
<td>City of Chula Vista</td>
<td>Street improvements along Palomar St. and Industrial Blvd., improvements to the Palomar Transit Station and its environs</td>
<td>$2,375,000</td>
<td>$2,000,000</td>
<td>June-08</td>
<td>Estimated construction start date: December 2007; associated development delayed due to market conditions</td>
</tr>
</tbody>
</table>
# SANDAG Pilot Smart Growth Incentive Program
## Smart Growth Projects and Status

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<tr>
<th>Project Name</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Fountain Plaza-Promenade</td>
<td>City of National City</td>
<td>Construction of a central square for outdoor markets and fairs, including installation of a fountain, streetlights, landscaping, benches, and bicycle facilities, in downtown National City</td>
<td>$516,000</td>
<td>$258,000</td>
<td>April-08</td>
<td>In the process of awarding construction contract</td>
</tr>
<tr>
<td>Allison Avenue- University Avenue Pedestrian Enhancements</td>
<td>City of La Mesa</td>
<td>Improvements to the pedestrian environment along Allison and University Aves. within the downtown La Mesa Smart Growth Opportunity Area, including upgraded sidewalks, crosswalks, street trees, lighting, and transit stop improvements</td>
<td>$3,156,000</td>
<td>$1,994,000</td>
<td>July-08</td>
<td>In the process of awarding construction contract for first phase of work</td>
</tr>
<tr>
<td>Mid-City Urban Trail &amp; SR-15 Bikeway</td>
<td>City of San Diego</td>
<td>Pedestrian and bicycle right-of-way improvements along the I-15 corridor in Mid-City San Diego, including widened pedestrian paths, pedestrian lighting, street furniture, wayfinding and bikeway signage, bikeway striping and signal improvements</td>
<td>$2,966,000</td>
<td>$1,600,000</td>
<td>December-09</td>
<td>Estimated construction start date: December 2007</td>
</tr>
<tr>
<td>Commercial St. Streetscape Project</td>
<td>City of San Diego/MAAC Project</td>
<td>New sidewalks, curbs, street trees, lighting, street furniture, traffic calming devices, a gateway element, and public plazas around the perimeter of a proposed mixed use/mixed income development in Logan Heights</td>
<td>$1,800,000</td>
<td>$1,500,000</td>
<td>June-09</td>
<td>In development approval process</td>
</tr>
<tr>
<td>Project Name</td>
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<td>Project Summary</td>
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<td>SANDAG Funding Allocated</td>
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<td>Project Status</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
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<td>---------------------------------------------------------------------------------</td>
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<td>-----------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>National City Boulevard Sidewalk and Street Lighting Improvement Project</td>
<td>City of National City</td>
<td>Rehabilitation of a 6 1/2-block area of National City Blvd., including replacement of sidewalks, installation of decorative streetlights, trees, tree grates, shrubbery, and bus benches</td>
<td>$3,280,000</td>
<td>$1,022,000</td>
<td>August-08</td>
<td>In the process of awarding construction contract</td>
</tr>
<tr>
<td>Old Palm Avenue Streetscape Improvement Project</td>
<td>City of Imperial Beach</td>
<td>Pedestrian-oriented enhancements including widened/upgraded sidewalks and crosswalks, improved landscaping, street furnishing and signage, traffic calming features in a 2-3 block area along Palm Ave. between Seacoast Dr. and 3rd St.</td>
<td>$2,000,000</td>
<td>$1,000,000</td>
<td>May-07</td>
<td>Working on NEPA certification</td>
</tr>
<tr>
<td>National City Boulevard Median and Landscape Improvement Project</td>
<td>City of National City</td>
<td>Installation of medians and landscaping on Nat’l City Blvd. from 7th St. to Division St. to improve traffic safety and the visual appeal of the street</td>
<td>$1,440,000</td>
<td>$720,000</td>
<td>August-08</td>
<td>In the process of awarding construction contract</td>
</tr>
<tr>
<td>Maple Street Pedestrian Plaza Project</td>
<td>City of Escondido</td>
<td>Reconstruction of a 2-lane through street into a short two-lane cul-de-sac ending in a large pedestrian plaza</td>
<td>$1,100,000</td>
<td>$945,000</td>
<td>January-09</td>
<td>Project did not receive City Council approval; rescoping project; associated development deferred.</td>
</tr>
</tbody>
</table>
**SANDAG Pilot Smart Growth Incentive Program**  
**Smart Growth Projects and Status**

