MEETING NOTICE
AND AGENDA

REGIONAL PLANNING TECHNICAL WORKING GROUP
The Regional Planning Technical Working Group may take action on any item appearing on this agenda.

Thursday, December 13, 2007
1:15 to 3:15 p.m.

SANDAG, 7th Floor Conference Room
401 B Street, Suite 800
San Diego, CA 92101-4231

Staff Contact: Carolina Gregor
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AGENDA HIGHLIGHTS

• TECHNICAL UPDATE TO THE SMART GROWTH CONCEPT MAP
• CRITERIA FOR VISUAL SIMULATIONS OF LOCAL SMART GROWTH PROJECTS
• HOUSING AND SMART GROWTH FINANCING TOOLBOX/PROPOSITION 1C AND HOUSING AND SMART GROWTH LEGISLATIVE UPDATE

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ITEM # | RECOMMENDATION
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1. | WELCOME AND INTRODUCTIONS

2. | PUBLIC COMMENTS AND COMMUNICATIONS

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

**CONSENT ITEMS (3 through 5)**

+3. | SUMMARY OF SEPTEMBER 13, 2007, TECHNICAL WORKING GROUP MEETING

The TWG should review and approve the meeting summary of September 13, 2007.

+4. | 2008 TWG MEETING SCHEDULE AND UPDATED ROSTER

Attached is a meeting schedule for the 2008 TWG meetings. The TWG normally meets on the second Thursday of the month from 1:15 to 3:15 p.m. Also attached is an updated TWG roster. Corrections to the roster should be forwarded to Carolina Gregor at cgr@sandag.org.

5. | 2030 REGIONAL TRANSPORTATION PLAN (RTP):
PATHWAYS FOR THE FUTURE (Mike Hix)

On November 30, 2007, the SANDAG Board of Directors certified the RTP Environmental Impact Report (EIR), found the 2030 RTP Revenue Constrained Plan in conformance with the State Implementation Plans for air quality, and approved the Final 2030 RTP. The Board’s motion to approve the RTP added some language to the RTP related to the Mid-City Bus Rapid Transit (BRT) plans, stating that “HOV dedication and/or construction on Interstate 15 is contingent on completion and operation of State Route 15 Mid-City BRT stations and system improvements.” Staff thanks the TWG for its participation in the development of the 2030 RTP. The final document is posted on the SANDAG Web site at www.sandag.org/2030rtp.
6. ACKNOWLEDGEMENT OF JIM GRIFFIN AND ED KLEEMAN

Both Jim Griffin and Ed Kleeman are retiring from public service this month, culminating planning careers of over 30 years in their respective jurisdictions. Mr. Griffin, Director of Community Development for El Cajon, has worked in El Cajon for over 35 years. Mr. Kleeman, Senior Planner in Coronado, has worked in Coronado for exactly 30 years. SANDAG thanks Mr. Griffin and Mr. Kleeman for their service to the TWG and for their sustained commitment to local and regional planning in the San Diego region. Congratulations!

7. TECHNICAL UPDATE TO THE SMART GROWTH CONCEPT MAP (Carolina Gregor)

In anticipation of a call for projects for the TransNet Smart Growth Incentive Program (SGIP), SANDAG is initiating the process for technical updates to the Smart Growth Concept Map. Any changes in status of smart growth areas should be forwarded to SANDAG staff by mid-January 2008. An updated map is scheduled to be presented to the SANDAG Regional Planning Committee and Board of Directors in March 2008. In addition, local jurisdictions are encouraged to provide information on their smart growth areas on local Web sites and through local planning documents in an effort to promote mixed-use and higher density development in these areas.

8. CRITERIA FOR VISUAL SIMULATIONS OF LOCAL SMART GROWTH PROJECTS (Carolina Gregor)

As part of the Regional Comprehensive Plan (RCP) implementation program, SANDAG is in the process of securing consultant assistance to generate visual simulations for local smart growth projects. SANDAG anticipates that the consultant team(s) will be on board by February 2008. A primary goal of the program is to develop one or more visual simulations for each of the smart growth place types on the Smart Growth Concept Map. The attached report provides draft criteria for the selection of the locations of the visual simulations.

9. HOUSING AND SMART GROWTH FINANCING TOOLBOX/ PROPOSITION 1C AND HOUSING AND SMART GROWTH LEGISLATIVE UPDATE (Susan Baldwin)

Staff will update the Working Group on the status of Proposition 1C (the Housing and Emergency Shelter Trust Fund Act of 2006) funding and what is being done to ensure that the San Diego region receives its fair share of these important housing-related bond funds. The TWG also will begin discussing the potential components of a housing and smart growth financing tool box.
+10. OVERVIEW OF SERVICES PROVIDED BY SANDAG'S SERVICE BUREAU (Karen Lamphere)

On Wednesday, November 6, 2007, SANDAG held an open house for its Service Bureau. The Service Bureau is the consulting arm of SANDAG, which provides informational and technical services to government agencies, private organizations, and individuals. An overview of the Bureau’s areas of expertise will be provided.

+11. SHOWCASING LOCAL SMART GROWTH AROUND THE REGION: CITY OF LA MESA (Bill Chopyk, Director of Planning and Development Services for the City of La Mesa, and Wesley Espinoza of Fairfield Residential, LLC)

From time to time, the TWG has heard presentations from local jurisdictions on smart growth planning efforts underway. The City of La Mesa won a statewide planning award from the California Chapter of the American Planning Association (CCAPA) for its Grossmont Trolley Station Project. Mr. Bill Chopyk of La Mesa and Mr. Wesley Espinoza of Fairfield Residential will provide an overview of this award-winning smart growth and transit-oriented development project.

