REGIONAL PLANNING COMMITTEE

Friday, February 8, 2008
12 noon to 2 p.m.
SANDAG Board Room
401 B Street, 7th Floor
San Diego

AGENDA HIGHLIGHTS

- TransNet ENVIRONMENTAL MITIGATION RECOMMENDATIONS
- SANDAG ENERGY PLANNING PROGRAM AND CALIFORNIA ENERGY COMMISSION PARTNERSHIP GRANT

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MISSION STATEMENT

The Regional Planning Committee provides oversight for the preparation and implementation of the Regional Comprehensive Plan that is based on the local general plans and regional plans and addresses interregional issues with surrounding counties and Mexico. The components of the plan include: transportation, housing, environment (shoreline, air quality, water quality, habitat), economy, borders, regional infrastructure needs and financing, and land use and design.

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

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<th>ITEM #</th>
<th>RECOMMENDATION</th>
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<tr>
<td>+1.</td>
<td>APPROVAL OF THE DECEMBER 7, 2007, MEETING MINUTES</td>
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<td>PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS</td>
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<td>Members of the public will have the opportunity to address the Regional Planning Committee on any issue within the jurisdiction of the Committee. Speakers are limited to three minutes each and shall reserve time by completing a “Request to Speak” form and giving it to the Clerk prior to speaking. Committee members also may provide information and announcements under this agenda item.</td>
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<td>Attached is a letter to the Regional Planning Committee from Mr. Peter St. Clair (California Native Plant Society Board Member, San Diego Chapter) regarding the recent wild fires.</td>
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<td>TECHNICAL UPDATES TO THE SMART GROWTH CONCEPT MAP (Carolina Gregor)</td>
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<td>On November 30, 2007, the SANDAG Board adopted the 2030 Regional Transportation Plan. Changes in the transportation and transit networks, and updates to local general plans, need to be incorporated into the Smart Growth Concept Map. In anticipation of the call for projects for the TransNet Smart Growth Incentive Program (SGIP), the Regional Planning Technical Working Group (TWG) is in the process of reviewing and providing input for technical updates to the Smart Growth Concept Map. A draft version of the updated map will be brought to the Regional Planning Committee this spring.</td>
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<td>STATUS REPORT ON SMART GROWTH VISUAL SIMULATION EFFORTS (Carolina Gregor)</td>
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<td>As part of the RCP Implementation Program and the Smart Growth Tool Box, SANDAG has entered into a contract with Urban Advantage, Inc., for the development of eight photo-realistic 2-D visual simulations in the region, and is soliciting proposals for the development of three animated 3-D visual simulations in the region. SANDAG is also developing a Smart Growth Photo Library. The attached report provides an overview of the work to be conducted.</td>
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<td>REGIONAL HABITAT MANAGEMENT AND FIRE SAFETY NEXT STEPS (Rob Rundle)</td>
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<td>At its December 21, 2007, meeting the Board of Directors had a discussion about regional habitat management and fire safety. After the recent wildfires, the Board recommended that SANDAG hold a forum to discuss how the region should comprehensively address fire safety measures adjacent to habitat areas that are being conserved as part of the region’s habitat conservation plans. To address the Board’s request, a forum is being planned with the Environmental Mitigation Program Working Group and other interested stakeholders to discuss this regional issue. Members of the RPC and the Board of Directors will be invited to participate in the forum.</td>
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+6. TransNet ENVIRONMENTAL MITIGATION PROGRAM (EMP) RECOMMENDATIONS (Keith Greer)

a. Environmental Mitigation Program Memorandum of Agreement

The RPC is asked to recommend that the SANDAG Board of Directors approve the EMP Memorandum of Agreement, which establishes the process for providing advanced mitigation for projects identified in the Regional Transportation Plan. Advance mitigation was a fundamental tenet of the Environmental Mitigation Program component of the TransNet Extension Ordinance.

b. FY 2008 Recommendations for Land Management and Monitoring

The EMP Working Group is proposing recommendations to the RPC for necessary land management and monitoring activities for FY 2008. These recommendations are based upon the five-year land management and monitoring strategy approved in December 2006 by the Board of Directors, as updated given recent needs due to the 2007 wildfires and recent state grant funding.