<table>
<thead>
<tr>
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<th>Project Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>25th Street Renaissance Project Community Living Room Projects</td>
<td>City of San Diego</td>
<td>Revitalization of a six block area of 25th St. north of SR 94, including pedestrian amenities, traffic calming, streetscape improvements, and parking</td>
<td>$1,589,000</td>
<td>$1,425,000</td>
<td>December-09</td>
<td>Completing TE application</td>
</tr>
<tr>
<td>Grand Avenue/El Mercado Project</td>
<td>City of Escondido</td>
<td>Pedestrian lighting on Grand Ave. through the downtown area, reconstruction of Grand Ave. from Centre City to Quince in the Mercado area to include decorative paving and sidewalks</td>
<td>$1,600,000</td>
<td>$1,320,000</td>
<td>January-08</td>
<td>Completing TE application</td>
</tr>
</tbody>
</table>

**Total:** $47,385,000 $22,468,000
This innovative pilot program is an initiative of SANDAG’s Regional Comprehensive Plan (RCP) that implements one of the central tenets of the plan—using funding incentives to encourage coordinated regional planning to bring transit service, housing, and employment together in smart growth development. The program, funded through the federal Transportation Enhancements program, received applications for 33 projects from 12 agencies requesting over $44 million in funding. The maximum allowable grant was $2 million. Beginning in 2008, a longer-term smart growth incentive program will be funded through the local TransNet half-cent sales tax program. With two percent of the annual TransNet funds going to the incentive program, the revenues for FY 2009 are estimated to be $6.8 million.

The smart growth projects that received funding for the $22.5 million Pilot Smart Growth Incentive Program include:

- University Avenue Mobility Project, City of San Diego — Improvements along the University Avenue transit corridor in North Park, such as pedestrian pop-outs; new and upgraded traffic signals and street signage; enhanced pedestrian crossings with in-pavement flashers; and new bike racks.
  Grant amount: $2 million.

- Park Boulevard at Harbor Drive Pedestrian Bridge, Centre City Development Corporation — Construction of a pedestrian bridge over Harbor Drive in the East Village Ballpark District.
  Grant amount: $2 million.

- Grossmont Trolley Station Pedestrian Enhancements, City of La Mesa and Metropolitan Transit System — Pedestrian improvements at the station such as elevators and stairs to a bridge that will allow pedestrians and transit users to safely access nearby employment and entertainment centers.
  Grant amount: $2 million.

- Washington and Goldfinch Intersection Pedestrian Improvement Project, City of San Diego — Pedestrian pop-outs; enhanced crosswalks and sidewalks, lighted bollards, trees, landscaping, transit shelter, bike racks, upgraded traffic signals, and enhanced medians.
  Grant amount: $684,000.

- Bird Rock Traffic Management Plan, City of San Diego — Improvements in the La Jolla Bird Rock neighborhood such as modern roundabouts, a raised landscaped median, diagonal parking, new pedestrian crossings and sidewalks, and transit facility improvements.
  Grant amount: $2 million.

- Palomar Gateway Community Transit Area Project, City of Chula Vista — Street enhancements along Palomar Street and Industrial Boulevard and improvements to the Palomar Transit Station and its surroundings.
  Grant amount: $2 million.
• Fountain Plaza Promenade, National City — Construction of a central square for outdoor markets and fairs complete with fountain, streetlights, landscaping, benches, and bicycle facilities.
  Grant amount: $258,000.

• Allison Avenue-University Avenue Pedestrian Enhancements, City of La Mesa — Improvements to the pedestrian environment along Allison and University Avenues within downtown La Mesa, including upgraded sidewalks, crosswalks, trees, lighting, and transit loop upgrades.
  Grant amount: $1,994,000.