12. REPRESENTATIVE TO SERVE ON BICYCLE MASTER PLAN CONSULTANT SELECTION COMMITTEE (CHRIS KLUTH)

With funds from a Caltrans Community Based Planning Grant, SANDAG is beginning development of the San Diego Regional Bicycle Plan. The TWG will be given regular updates on the progress of the plan. The TWG is asked to appoint a representative to serve on the consultant selection committee. It is anticipated that consultant project proposals will be evaluated in late January or February.

13. ADJOURNMENT AND NEXT MEETING INFORMATION

The next TWG meeting will be held on Thursday, January 10, 2008, from 1:15 to 3:15 p.m.
SUMMARY OF SEPTEMBER 13, 2007, TECHNICAL WORKING GROUP MEETING

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 ITEM

Agenda Item #3: Summary of the June 14, 2007, Technical Working Group Meeting, and the July 12, 2007, Joint Meeting between the TWG and the Cities/County Transportation Advisory Committee (CTAC)

Ed Batchelder, City of Chula Vista, referenced page 11 of the June 14, 2007, TWG meeting minutes, and said he did not make the comments regarding the density bonus in coastal cities.

Jim Sandoval, City of Chula Vista, referenced page 3 of the July 12, 2007 CTAC meeting minutes, and said that “SR 94” should read “SR 54.”

A motion and second were made to approve the Consent Agenda. The motion passed unanimously with the two corrections noted to Item #3.

REPORT ITEMS (4 through 12)

Agenda Item #4: Recognition of Niall Fritz, Chair of the Technical Working Group

SANDAG staff announced that Niall Fritz, Director of Development Services for the City of Poway, has retired from his planning career of over 30 years. Mr. Fritz served as Chair of the TWG for the last several years, representing the TWG on the SANDAG Regional Planning Committee and at other SANDAG meetings.

Bob Leiter, SANDAG staff, thanked Mr. Fritz for his service to the TWG and for his commitment to local and regional planning in the San Diego region. He noted the legacy that Mr. Fritz has left in the San Diego region, stating that Mr. Fritz’s work as Planning Director in Santee and Development Services Director in Poway, show how planning directors can have a positive impact on cities.
said that he enjoyed the ten years he worked with Mr. Fritz in Ventura County, where he saw a lot of good regional planning. Mr. Leiter expressed his gratitude for the work and leadership of Mr. Fritz and congratulated him on his retirement.

Carolina Gregor, SANDAG staff, said that it was a pleasure working with Mr. Fritz. She congratulated and thanked him for his accomplishments.

Robert Larkins, City of Lemon Grove, shared a story about Mr. Fritz and commended him for his contributions to planning in the San Diego region.

Jon Brindle, City of Escondido, said that Mr. Fritz has greatly represented the planning profession and he admires his ability to balance the community point of view with the regional perspective.

**Agenda Item #5: Election of New TWG Chair and Vice Chair**

Nominations for Chair and Vice Chair were conducted. Mr. Brindle nominated Mr. Sandoval for Chair. Bill Anderson, City of San Diego, nominated Mr. Brindle for Vice Chair.

The nominations and motion to approve the positions of Chair and Vice Chair passed unanimously.

**Agenda Item #6: 2007 Awards by the California Chapter of the American Planning Association (CCAPA)**

The CCAPA has announced its award winners for this year. The following individuals, agencies, and jurisdictions from the San Diego region received statewide awards.

- Betsy McCullough of the City of San Diego: Outstanding Distinguished Leadership Award for a Professional Planner.
- SANDAG: Outstanding Distinguished Leadership Award for an Agency.
- City of La Mesa: Outstanding Planning Project Award for the Grossmont Trolley Station Project, Alterra, and Pravada.
- San Diego Chapter of the APA, in conjunction with the North County Transit District (NCTD), League of California Cities, Caltrans, and SANDAG: 2007 CCAPA Section Activity Award for the Local Planning Commissioners Workshop focused on regional planning issues held last January at Caltrans.

Bill Chopyk, City of La Mesa and section Director of the San Diego Chapter of the American Planning Association (SDAPA), said that the CCAPA awards will be announced in San Jose at the CCAPA Awards Banquet. In addition, two UCSD planning students will receive $1,000 scholarships, and all winning projects are being nominated for National APA Awards.
Agenda Item #7: Anticipated Regional Planning Committee (RPC) Actions and Discussion Items for FY 2008

Coleen Clementson, SANDAG staff, reported that at its August meeting, staff presented a report to the Regional Planning Committee (RPC). The report outlined anticipated actions and discussion items for the RPC based upon the SANDAG Board-adopted FY 2008 Overall Work Program and suggested a calendar of meetings with themes that implement the Regional Comprehensive Plan. This schedule, which was attached to the TWG agenda packet, will assist in coordinating the work of the TWG. One of the major focus areas this fiscal year will be the development of planning and financing tools as part of the Smart Growth Tool Box.

Agenda Item #8: Regional Comprehensive Plan (RCP): Draft 2007 Annual Performance Monitoring Report

Christine Eary, SANDAG staff, presented the draft 2007 Annual Performance Monitoring Report and requested input from the Working Group. Monitoring the progress of RCP implementation will occur on an annual basis. In August, the RPC authorized the release of the draft monitoring report for a 60-day public review and comment period, which closes October 2, 2007.

Mr. Sandoval referenced the section that reports on the number of acres of preserved land and asked if it has a management component. Ms. Eary responded that it does, but that there is no data for that indicator yet. She is hopeful that the data will be available next year.