+7. PROPOSED LEGISLATION FOR INCREASING HOUSING PRODUCTION IN THE SAN DIEGO REGION THROUGH REGIONAL CONTRIBUTION AGREEMENTS (Susan Baldwin)

In April 2007, the Executive Committee was presented with a legislative proposal for increasing housing production in the San Diego region through regional contribution agreements and requested further analysis of the proposal and input from the Regional Planning Committee. The concept was presented and discussed with the Regional Planning Technical Working Group over three meetings. A report describing past similar legislative efforts and laws and the recommendation of the Regional Planning Technical Working Group (TWG) is attached. The Regional Planning Committee is asked to discuss this proposal.

+8. UPDATE ON SANDAG ENERGY WORK PROGRAM AND CALIFORNIA ENERGY COMMISSION PARTNERSHIP (Brian Holland)

At its June 2007 meeting the Regional Planning Committee asked to receive periodic updates on the SANDAG-California Energy Commission Partnership. Staff will present a status report on update of the Regional Energy Strategy, development of a regional climate action plan, and expansion of an energy-saving pilot program for local governments.

9. ENERGY OUTLOOK FROM SAN DIEGO GAS & ELECTRIC (Rob Anderson, SDG&E Director of Resource Planning)

SDG&E will provide an update on its Long-Term Resource Plan and how it responds to comments prepared by the Energy Working Group.
10. **TRIBAL NATIONS AND ENERGY PLANNING ISSUES** (Chairman Johnny Hernandez, SCTCA; Jane Riquelme, SANDAG Tribal Liaison)  

   Energy and global climate change are significant issues for tribal nations across the country. Chairman Hernandez will brief the committee on energy planning from a tribal perspective, highlighting best practices from several tribes in the region and current nationwide tribal initiatives.

11. **SHOWCASING SMART GROWTH AROUND THE REGION: SOLARA ENERGY SELF-SUFFICIENT APARTMENT COMMUNITY IN POWAY** (Ingrid Alverde, Housing Manager, City of Poway; Mary Jane Jagodzinski, Senior Project Manager, Community Housing Works)  

   From time to time the Regional Planning Committee has heard presentations on smart growth planning efforts underway in local jurisdictions. Today’s presentation focuses on the Solara apartment development in Poway, the first apartment community to be fully powered by the sun. This project, which consists of 56 affordable housing units in six 2-story residential buildings, a 2,100-square-foot community center, and 2,100 square feet of office space on 2.5 acres, won a smart growth award from the local chapter of the Urban Land Institute (ULI) last year. A joint presentation will be made by the housing manager from the City of Poway and the project developer.

12. **UPCOMING MEETINGS**

   The next meeting of the Regional Planning Committee is scheduled for March 7, 2008, at 12 noon.

13. **ADJOURNMENT**

   + Next to an agenda item indicates an attachment
Dear friends,

I am writing as a board member of the San Diego Chapter, California Native Plant Society (CNPS—www.cnpssd.org). I chair our legislative committee and work in numerous urban native plant preserves near my home in the City of San Diego. I spent my career in finance and real estate and worked to implement NCCP via state and federal rule-making allowing the use of conservation banking credits in permitting development and financing permanently protected open space.

CNPS welcomes the SANDAG Board’s direction to the Regional Planning Committee to work with state and federal wildlife officials to help protect lives, homes and natural areas from destructive wildfires.

Loss of life, property, and native beauty from recent wildfires suggest that improvements in fire-life-safety policies and practices are needed in the approval, location, design, construction, and management of our homes and communities as well as our management of natural lands.

Two things stand out in our recent wildfire experience:


   How then can we think that more clearance will protect structures from Santa Ana driven wildfire? More effective means must be sought.

2. The Witch Fire and Harris Fire burned over areas that burned in 2003.

   Why then do we think that prescribed burning or fuel modification can protect us from Santa Ana wind-driven wildfire? Comparisons with Baja’s landscape do not consider the lower density of residential development there, nor the fragmented and degraded nature of their environment. We can do much better than emulate Mexico’s un-planned and un-responsive fire and environmental management programs.
Based on these facts we can focus on two activities that seem to have the best chance of protecting our communities.

Otherwise, we risk throwing good money after bad, and encourage people to think they are protected, when in fact, building in the wildland-urban interface is becoming more dangerous as every year passes.

First, all homeowners should screen vents, replace wood decks, outbuildings, fences, windows, eaves and rafter-tails and properly manage vegetation in the defensible space near their homes. The majority of species subject to such thinning are highly flammable non-native species like eucalyptus, palm, acacia and oleander. As noted below, irrigated and well maintained native vegetation in the defensible space can enhance fire-life-safety.