• Mid-City Urban Trail & SR-15 Bikeway, City of San Diego — Pedestrian and bicycle right-of-way improvements along Interstate 15 in the Mid-City area such as widened pedestrian paths and upgraded lighting; street furniture; and bicycle signage, striping, and signal enhancements.
  Grant amount: $1.6 million.

• Commercial Street Streetscape Project, City of San Diego — New sidewalks, curbs, trees, light, furniture, traffic calming devices, a gateway element, and public plazas around the perimeter of a proposed mixed use/mixed income development in Logan Heights.
  Grant amount: $1.5 million.

• National City Boulevard Sidewalk and Street Lighting Improvement Project, National City — Rehabilitation of a 6.5-block area of National City Boulevard, including replacement of sidewalks, and the installation of decorative streetlights, trees and shrubbery, and benches.
  Grant amount: $1,022,000.

• Old Palm Avenue Streetscape Improvement Project, City of Imperial Beach — Pedestrian-oriented enhancements such as upgraded sidewalks and crosswalks, improved landscaping, and traffic calming features in the area.
  Grant amount: $1,000,000.

• National City Boulevard Median and Landscape Improvement Project, National City — Installation of medians and landscaping on National City Boulevard from 7th Street to Division Street to improve traffic safety and visual aesthetics.
  Grant amount: $720,000.

• Maple Street Pedestrian Plaza, City of Escondido — Reconstruction of a two-lane through street into a short two-lane cul-de-sac ending in a large pedestrian plaza in the city's downtown area.
  Grant amount: $945,000.

• 25th Street Renaissance Project, City of San Diego — Revitalization of six block area of 25th Street north of SR 94, including pedestrian amenities, traffic calming, streetscape improvements, and parking.
  Grant amount: $1,425,000.

• Grand Avenue/El Mercado Project, City of Escondido — Pedestrian lighting on Grand Avenue through the downtown area, reconstruction of Grand Avenue from Centre City to Quince in the Mercado area to include decorative paving and sidewalks.
  Grant amount: $1,320,000.
California Legislature

Senate Committee
On
Transportation and Housing

ALAN LOWENTHAL
CHAIRMAN

Implementation of Proposition 1C
An Informational Hearing

February 13, 2007
State Capitol, Room 4203
1:30 pm

BACKGROUND PAPER – FINAL

Introduction

In November 2006, the California voters approved Proposition 1C, the Housing and Emergency Trust Fund Act of 2006 (SB 1689 [Perata], Chapter 27), which authorized the issuance of bonds in the amount of $2.85 billion. Proceeds from the sale of the bonds will fund various existing housing programs, including the Multifamily Housing Program, the Emergency Housing Assistance Program, the Farmworker Housing Grant Program, and the Downpayment Assistance Program. In addition, Proposition 1C establishes and allocates specified amounts to three new funds: 1) $100 million for the Affordable Housing Innovation Fund; 2) $850 million for the Regional Planning, Housing, and Infill Incentive Account; and 3) $200 million for the Housing Urban-Suburban-and-Rural Parks Account. Each of these programs requires further implementing legislation. In the case of the Affordable Housing Innovation Fund, the implementation bill is subject to a special 2/3 vote requirement pursuant to the terms of Proposition 1C.

This hearing will focus on two of the three Proposition 1C programs that need further implementation statutes: the Affordable Housing Innovation Fund and the Regional Planning, Housing, and Infill Incentive Account. The intent of the hearing is both to hear the Administration’s and others’ implementation proposals and to obtain feedback to these proposals from a range of stakeholders.
The Affordable Housing Innovation Fund

Proposition 1C includes $100 million for the Affordable Housing Innovation Fund. According to the language of Proposition 1C, these funds are intended to support competitive grants or loans to sponsoring entities to develop, own, lend, or invest in affordable housing in a manner that demonstrates innovative, cost-saving approaches to creating or preserving affordable housing.