Gary Halbert, City of Santee, said that the RPC looked at travel time data, but it is not reflective of the situation because it only uses the Performance Monitoring System (PeMS) data. He said it might be better to pick a location at the beginning of the commute and add in the ramp wait, or provide the standard deviation to give some feel for how much the road breaks down. He referenced the conclusion of the transportation section on page 40 that states there is an increase in annual ridership and said it would be more accurate to say that “more of the region’s residents are riding transit.”

Ms. Eary requested that any further comments be directed to her via e-mail or phone. Ms. Clementson referenced a statewide performance report produced by the California Center for Regional Leadership (CCRL).

Agenda Item #9: Local Smart Growth Efforts

A number of smart growth planning projects are underway throughout the region or have recently been acted upon by local policymakers. Mr. Fritz invited TWG members to describe their local efforts and discuss the challenges and opportunities related to these projects.

Jerry Backoff, City of San Marcos, provided information on the Palomar Station project dealing with the co-location of industrial and residential uses, and related issues including groundwater and health. The project ties into the San Marcos SPRINTERS station and has an elevated bridge from the site to Palomar College. The industrial groups fought to have a referendum passed for the project, but it did not qualify for the ballot. There is a new initiative proposed, retroactive to when the project was approved. Mr. Backoff also presented information on the San Marcos Creek Specific
Plan, covering 81 acres of net usable land. This project consists of a 2,300 dwelling unit, vertical mixed-use development, integrated with citywide shuttle service. The City of San Marcos is currently working with California State University San Marcos on transportation demand management.

Mr. Brindle described Barrat's 27 dwelling unit per acre (du/acre) project on Centre City Parkway and Second Street in Downtown Escondido. The first phase of 18 units sold out in the first month, and they are now talking with San Diego lenders. He said that the project has become a real bright spot for the community. Mr. Brindle said that one residential project in Escondido has been lowered from 122 units to 92 units. He added that there are a few other residential projects in Escondido at 60-80 du/acre.

Lance Schulte, NCTD, said that NCTD received a Caltrans planning grant to encourage development projects to reduce the need for parking and to evaluate the use of Mello Roos fees to finance transit. Caltrans is looking at this as an opportunity to finance transit-oriented development (TOD) projects.

Mr. Anderson, City of San Diego, announced that the Naval Training Center (NTC) won an award from the National Development Council for the Liberty Station Project. He said that the City's draft General Plan update will be released shortly, with a City Council hearing targeted for January 2008. In addition, the City is initiating community plan updates for the Barrio Logan and Grantville communities and will be conducting updates for Uptown, North Park, and Golden Hill within the next several years. There are forces, however, that want to reduce building heights, lower densities, and make subject development proposals over 65 feet to discretionary review.

Mr. Chopyk said that the Grossmont Trolley Project in La Mesa is under construction at 70th Street, adjacent to Interstate 8. There is a proposal to develop an RV park nearby into mixed-use, which would create unprecedented height in La Mesa. San Diego State University is developing higher buildings, and growth is moving eastward, creating potential for La Mesa to grow “up.” He added that La Mesa is embracing smart growth and it is fun to watch it happen.

Ed Kleeman, City of Coronado, provided information on the acquisition of a building at Orange and 6th adjacent to a bus stop. This area will be used for senior housing, exceeds density bonus requirements, and is the first new construction for affordable housing in Coronado.

Mr. Batchelder stated that Chula Vista recently completed the Urban Core Specific Plan, and the City Council would now like specific planning efforts to focus on the southern portion of the City. He said they are going to consult with the community to determine the breadth of issues that need to be addressed. He stated that a new emerging issue that is starting to interface more frequently with planning is the issue of how social service agencies fit into areas that are experiencing urban infill.

Rick Brady, City of Santee, said that they are looking at sites for higher densities in the Town Center, but may see development opportunities in other areas not previously identified.

Mr. Brindle added that the Escondido City Council has approved two whole blocks for mixed-use development instead of just apartments or condos.
Mr. Fritz said that Poway is working on a Town Center Project, but, due to the market, it is still a few years off. He added that Poway completed its latest affordable housing project using green technology to provide 97 percent of the energy for the entire development. Solar panels were placed on the carports and cannot be seen from the ground. He said it cost an additional $1 million, but the developer obtained financing for all but $30,000, thereby insulating the residents from the higher development costs.

**Agenda Item #10: Smart Growth Tool Box: Outreach Programs, I-PLACE³S Sketch Model and Visualization Tools**

SANDAG is developing a Smart Growth Tool Box this fiscal year to help implement key components of the RCP. Ms. Gregor made a presentation on the Tool Box, and provided details on three specific planning tools included in the Tool Box: the community outreach program, the I-PLACE³S sketch model, and visualization tools under development. Ms. Gregor offered the opportunity for SANDAG staff to make the presentation to local planning staffs, planning commissions, City Councils, and other interested groups.

**Agenda Item #11: Proposition 1C Implementation Update**

Susan Baldwin, SANDAG staff, updated the TWG on implementation of Proposition 1C (The Housing and Emergency Shelter Trust Fund Act of 2006). Ms. Baldwin stated that Senate Bill 86 was approved by the legislature as a trailer bill carrying $850 million as part of Proposition 1C. She added that Housing and Community Development (HCD) will be drafting program guidelines for the allocation of the funds. SANDAG held a forum to discuss the Transit-Oriented Development (TOD) program guidelines, which will probably overlap with the infill guidelines. She said it is important to be aware of these funds because the local jurisdictions are eligible to apply for funding and bring this money into the region. There will be a Notice of Funding Availability (NOFA) in early 2008 for infill funding and the application will be due in the fall.