Homeowners must take action to protect their homes and properly manage scientifically validated defensible space around their property. These steps should occur before the public is asked to fund removal of native trees and shrubs from public land.

So, rather than spend money on questionable vegetation management schemes—you can make loans and grants available to homeowners for work that everybody agrees protects firefighters and structures.

Second, public agencies can provide additional funding for existing coastal sage, chaparral, grassland and forest open space management programs—including scientific research into fire behavior and control. These programs are managed within city and County open space divisions and state and federal departments.

Foremost in such natural lands management programs should be removal and suppression of highly flammable and invasive annual weeds and non-native species such as pampas grass, Arundo, Brazilian pepper, Canary Island palm, broom, and tamarisk.

The immediate benefits:

1. Eliminate highly flammable fire corridors
2. Re-establish considerably less flammable native vegetation (see http://www.laspilitas.com/classes/fire_burn_times.html)
3. Increase groundwater supply (weedy species suck up far more water than native plants)
4. Reduce erosion and improve watershed quality
5. Increase habitat quality and protection of our County’s rare and endangered species and incredible natural beauty
Managing Defensible Space

Based on preliminary evidence from the Witch and Harris Fires, homes survived wildfire when protected with appropriate building design and materials, surrounded by hard-scape and irrigated low-growing native plants mulched with redwood bark. (See photo #1)

Many homes burned even when completely surrounded by irrigated non-native plants, or by bare ground. Attached is a photo of a house that burned even though the owner had cleared 300’ in every direction. (See photo #2)

Outside the mandatory defensible space (30 to 35’ in some cities and 100’ elsewhere), if native vegetation of varying height was present--irrigated and thinned according to County, city and CDF recommendations--it appears that burning embers were knocked down by those native plants—many of which are less likely to ignite than non-natives—since they naturally retain moisture longer—and structures were less likely to ignite.

We do not know the composition of burning embers that ignite most homes. How much is from native vegetation? How much is from eucalyptus litter, palm, acacia and other ornamentals. Nearly as many suburban homes were destroyed in our 2003 and 2007 wildfires as were homes located in the wildlands.

Additional research is needed into the risks posed by non-native vegetation. Perhaps control of non-native vegetation provides the biggest bang for the buck?

Before spending scarce resources in negotiations or in cutting down native plants, we encourage you to take the steps listed above. They have immediate benefit. They are paid for largely by those whose properties are at risk.

Those actions paid for by the citizens at large—better management of natural lands—help everyone and allow us to comply with contracts for NCCP and MSCP previously entered into with the wildlife agencies.

Those contracts crated an expedited means for permits to be given to individuals, business, non profits and government for public and private development.

In return, we all agreed to protect our rare and endangered species and their habitat.

We can continue to protect our natural heritage and create a safer place to live.

Sincerely,

Peter H. St,Clair
2341 Whitman Street
San Diego CA 92103
peter.stclair@sbcglobal.net
Picture #1 This hillside home survived fire. It was of modern design and construction, surrounded by hardscape, irrigated native vegetation, redwood mulch and native plants of varying height—which may have knocked down burning embers.

Picture #2 This hillside home burned although surrounded by more than 300’ of clear land. It was probably ignited by burning embers driven by Santa Ana winds.

Photos by Greg Rubin, California’s Own Native Landscape Design www.calown.com
The meeting of the Regional Planning Committee was called to order by Chair Jerry Jones (East County) at 12:10 p.m. See the attached attendance sheet for Regional Planning Committee member attendance.

1. **APPROVAL OF MEETING MINUTES**

   **Action:** Upon a motion by Supervisor Pam Slater-Price (County of San Diego) and a second by Mayor Lesa Heebner (North County Coastal), the Regional Planning Committee approved the minutes from the October 5, 2007, meeting.

2. **PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS**

   **Action:** There were no public comments/communications/member comments.

**CHAIR’S REPORT**

3. **REPORT ON MEETINGS ATTENDED ON BEHALF OF SANDAG (INFORMATION)**

   Chair Jones commented briefly on the 2007 UCLA Lake Arrowhead Symposium and California Blueprint Learning Network meetings he attended in September.

   **Action:** This item was presented for information only.

   Chair Jones announced that due to the full schedule, Item No. 11 would be discussed at a future meeting.

**CONSENT ITEMS (#4 through #7)**

4. **I-PLACE³’S POTENTIAL RETURN ON INVESTMENT TOOL (INFORMATION)**

   **Action:** This item was presented for information only.
5. PROPOSITION 1C AND HOUSING AND SMART GROWTH LEGISLATIVE UPDATE (INFORMATION)

Action: This item was presented for information only.