HCD’s Proposal

The Department of Housing and Community Development (HCD) has submitted budget trailer bill language that proposes three specific uses for the funds in the Affordable Housing Innovation Fund:

- **Construction Liability Insurance Reform Pilot Program.** This program would promote best practices for residential construction quality control in affordable condominium developments that HCD or the California Housing Finance Agency (CalHFA) sponsor, as a means of reducing rates for construction defect liability insurance. The program would provide predevelopment grants to cover the additional costs of construction oversight and monitoring programs such as video recording of construction, quality control manuals, and quality control inspections.

- **Green Building, Energy Efficiency, and Universal Design Program.** This program would provide grants to finance a portion of the costs of incorporating additional energy-efficiency, green building, and universal design accessibility features in HCD or CALHFA funded projects.

- **Affordable Housing for Teachers and School Employees.** This program would provide assistance to school districts and community college districts attempting to attract and retain district employees, including teachers, through provision of on-campus housing. The program would make grants for predevelopment costs associated with such housing.

Senate Staff Proposal

In addition to HCD’s proposal, staff to the Senate Transportation and Housing Committee held a series of conversations with interested parties, and based on that input, crafted a proposal to fund four programs:

- **Affordable Housing Property Acquisition Program.** This program would allow affordable housing sponsors to quickly access short-term funding to purchase properties that will be used to develop or preserve affordable ownership or rental housing. The funds could be provided as loans through an existing state housing entity or contracted to a community-development financial institution to provide loan guarantees for private lenders.

- **Local Housing Trust Fund Matching Grant Program.** Additional funding would be allocated to the existing Local Housing Trust Fund Matching Grant Program, which provides matching
grants to local governments or non-profit organizations that create on-going revenue streams
to support the development of affordable ownership and rental housing. The proposal would
set aside half of the money for new housing trust funds.

- **Mobilehome Park Resident Ownership Program.** Additional funding would go to the
  existing Mobilehome Park Resident Ownership Program to finance the preservation of
  affordable mobilehome parks by conversion to ownership or control by resident
  organizations, nonprofits, or local governments.

- **Homeownership Development Accounts.** Senator Dutton has expressed interest in
  developing a program to match individual contributions from low-income families into
  homeownership development accounts that would allow them to save money for the purchase
  of a first home.

**Key questions for the Committee to consider:**

- Which programs will have the greatest impact in terms of meeting California’s housing
  needs?

- What consideration if any should be given to funding existing programs as opposed to new
  programs? Should preference be given to the creation of pilot programs?

- Should these funds be used to maximize the production of new housing units or to fund
  enhancements on projects already being funded?

- Is there sufficient demand for each of the proposed programs?

- Which programs have broad support to meet the 2/3 vote requirement associated with this
  fund?

**The Regional Planning, Housing, and Infill Incentive Account**

Proposition 1C also includes $850 million to support and incentivize infill development,
especially infill housing development. The language of the bill states that funds in the account
shall be available, subject to such other conditions and criteria as the Legislature may provide in
statute, for infrastructure grants related to infill development and for brownfield cleanup that
promotes infill development consistent with regional and local plans. While the types of
infrastructure that may be funded are not limited, the bill specifically refers to traffic mitigation,
water, sewer, transportation, and parks improvements.

**HCD Proposal**

The Department of Housing and Community Development has submitted budget trailer bill
language that proposes a competitive, performance-based award program for infrastructure
grants for critical infrastructure projects that will measurably increase the supply of infill housing
produced as a direct result of the state’s investment and prioritize efficient land use and development patterns.

The funds would be available for infrastructure that is directly related to, and integral to, facilitating the development of infill housing projects. To be eligible for funding, both the infrastructure and the housing project would have to:

- Be located in an urbanized area or urban cluster, as defined by the U.S. Census Bureau, on a site that has been previously developed for urban uses, or a vacant site that is surrounded on at least two sides by current or previous urban uses.
- Be included in and consistent with a redevelopment plan, specific plan, regional blueprint, capital improvement plan, or transportation corridor plan.
- Have complied with the California Environmental Quality Act (CEQA) and passed any statutory period for legal challenges.
- Be consistent with the jurisdiction’s general plan.
- Be located in a jurisdiction that has a state-approved housing element and that has met or exceeded housing production thresholds to be established by HCD.