Mr. Anderson asked if there are allocations between regions. Ms. Baldwin responded that the traditional approach is to grant 60 percent to Southern California, and 40 percent to Northern California. There will be at least one project in San Diego, Los Angeles, the San Francisco Bay Area, and Sacramento for each of the three rounds of funding and a $17 million limit per project. Mr. Anderson asked if projects must have jurisdiction approval to receive funding. Ms. Baldwin responded that she was not sure because there are 29 pages of TOD guidelines that are difficult to interpret.

Mr. Anderson asked if there will be project rankings because he is concerned that public proposals may be competing against private proposals. Ms. Baldwin responded that the HCD Web site shows points assigned to each of the criteria and the open comment period generated a significant response. SANDAG commented that the amount of funding available for the SPRINTER line is limited because it does not meet the requirement for 15-minute service, but it may in the future. After the first round, there may be some room to modify the guidelines, and SANDAG will keep everyone up to date.
Jerry Hittleman, City of Oceanside, said that the Proposition 1C 30 du/acre threshold is a tough requirement and affordable housing can be provided at a lower range. Ms. Baldwin responded that HCD is generally looking at housing element densities for affordable housing with a stronger focus on higher densities at transit stations to generate more transit ridership.

Mr. Chopyk said that the densities listed are minimum average densities, where zoning establishes maximum densities. Ms. Baldwin responded that her understanding is that these are the densities in housing elements. She added that the program has an Affordable Housing Innovation Fund. There is no money allocated in the park funds, but the legislation will be continued next year. Assembly Bill 414 (Jones) limits the number of vacant non-residential sites jurisdictions can identify for housing element requirements. This has not been signed by the Governor, and the other three bills are two-year bills. There is $413 million of affordable housing funds put into the budget this year for the multi-family housing program.

Mr. Chopyk asked how funds will be allocated to the regions. Ms Baldwin responded that assuming that we have project applications that meet the criteria, we will receive funding for at least one project. She requested that any additional comments be sent to her, as SANDAG wants to make sure the San Diego region gets some of this funding.

**Agenda Item #12: Water Conservation Summit**

The San Diego County Water Authority and its member agencies will host the second annual Water Conservation Summit on Friday, October 12, 2007. During the breakout sessions, the Water Authority will present a draft model landscape ordinance for the region. This is an important opportunity for stakeholders, especially local planning agencies, to provide feedback.

**Agenda Item #13: Adjournment and Next Meeting**

The next regularly scheduled TWG meeting will be held on Thursday, October 11, 2007, from 1:15 to 3:15 p.m.
Introduction

This report outlines the upcoming meetings of the TWG for Calendar Year 2008. The TWG generally meets on the second Thursday of every month from 1:15 to 3:15 p.m. TWG meetings are anticipated on the following dates.

Upcoming TWG Meetings

- January 10, 2008
- February 14, 2008
- March 13, 2008
- April 10, 2008
- May 8, 2008
- June 12, 2008
- July 10, 2008
- August 14, 2008
- September 11, 2008
- October 16, 2008 (Third week due to Yom Kippur on October 9, 2008)
- November 13, 2008
- December 11, 2008

Key Staff Contact: Carolina Gregor, (619) 699-1989, cgr@sandag.org
### 2008 REGIONAL PLANNING TECHNICAL WORKING GROUP (TWG) ROSTER

#### REGIONAL PLANNING TECHNICAL WORKING GROUP (RPTWG) 12-13-07

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<td>San Diego Unified Port District</td>
<td>Bill Briggs</td>
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<td>619-686-6284, <a href="mailto:wbriggs@portofsandiego.org">wbriggs@portofsandiego.org</a></td>
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<td>San Diego, CA 92112-0488</td>
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<tr>
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<td>Suzanah Aguilera</td>
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December 13, 2007

AGENDA ITEM NO.: 7

Action Requested: DISCUSSION/COMMENT

TECHNICAL UPDATE TO THE SMART GROWTH CONCEPT MAP

File Number 3000200

Introduction

In June 2006, the SANDAG Board of Directors accepted the Smart Growth Concept Map for planning purposes for the 2030 Regional Transportation Plan (RTP). Now that the SANDAG Board has adopted the Final 2030 RTP and in anticipation of a call for projects for the TransNet Smart Growth Incentive Program (SGIP), SANDAG is initiating the process for technical updates to the Smart Growth Concept Map.

Discussion

It will be important for local jurisdictions to participate in the technical update of the Smart Growth Concept Map in order to fairly and effectively compete for smart growth incentive funds. While the program guidelines and evaluation criteria for the TransNet SGIP are still being developed, it is likely that “Existing/Planned” smart growth areas will qualify to compete for both capital infrastructure and planning grants, while “Potential” smart growth areas will qualify only to compete for planning grants.

About 40 percent of the smart growth areas on the Concept Map are designated as “Existing/Planned” areas, and 60 percent are designated as “Potential” areas. These designations are based on whether the areas meet certain housing, employment, and/or transportation targets identified in the Regional Comprehensive Plan. The designation of several “Potential” areas is anticipated to change to “Existing/Planned” due to the addition of high-frequency transit services in the Final 2030 RTP. In addition, other “Potential” areas could change based on changes to local land use plans over the last two years. SANDAG used 2004 capacity file data in calculating the designations of the smart growth areas. We now have 2007 capacity file data available for the technical update.