6. CLIMATE CHANGE AND ENERGY LEGISLATIVE UPDATE (INFORMATION)

Action: This item was presented for information only.

7. SPRINT SMART GROWTH WORKING GROUP CHARTER REVISION (INFORMATION)

Action: This item was presented for information only.

REPORT ITEMS (#8 through #12)

8. OVERVIEW OF WORKING GROUPS THAT REPORT TO THE REGIONAL PLANNING COMMITTEE AND UPDATE FROM THE REGIONAL PLANNING TECHNICAL WORKING GROUP (INFORMATION)

Coleen Clementson, Principal Planner, informed that there are nine working groups that report to the Regional Planning Committee (RPC), with one, the Regional Planning Stakeholders Working Group, recently concluding. Ms. Clementson provided an overview of each of the working groups and recent activities.

Jim Sandoval, Director of Planning for the City of Chula Vista and Chair of the Regional Planning Technical Working Group (TWG), explained the TWG is comprised of planning directors from various jurisdictions. The group has provided technical background expertise on the Regional Growth Management Strategy, the 2020 Plan, and the Regional Comprehensive Plan. Recently, the TWG has been working on the Smart Growth Concept Map, 2030 RTP, Pilot Smart Growth Incentive Program, and RCP Performance Monitoring Report. Future endeavors include the Smart Growth Incentive Program, Smart Growth Design Guidelines, I-PLACE3S, and the various visioning tools.

Commissioner Michael Bixler (San Diego Unified Port District) inquired if a working group is assigned to solid waste reduction and the water supply to the San Diego region.

Bob Leiter (SANDAG) responded that there are no working groups focusing on those issues presently; however, should the Board desire, the TWG would be the group, as it is comprised of planning directors and regional representatives from various jurisdictions and agencies, including the County of San Diego. He said regional agencies exist for both areas, so it would be important to have them participate in discussions also.

Commissioner Bixler asked if there are other regional agencies that occasionally report to the Board on those subjects.

Chair Jones replied that water will be discussed at this meeting.
Councilmember Steve Gronke (North County Inland) expressed a desire to speak on Item No. 6.

Chair Jones asked for further comments on Item No. 8. None were noted.

Councilmember Gronke remarked that the issue of climate change is still controversial and asked if SANDAG is waiting on the federal investigations before they move on the issue.

Mr. Leiter replied that a report on the status of climate change planning legislation and the roles of SANDAG and local governments will be presented to the Board in January. He informed on AB 32, which laid out an overall approach to climate change and mitigation in which a major sector of climate change planning ought to relate to land use and transportation. The focus of present legislative discussions is on how this would occur; the roles of state and regional agencies and local jurisdictions; how land use and transportation strategies could mitigate climate change; and what level of mitigation is needed. He said SB 375 takes a very specific approach whereby the State would set “carbon targets” or, levels of emission reduction that they would expect each region to try to accomplish in the future. The “targets” would be set through the California Air Resources Board, and then regional agencies, such as SANDAG, would develop an overall regional strategy to accomplish those goals.

Councilmember Gronke asked if there might be State restrictions placed on developments within his city in order to meet these goals.

Mr. Leiter responded that at this time, legislation does not have State or regional agencies instructing cities how to address development. He assured that the RPC would be kept informed as this will be an important part of upcoming regional planning.

Councilmember Gronke asked if there had been recent studies indicating that man’s impact through carbon dioxide emissions produces global warming.

Mr. Leiter stated that it is his understanding that there have been a series of studies and reports from the scientific community which continue to build the case that climate change planning is important, and reiterated that future briefings will be provided.

Dave Druker (North County Transit District) commented that there is no controversy in the scientific community that carbon dioxide levels have vastly increased over the last 50 years.

Chair Jones added that the State of California is requiring reductions and linking climate change to planning and transportation. Caltrans realizes that in order to make those reductions it must come from a link between land use and transportation; and local elected officials will act as the enforcement arm.

Mayor Lesa Heebner (North County Coastal) reported she signed the Climate Protection Agreement while attending the U.S. Mayors Conference. Conference discussions centered on the scientific proof that man is a contributor and changes must be made. The resulting innovation will be the generator of the 21st economy through the new solutions and creation of new jobs. She explained that mayors can make a difference through their
awareness and ability to serve as role models while laying the policy foundation for incentives, helping others meet the criteria, and sorting through the myriad of regulations and methods of reducing their carbon footprint. She said Solana Beach is in the process of setting up a formal council committee with community members to address these issues and related the example of the Wal-Mart, which was built entirely as a green building, and the jurisdiction’s incentive of giving the project priority in the permitting process.