The HCD would rate and rank applications using factors such as:

- The number of infill housing units to be created.
- The affordability of the housing and the duration of affordability.
- The creation of housing in job-rich areas.
- Proximity to mass transit, parks, and other amenities.
- The jurisdiction’s previous performance in meeting its share of the regional housing need.

To ensure that state funds actually result in additional housing supply, the grants would be repayable to the state in the event the housing does not materialize within five years of completion of the infrastructure. HCD may extend this deadline by an additional five years for unanticipated market forces beyond the control of the jurisdiction.

*Housing California/Planning and Conservation League Proposal*

Housing California and the Planning and Conservation League have proposed that the state competitively award the funds in the Infill Incentive Account to local governments or developers for infill housing or mixed-use developments themselves and/or for the infrastructure necessary to facilitate infill housing development. Infrastructure improvements would include brownfield cleanup, water, sewer, transportation, traffic mitigation, parks, or other similar capital projects.

In order to be eligible for funding, the housing development to be facilitated would have to:

- Be located on an infill site, defined as “previously developed or surrounded by development, with water and sewer trunk line service, and designated for development in the General Plan.”
- Be developed at a net density of 10 units per acre in rural areas, 20 units per acre in suburban areas, and 30 units per acre in urban areas.
• Include 25% of homes affordable to very low-income households for at least 55 years.

Applications would be ranked based on net densities and affordability above the thresholds; proximity to existing or planned transit, schools, libraries, grocery stores, parks, employment centers, and other community amenities; and consistency with regional blueprints where applicable.

California Association of Councils of Government Proposal

The California Association of Councils of Government (CalCOG) proposes that the Infill Incentive Account fund projects chosen through project selection plans that metropolitan transportation planning agencies create to implement their regional growth blueprints. In areas without blueprints, the local COG or the local governments within a county could access the funds by developing a project selection plan that is consistent with the overall purposes and objectives of the program.

CalCOG proposes that the funds be allocated to regions in proportion to the regional housing needs established for each region. Once the state determines that a regional project selection plan is consistent with state guidelines, the regional entities would receive their allocation and oversee the disbursement of funds within their region.

Key questions for the Committee to consider:

- In regions that have undertaken regional planning efforts (i.e., “blueprints”), should consistency with these plans be required? If so, should regional plans be required to meet certain standards? Should regions that have such plans have a role in distributing funds?

- Should infrastructure funding be available prior to development to prepare for higher-density infill housing, or should funding be tied to particular housing developments?

- Should local governments that produce infill housing without state infrastructure money be rewarded?

- What level of housing affordability should be required in areas that receive state infrastructure funds? Or should a percentage of the funds be set-aside to support affordable housing in infill areas?
San Diego Association of Governments
REGIONAL PLANNING TECHNICAL WORKING GROUP

March 8, 2007

AGENDA ITEM NO.: 10a

Action Requested: INFORMATION/DISCUSSION

I-PLACE³S SKETCH MODELING TOOL

File Number 3006000

Introduction

SANDAG recently received grant funding from the California Regional Blueprint Planning Program to develop, refine, and test an interactive internet-based sketch modeling tool called “I-PLACE³S.” The I-PLACE³S program is designed to provide planners and communities with the opportunity to develop alternative “what-if” land use scenarios for selected planning areas and evaluate the results of those scenarios based on indicators related to housing, jobs, and other public facilities. The primary value of the model is that it allows participants to gain immediate feedback to view the effects of each growth scenario at both the neighborhood and regional scale. While still under development, the I-PLACE³S tool has the potential to evolve into a cutting-edge, community-oriented planning tool in both local and regional settings.

Over the past year, SANDAG has been working with the I-PLACE³S consultant to integrate the region’s most recent land use and transportation data into the I-PLACE³S model. As a result, the I-PLACE³S program now includes both existing and planned land uses at the parcel level based on SANDAG’s 2004 Capacity File used in the production of the final 2030 Regional Growth Forecast. In addition, as part of a Pilot Program to test the application of the I-PLACE³S model, SANDAG has recently begun working with the City of Escondido to examine the effectiveness of this tool in the update of the Escondido Downtown Specific Plan, which currently is underway.