To ensure a fair and thorough approach to the update, SANDAG will re-run the numbers for all areas once any boundary changes have been requested. We anticipate five possible types of updates, as follows:

1. The addition of new smart growth areas;
2. The deletion of current smart growth areas;
3. Boundary changes to current areas;
4. Text updates to the site descriptions of current areas; and/or
5. Changes in designation of current areas due to new transit service frequencies included in the Final 2030 RTP or updated land use plans since the map was originally created.
In addition, due to the request of Mayor Jim Janney from the City of Imperial Beach, SANDAG will add the region’s military facilities to the map to reflect major employment areas.

Process to Update the Map

In a follow-up e-mail to the Working Group later this month, SANDAG staff will e-mail the TWG a copy of the Smart Growth Concept Map and a spreadsheet containing the descriptions of each smart growth area. TWG members should review the smart growth areas currently included on the map in their jurisdictions and the corresponding site descriptions, and forward any proposed additions, deletions, text changes, or boundary modifications to SANDAG staff. Requested changes should be forwarded to SANDAG staff by January 11, 2008.

Staff will compile all of the requested changes, revise any boundaries as necessary, add any new transit services included in the Final 2030 RTP, and then re-run the numbers for all areas on the map. Staff will then communicate with each jurisdiction regarding changes in status to any of their areas. A revised draft map and site descriptions will be presented to the TWG at its March 13, 2008, meeting, and the updated map will be presented to the SANDAG Regional Planning Committee and Board of Directors in April or May 2008.

The updated Smart Growth Concept Map and corresponding site descriptions will be posted to the SANDAG Web site, in connection with the “Interactive” Map that is currently available online. In an effort to promote smart growth opportunities and incentives in these areas, local jurisdictions are encouraged to provide this information on their local Web sites and through their local planning documents.

Once the visual simulations described in the next TWG report are completed, they will be “linked” to the interactive Smart Growth Concept Map on the SANDAG Web site to provide illustrations of how communities can be transformed by smart growth development and pedestrian and transit-friendly design.

Key Staff Contact: Carolina Gregor, (619) 699-1989; cgr@sandag.org
CRITERIA FOR VISUAL SIMULATIONS OF LOCAL SMART GROWTH PROJECTS

Introduction

As part of the Regional Comprehensive Plan (RCP) implementation program, SANDAG is developing a "Smart Growth Tool Box" this fiscal year. One of the programs in the Tool Box focuses on developing visualization tools to show how communities can be transformed by smart growth development and pedestrian and transit-friendly design.

SANDAG is in the process of securing consultant assistance to generate visual simulations for local smart growth projects during this fiscal year. SANDAG anticipates that the consultant team(s) will be on board by early February 2008. Primary goals of the program are to develop one or more visual simulations for each of the smart growth place types on the Smart Growth Concept Map and to test the types, and associated costs, of visualization programs that will work in the region.

This report provides draft criteria for the selection of the locations of the visual simulations. Depending upon consultant proposals, SANDAG estimates the ability to complete ten to fifteen simulations. A call for applications is anticipated later this month, with proposals due in mid-January 2008.

Recommendation

The Regional Planning Technical Working Group (TWG) is asked to discuss and comment on the criteria proposed below for selecting the locations for the visualization efforts. The selected locations would be announced at the end of January 2008. Work on the visualization efforts would begin immediately thereafter, and would be completed by the end of Fiscal Year 2008 or shortly thereafter. Work completed would be available for use by SANDAG and all member agencies in the region as part of the Smart Growth Tool Kit.

Discussion

Similar to the criteria developed for selecting the I-PLACE³S pilot projects earlier this year, SANDAG is interested in selecting locations that can help illustrate the smart growth place types in the San Diego region and test visualization projects at different scales and in different subregions. SANDAG anticipates two types of visualization projects:
• Animated 3-D visual simulations similar to the video clip prepared for the Escondido I-PLACE3S Pilot Project featured at the September 13, 2007, TWG Meeting, using 3-D Sketch-Up and other innovative graphics programs.

• Multi-stepped sequences of images containing a “before” image showing existing conditions at the location, two to three intervening images showing increasingly modified streetscapes, and one final image of the completely altered streetscape based on smart growth principles.

In addition, as part of a separate but related effort, SANDAG will be compiling a smart growth photo library, consisting of existing smart growth projects and affordable housing projects throughout the region. This work will be undertaken concurrently.

**Proposed Criteria for Selecting Locations for Visual Simulations of Local Smart Growth Projects**

The following criteria are proposed for consideration by the TWG.

• Must be in an area identified on the Smart Growth Concept Map;
• Good subregional distribution of areas (preference given to areas within different subregions and reflecting different smart growth place types);
• Project readiness (priority given to areas undergoing plan updates, or anticipating plan updates in the near future);
• Appropriateness of the application of visualization tools to the project (priority given to areas that have significant potential to benefit from visual simulations);
• Willingness to work with the consultant(s) on a timely basis to complete the simulations by the end of FY 2008 or as soon as possible thereafter; and
• Willingness to share lessons learned about the visualization process with SANDAG staff, working groups, and policy committees.

Applications will be mailed to local jurisdictions later this month and will be due by early-January 2008. An evaluation panel consisting of appropriate SANDAG staff members will review the applications and select the locations. Selected jurisdictions will be notified in late January, and work on the visual simulations will begin in early February.

Key Staff Contact: Carolina Gregor, (619) 699-1989; cgr@sandag.org
HOUSING AND SMART GROWTH FINANCING TOOLBOX/
PROPOSITION 1C AND HOUSING AND SMART GROWTH LEGISLATIVE UPDATE

Introduction

This report provides an update on the implementation of Proposition 1C (The Housing and Emergency Shelter Trust Fund Act of 2006) and on other key housing- and smart growth-related bills.