Councilmember Gronke commented on his support for going green and rapid movement taking place toward this goal.

Chair Jones assured that further discussions on the subject will occur in upcoming months.

**Action:** This item was presented for information only.

9. **REGIONAL COMPREHENSIVE PLAN: 2007 ANNUAL PERFORMANCE MONITORING REPORT (RECOMMEND)**

Christine Eary, Project Manager, provided a brief summary of the statewide recognized report and informed on recent updates. She stated that monitoring will continue and the report will be produced on an annual basis.

**Action:** Upon a motion by Mayor Heebner and a second by Supervisor Slater-Price, the Regional Planning Committee recommended that the SANDAG Board of Directors accept the attached report as the Regional Comprehensive Plan: 2007 Annual Performance Monitoring Report.

10. **TransNet SMART GROWTH INCENTIVE PROGRAM – STATUS REPORT (DISCUSSION)**

Stephan Vance, Project Manager, reported program revenue will be dedicated to funding transportation-related community infrastructure to support Smart Growth development. It should be a competitive grant program whereby SANDAG will develop specific project eligibility criteria and guidelines. He solicited the Committee’s comments on the relevance of the program’s policy objectives and asked if there were any additional objectives which should be met. He noted that $6 million per year will be provided for Smart Growth and asked the Committee if projects should be funded through a variety of settings in each funding cycle or over the life of the program.

Ed Gallo (North County Transit District) favored receiving input from the SPRINTER Smart Growth Working Group.

Mayor Heebner inquired about the lessons learned.

Mr. Vance said one learned involved the ability to deliver projects in a timely fashion as federal funds provided previously subjected local projects to federal guidelines for environmental clearance and State oversight. He said this challenge should be overcome by using TransNet funds. Another lesson related to impacts from the changing housing market, in which grant-funded housing developments are now being downsized, and the difficulty in providing projects throughout the region due to the Regional Housing Needs Assessment.
Ms. Clementson said it might be possible that some projects with a longer timeline might be funded with federal funding, whereas projects that are ready to go might be funded by TransNet.

Supervisor Slater-Price inquired if there was a ratio in terms of money towards planning versus money towards capital projects.

Ms. Clementson responded that suggestions are welcome; however, to form a recommendation, the policy discussion would begin with the Ad Hoc Working Group and then to the RPC.

Supervisor Slater-Price favored funding capital projects rather than planning. She inquired if funding would be considered for public spaces which would be integrated into the Smart Growth development.

Mr. Gallo suggested that a working group perform the planning in order to conserve money for capital projects.

Supervisor Slater-Price remarked on the importance of the SPRINTER Working Group as it served as a forum for cities to discuss issues and ascertain information. She said a lot of potential development could occur along the COASTER line, particularly in Solana Beach, Encinitas, Cardiff, and Del Mar. She inquired if a local match should also be required.

Ms. Clementson stated the pilot program rewarded a local match; however, there are various options, including a developer contribution toward development. She added that smaller cities found it very difficult to match funds as resources were not available and suggestions are presently being sought to remedy this issue.

Mr. Vance said a local match was not required, but was encouraged by rewarding a significant amount of points in the evaluation criteria.

Supervisor Slater-Price suggested a possible waiver of administrative fees on permits as an incentive which would not involve capital outlay. She inquired how the SANDAG Smart Growth Concept Map should be used in the selection process.

Mr. Vance responded that basic eligibility criterion required projects submitted for the pilot program be located within the identified Smart Growth area. Difficulty was experienced in measuring projects within the criteria of their own place types due to the wide range of place types. He said that this will be one of the technical aspects which will be addressed and an effort will be made to create a way to measure projects.

Ms. Clementson added that the Regional Comprehensive Plan identified broadly that planning funds could be used in those areas that required plan changes to meet the targets. About a third of the projects on the Smart Growth Concept Map meet the Smart Growth targets; therefore, planning funds would be available and planning and/or capital funds would be available to areas that already meet the Smart Growth targets.
Supervisor Slater-Price remarked that it is important to include enough flexibility to ensure participation by smaller jurisdictions. She cited the Coastal Rail Trail in Solana Beach as an example of a public project generating good will from these funds.