This report provides an overview of the I-PLACE³S sketch modeling tool, a summary of SANDAG’s efforts to develop the tool, and possible next steps and enhancements, depending upon initial results of the Escondido pilot test case. SANDAG staff will demonstrate initial uses of the I-PLACE³S tool at the March 8, 2007, Technical Working Group meeting.

Discussion

I-PLACE³S Sketch Modeling Tool and Development Efforts

SANDAG has been working with Ecolnterative Inc., the company that operates I-PLACE³S, to develop and customize the I-PLACE³S program for use in the San Diego region. The I-PLACE³S program is a web-based urban planning tool that enables residents, planners, elected officials, and stakeholders to create and analyze planning scenarios for their communities and the region.
This interactive tool allows planners/stakeholders to review a menu of land use “place types,” and apply place type assumptions to specific parcels within the planning area. This process results in the creation of alternative land use scenarios for the given planning area. Communities can create as many alternative land use scenarios as they wish for the area.

The I-PLACE³S tool then computes data at the sub-parcel level for specific indicators such as employees, dwelling units, population, and vehicle trips, among others, and compares the results of each scenario vis-a-vis the chosen indicators. In doing so, the model helps communities better understand the implications of growth decisions relating to development and redevelopment potential, housing and jobs relationships, and public infrastructure improvements, including transit access.

One of the most important features of I-PLACE³S is that data computations generally take several seconds to run. Thus, the model allows planners/stakeholders to gain immediate feedback on the effects of each growth scenario. In addition, because I-PLACE³S is a web-based planning tool, planners with protected passwords can access the I-PLACE³S tool via the Internet from their computer desktops, and further refine the alternative land use scenarios.

To date, the Sacramento Area Council of Governments (SACOG) has used the I-PLACE³S model most successfully. SACOG’s efforts focused on developing and evaluating a regional “blueprint” for the six counties and 22 cities in the Sacramento region. In this context, I-PLACE³S was used at dozens of interactive planning workshops to help residents, planners, and decision-makers evaluate land use choices through public discussions and mapping exercises. Based on the use of the I-PLACE³S tool, SACOG was able to develop and build consensus on a regional land use framework that is now serving as the basis for the update of their Regional Transportation Plan.

While SANDAG anticipates that its application of the I-PLACE³S model will build upon SACOG’s efforts, we expect that initial uses will be focused on smaller-scale planning efforts in jurisdictions that (1) have identified smart growth areas on the Smart Growth Concept Map, and (2) request the use of the tool as a resource to analyze smart growth scenarios within these areas. SANDAG is currently testing this approach in partnership with the City of Escondido on its Downtown Specific Plan Update. The overall goals of this pilot program are to test the application of I-PLACE³S on a real-world planning project within the region; continue to refine the I-PLACE³S tool for use in other areas within the San Diego region; and assist Escondido with a planning tool that effectively integrates mapping and data functions into a single comprehensive system.

Possible Next Steps and Enhancements

Depending upon the outcomes of the pilot test case with Escondido, staff anticipates several potential enhancements to the I-PLACE³S model, including features that would help assess the following indicators at a neighborhood and regional scale:

- Energy and air quality,
- Trip generation,
- Transit and pedestrian friendliness, and
- Return on Investment (ROI).
Other potential enhancements could include the integration of 3-D visualization tools into the I-PLACE\textsuperscript{3}S model, providing a mechanism for participants to “see” the scale and intensity of alternative land use scenarios under discussion.

If Working Group members express interest in this planning tool, SANDAG will arrange training workshops for planning directors and their staffs as part of SANDAG’s spring Technical Workshops. These training sessions would be held on Tuesday, May 22, and Wednesday, May 23, 2007.

The I-PLACE\textsuperscript{3}S tool is part of an evolving “Smart Growth Tool Kit” that SANDAG is beginning to develop as part of its Fiscal Year 2008 Overall Work Program.

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