Discussion

Proposition 1C Implementation

During the past year, SANDAG worked with a stakeholders group to develop a regional consensus on criteria/guidelines for the implementation of programs contained in Proposition 1C. The draft consensus report was presented to state legislative delegation on May 16, 2007.

The key Proposition 1C provisions included in the State Budget for FY 2007-2008 are described below. Attachment 1 summarizes the $808 million in appropriations included in the 2007-2008 Budget for Proposition 1C programs.

Regional Planning, Housing, and Infill Account ($850 million)

Senate Bill 86 (Committee on Budget and Fiscal Review) includes a $300 million appropriation from the $850 million Regional Planning, Housing, and Infill Account for a competitive grant program to construct critical infrastructure that will stimulate the construction of new housing in existing neighborhoods and encourage efficient land use and development. The Department of Housing and Community Development (HCD) is drafting guidelines for a Notice of Funding Availability (NOFA) due out in early 2008. Key provisions of the program are described below:

- Eligible uses are capital improvement projects that directly support residential developments in which at least 15 percent of the homes are affordable at 60 percent Advanced Metering Infrastructure (AMI) for rentals or 120 percent AMI for for-sale homes.
- For profit and nonprofit developers are allowed to apply directly for the funds.
- Developments must be built at housing element densities: 30 units per acre for all cities in the San Diego region except Coronado, Del Mar, and Solana Beach at 20 units per acre and with an adjustment to 10 units per acre for rural areas.
• Developments will be ranked based on affordability, density, and proximity to transit, job centers, and other amenities.
• Projects must be located in a city or county with an adopted housing element found in compliance with state law by HCD.

Transit-Oriented Development Housing Program ($300 million)

The 2007-2008 State Budget includes $95 million to fund housing loans and related infrastructure grants in areas close to transit stations from the Transit-Oriented Development (TOD) Housing Program. The primary objectives of the program are to increase the overall supply of housing, increase the supply of affordable housing, increase public transit ridership, and minimize automobile trips. Two sets of draft guidelines for the $300 million TOD Housing Program were circulated by HCD in August and October. HCD held forums around the state to discuss the proposed guidelines and receive comments, one of which was held in San Diego on September 5, 2007. HCD expects to have the NOFA for this program out by the end of November with applications due in February 2008.

The guidelines specify that the state’s four metropolitan areas – San Diego, Los Angeles, San Francisco, and Sacramento – will receive funding for at a minimum one project per funding round.

Key components of the guidelines include:

1. Eligible applicants for these funds include: nonprofit and for profit developers, local jurisdictions, public transit agencies, and redevelopment agencies depending on the type of assistance requested.
2. Net densities of 60 (Large City Downtowns), 40 (Urban Centers) and 30 (All other areas) units per acre are required for projects requesting funds. (Urban Centers are defined as areas other than a Large City Downtown that is served by more than one mode of transit.)
3. Transit measures that were initially proposed as threshold eligibility requirements have been converted to application scoring criteria, including on-time performance, travel time vs. drive time, and peak period service frequency.
4. Parking limitations have been converted from threshold eligibility requirements to scoring criteria.
5. TOD Housing Program housing development funds may be used in combination with federal and state Low Income Housing Tax Credits and other state allocated housing funds.
6. A $17 million limit per application round for a single project; the full amount can be used for either infrastructure or housing. Also, awards for developments near any one transit station are limited to $50 million.
7. The extent to which the project will increase transit ridership and minimize auto trips.
Affordable Housing Innovation Fund ($100 million)

Senate Bill 586 (Dutton), implementing legislation for the Affordable Housing Innovation Fund, was passed as the Affordable Housing Revolving Development and Acquisition Program on September 11, 2007. This bill would require the allocation of $50 million to the Affordable Housing Innovation Fund; $5 million for the Construction Liability Insurance Reform Pilot Program; $35 million for a local housing trust fund matching grant program; and $10 million for the Innovative Homeownership Program, which would be developed and implemented by HCD.

Proposition 1C Park Funds ($400 million) and Proposition 84 Planning Grants ($90 million)

Legislation associated with the $400 million in park funds ($200 million in the Infill Account and $200 million in the Housing Urban-Suburban-and-Rural Parks Account) and the $90 million in Proposition 84 Regional and Local Land Use Planning Grants and Incentives was not passed and funds were not included in the 2007-2008 State Budget for these programs. These programs (which require implementing legislation) will be addressed by bills to be considered next year.

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

Below is a summary of some other key housing- and smart growth-related bills that will be two-year bills.

- **Assembly Bill 637 (Plescia) – Two-year bill** – This bill was introduced by Assemblymember Plescia for Poway Mayor Mickey Cafagna’s proposal to increase housing production in the San Diego region through regional contribution agreements (see Attachment 3). SANDAG staff is working with Regional Planning Technical Working Group (TWG) members and other stakeholders on this proposal and will report back to the Regional Planning and Executive Committees at upcoming meetings.

- **Senate Bill 303 (Ducheny) – Two-year bill** – This bill would require the general plan, and each of its elements to encompass a planning and projection period of at least 20 years, except for the housing element, and would require each element, except for the housing, conservation, and open-space elements, to be updated concurrently at least every 10 years.

- **Senate Bill 934 (Lowenthal) – Two-year bill** – This bill would allow for the creation of up to 100 “housing and infrastructure zones” in the state that would divert property tax increment revenues from cities and schools for road, water, sewer, and community amenities to support new residential development, as well as housing directly.

SUSAN BALDWIN
Senior Regional Planner

**Attachments:**
1. Proposition 1C Appropriations in 2007-2008 State Budget
2. April 13, 2007, Executive Committee Report: Proposed Legislation for Increasing Housing Production in the San Diego Region through Regional Contribution Agreements

**Key Staff Contact:** Susan Baldwin, (619) 699-1943; sba@sandag.org
## Proposition 1C Funding in 2007-2008 Budget (in $millions)

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Action Requested: DISCUSSION/POSSIBLE ACTION

PROPOSED LEGISLATION FOR INCREASING HOUSING PRODUCTION IN THE SAN DIEGO REGION THROUGH REGIONAL CONTRIBUTION AGREEMENTS

Attached is a memorandum from Poway Mayor and SANDAG Board member Mickey Cafagna asking SANDAG to sponsor state legislation that would allow a jurisdiction to transfer up to 20 percent of its regional housing needs allocation (RHNA) 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 (CDBG) grant funds, or general fund monies through a regional contribution agreement.

To implement this proposal, state law would need to be changed to allow the use of housing set aside funds (also known as Low and Moderate Income Housing Funds) outside the jurisdiction in which they were generated and to allow the transfer of a portion of a jurisdiction’s RHNA numbers to another community.

In his memorandum, Mayor Cafagna makes the following key points about the proposal:

- Housing may be accommodated more easily or economically in some jurisdictions than others.
- Allowing transfers would enable more flexibility in how localities meet their housing obligations.
- More housing units may be able to be produced in the region.
- Fiscal benefits may accrue to receiving jurisdictions allowing them to address infrastructure needs.
- Transfers could be tied to smart growth principles and would help provide more affordable housing near transit stations and corridors.
- Housing set aside funds could only be used for the construction of housing or infrastructure directly related to the new housing development (per current state law).
- The contributing jurisdiction should be allowed to get credit for units produced as part of a transfer based on a formula.
• The California Department of Housing and Community Development should recognize and accept regional/subregional transfer agreements in evaluating housing element law compliance.

• Implementation of this proposal would be voluntary and should be a ten-year pilot program.

The Executive Committee should discuss this proposal and interest in pursuing such legislation. As noted in the attached memorandum, if the Executive Committee decides to pursue this proposal SANDAG staff should analyze its key components and the history of similar proposals and legislation.

BOB LEITER
Director of Transportation and Land Use Planning

Attachment: 1. Memo from Mickey Cafagna dated March 6, 2007, Proposed Legislation for Increasing Housing Production

Key Staff Contact: Susan Baldwin, (619) 699-1943, sba@sandag.org
CITY OF POWAY
MEMORANDUM

To: SANDAG Executive Committee
From: Mickey Cafagna, SANDAG Boardmember and Mayor of Poway
Date: March 6, 2007
Subject: Proposed Legislation for Increasing Housing Production in SANDAG Region Through Regional Contribution Agreements

At our retreat last month, I broached the idea of SANDAG sponsoring legislation that would provide more flexibility for cities in the County to meet regional housing requirements under State law. I have been asked to provide you with a written summary of my thinking for your consideration and ultimately the Board of Directors. Here are my thoughts.

Judging by its population and dramatic job growth in the last 30 years, California is generally perceived as producing less housing than would be expected or desired. The housing element is the State’s major tool to ensure that local land use regulators are planning appropriately for new housing development. Since 1969, the State has required cities and counties to include housing elements in their general plans in order to ensure detailed planning for residential needs, including identifying land sites for housing, and other policies that would make it easier or less expensive to build new housing units. This is the only part of local general plans that is subject to substantial oversight by the State.

The housing element requirement is often called a “fair share” housing law, referring to a regional process by which each local community works to accommodate a fair proportion of the region’s housing needs. SANDAG, like other regional council of governments, works from State estimates of regional housing needs and assigns a housing unit-planning goal or allocation to each city and unincorporated area in our region. Cities and counties are then expected to update their housing elements, and other parts of the General Plan or their zoning to accommodate the planned number of housing units over the next five years.
SANDAG Memo
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Once an update has been drafted, HCD reviews it to gauge whether the plan can enable the targeted number of units – including specific amounts of housing for households of very low, low, moderate, and “above moderate” incomes. If so, HCD certifies the housing element. If not, the jurisdiction may change its plan to incorporate HCD’s suggestions. If the element is adopted without satisfying HCD – or fails to be updated at all – the city or county is regarded as noncompliant. That judgment limits its eligibility for certain State and federal funds for affordable housing and renders it more vulnerable to lawsuits that can halt all development in the community.

A fundamental tension in the housing element law is the equal emphasis given to housing production and geographic distribution of housing for lower income families. Specifically, California’s housing element law attempts to tackle the problems of overall housing underproduction with a process-oriented approach developed to prod cities and counties into planning for their fair share of affordable units. Most observers feel that this dual approach is failing.

First, there is a high degree of local noncompliance with the law. At any given time, between thirty and forty percent of cities are out of compliance, as well as over a fifth of counties. More importantly, there seems to be no correlation between compliance with housing element law and production of housing units.

A comprehensive study done by the Public Policy Institute in 2003 by Paul G. Lewis, found no detectable relationship between compliance and the percentage increase in housing units. Furthermore, noncompliance was not a significant predictor of the rate of multi-family development once other relevant factors were held constant.

The State’s most recent statewide housing plan finds that developers will need to produce an average of 220,000 housing units per year through 2020, to meet projected demand. Yet, even in recent boom years only 150,000 or so new units received building permits in California. HCD predicts a continuum of the current trend will lead to underproduction of needed housing by approximately sixty percent. This will exacerbate the increase in home prices and rents, while lowering homeownership rates. The lack of housing supply particularly hurts the poor. Two of three low-income renter households in California pay more than half their income to put a roof over their heads.

I would like to see SANDAG propose legislation that would allow the ability for cities to “trade” or transfer portions of their allocations with each other in exchange for payments or other considerations. Housing may be accommodated more easily or economically in some jurisdictions than others. Allowing transfers would enable more flexibility for localities in meeting their housing obligations. I can think of a number of jurisdictions with available land along transit corridors that would welcome quality affordable housing as part of their smart growth plans. But they lack the resources to provide sufficient amenities and infrastructure to properly serve the new housing developments. On the other hand, there are a number of communities in San Diego where vacant land is very
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rare and prices are extremely high. These communities struggle to meet their housing element obligations, but are well aware of the need to increase housing in the region.

State law enables transfers among jurisdictions under certain circumstances. Nevertheless, the provisions for transfer are quite strict and constrained. They represent a compromise between stakeholder groups who feel that transfers violate the spirit of fair share housing policy by allowing wealthy communities to forego low cost housing by buying their way out of their responsibilities to their regions.

Other states, including some with equally strong traditions of home rule as California, have also wrestled with issues of inadequate housing production, mandated fair shares for jurisdictions, and State oversight of local planning. In New Jersey, municipalities are allowed to "trade" up to half their obligated number of affordable housing units to another jurisdiction that agrees to build the units, or more commonly, to renovate dilapidated units (under so-called Regional Contribution Agreements). The "sending" jurisdiction, generally a suburb, must pay the "receiving" jurisdiction, usually an older central city. The trading system has fiscal benefits for distressed central cities and has resulted in higher levels of building production. This approach has produced far more housing units than would have otherwise been allowed under local zoning.

SANDAG should sponsor a legislative proposal to allow additional flexibility for local governments to transfer up to twenty percent of their regional housing needs allocations to other jurisdictions in exchange for payment in the form of redevelopment set aside funds, non-set aside redevelopment funding, CDBG grant funds, or general fund monies. State law would have to be altered to allow the spending of redevelopment dollars outside of one's jurisdiction for housing production. This makes sense for both sub-regions and regions, though.

Perhaps the transfers could be tied to smart growth principles, as has been advanced by SANDAG in many forums in recent years. The contribution should allow localities to use the contributed funds for a wide range of infrastructure amenities and even social services to serve the new housing developments. However, redevelopment set aside funds must only be used for brick and mortar and/or infrastructure directly related to the new housing development, as is currently the law in California. The contributing jurisdiction should be allowed to take "credit" for housing units based on a formula. The bill should require HCD to recognize and accept such regional and sub-regional agreements toward compliance with housing element law.

I think this approach would benefit the San Diego region by allowing us to build on our long history of cooperative regional planning and investment. The goal would be to increase the production of affordable housing in the San Diego region, as well as compliance with State housing element law.
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Due to its voluntary nature, the added flexibility provided by such legislation would not seek to resolve the tension between the multiple goals of housing production and equitable distribution of affordable housing bound up in housing element law in California. Instead it would offer another tool to jurisdictions in our region to actually get needed housing built.

I would propose this law be characterized as a ten-year experiment, which would expire at the end of that term, unless reauthorized. Assemblymember George Plescia and State Senator Christine Kehoe have expressed interest in carrying such a bill for SANDAG. If the Executive Committee concurs, I would suggest that the Legal Department analyze this proposal to assist the full Board of Directors in considering this proposed legislation. Please let me know if you seek further clarification of this proposal. I thank you for your consideration.
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Cheryl Mason, Senior Project Manager
(619) 699-1951
cma@sandag.org
Showcasing Local Smart Growth: Grossmont Trolley Station

City of La Mesa
Bill Chopyk, Director of Planning and Development Services
Wesley Espinoza, Fairfield Residential, LLC

The long stairway from the top of the Bluff to the lower Level of the Trolley Station

Existing Stairway to the Upper Level Employment Areas

Regional Planning Technical Working Group
December 13, 2007
Underground Storm Drain Easement is shown as a pedestrian promenade.
Grossmont Trolley Station Project
Alterra and Pravada

Summary:
Mixed-use apartment community of residential and retail space adjacent to the Grossmont Trolley Transit Station in La Mesa.

Number of Units: 537 (15% Affordable) plus 2,700 sq. ft. of retail
80 affordable units
Phase I - Alterra: 297 Apartment Homes
Phase II - Pravada: 230 Apartment Homes

Number of Units: 537 (15% Affordable) plus 2,700 sq. ft. of retail
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Density: 67 units/acre
Site Area: 8 Acres
Ninety-nine (99) year lease from MTS
Parking: 791 spaces for project
600 spaces for public
1,391 total parking spaces

Partnerships
DEVELOPER: Fairfield Residential, LLC
$100 million project
CITY OF LA MESA: Redevelopment Agency
$2.7 million house set aside ($33,750/du)
SANDAG: $2 million smart growth incentive grant
MTS: $1.7 million TOD subsidy
ARCHITECT: ARK Architects, Inc.
ECONOMIC ANALYSIS: Keyser Marston Associates

Return on Investment
- 527 apartments
- 80 affordable units (15%) intermixed
- 2700 sq. ft. retail/commercial
- 600 public parking spaces
  - Superior Urban Design
  - ADA Accessibility
  - Enhanced Mobility
  - Reduced dependency on automobiles

APA Award Winning Project

Showcasing Local Smart Growth:
Grossmont Trolley Station

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Bill Choppy, Director of Planning and Development Services
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