Councilmember Teresa Barth (North County Coastal) commented on diminishing transit funding. She said public trust is eroded if people move to transit corridors and transit service is not provided. She cited the transit service at Pacific Station, the major Smart Growth project for the City of Encinitas, and asked if funding could also involve ensuring transit service.

Mayor Heebner stated her support of the Smart Growth concept and the importance of being realistic and not solely idealistic. She relayed a suggestion of creating Smart Growth communities versus Smart Growth projects. She proposed the addition of shuttles providing transportation from stations to destinations and vice versa, as they would assist with the creation of a Smart Growth community. She stated Smart Growth Incentive Plan funds would be best spent on improving the present service, thus making it more realistic; and included that it is necessary to provide adequate parking at the transit hubs and allow the parking to serve as a placeholder for future development.

Mr. Druker said he believed the idea was to use and infill current infrastructure so new systems do not have to be developed. He agreed that it is important that areas are provided the appropriate services and amenities as their density will be increased. He disagreed, however, on the issue of parking, as too much parking allows people to continue using their cars. He strongly suggested that projects slated to be built immediately be favored and projects still in the planning stages not be part of the incentives at this time.

Councilmember Gronke commented that due to the generational change needed, it would be wise to plan for the transition time and allow adequate parking and use it as a placeholder. He agreed that smaller jurisdictions should be considered, as often they rely exclusively on redevelopment projects for Smart Growth to occur. He hoped that SANDAG would take a position in opposition to any ballot issues designed to remove the opportunity for redevelopment.

Commissioner Bixler suggested matching funds could be comprised of an allocation of the total dollars based partially on the per capita income of the adult population in the community. Regarding multimodal transit centers, he suggested the plan envision many multimodal transit centers comprised of a walking path, local shuttle, longer-range bus routes, and trolley.

Mayor Jim Janney (South County) suggested review of “Vehicle Miles Traveled” (VMT) as it may provide State funding to augment other funding sources.

Supervisor Slater-Price reiterated the need for a match and suggested smaller cities team up on a multi-city project in order to stretch the resources and provide even greater benefits. She suggested considering a working group, comprised of stakeholders from coastal communities.
Mr. Leiter proposed returning to the Committee with examples of additional programs, such as Proposition 1C, and informing on how these programs might relate to other funding sources besides the TransNet program.

Mr. Sandoval commented that often the decision to place the funds into planning or construction depends on the market. Bits of construction funding often will bring a project to fruition or help a public agency provide public infrastructure that makes a project either Smart Growth or transit-oriented in difficult times. As the market improves, emphasis can change as development might be able to pay for itself and planning funds used to clear the way for development.

Mayor Heebner said emphasis should be in areas on the Smart Growth Map in which the hubs have the most frequency and use.

Mr. Druker reported that the State has drastically reduced transit funding; however, it is possible other future transit-oriented Smart Growth Incentive Plans will be available.

Chair Jones remarked alternatives must be presented that are equal to or better than present lifestyles. Policy must involve climate change issues and considerations for “Vehicle Miles Traveled.” Smaller jurisdictions should not be excluded because they cannot provide matching funds. He also commented on the importance of including a quality of life component to provide a foundation for the community as a whole. Emphasis should be on enhancement of the whole concept, making these better places to live, and more capital projects.

Councilmember Barth suggested an objective to refine housing development into Smart Growth community development.

Mr. Vance concluded that one of the great challenges is to fit the qualitative measures into the project evaluation criteria.

Action: This item was presented for discussion only.

11. TOOLS TO INCREASE THE REGION’S HOUSING SUPPLY: RECOMMENDATIONS FROM THE REGIONAL ECONOMIC PROSPERITY STRATEGY AND OTHER EFFORTS UNDERWAY (DISCUSSION)

Action: This item will be presented for discussion at a future meeting.

12. SAN DIEGO WATER SUPPLY OUTLOOK (INFORMATION)

Fern Steiner, Chair of the Board of Directors for the San Diego County Water Authority, reported on efforts to diversify the water portfolio by adding conservation, recycled water, groundwater recovery, the Imperial Irrigation District water transfer, the lining of the Coachella and All-American Canals, and reduction of dependency on the Metropolitan Water District. She stated San Diego receives its water from the Colorado River and the State Water Project. State and federal restrictions regarding Bay-Delta pumping will begin on December 25, 2007, which will affect supply reliability, thus increasing reliance on water
storage, spot water transfers, and conservation. A drought management plan was also implemented in advance which included voluntary actions and the “20-Gallon Challenge.” The Water Authority is attempting to do all it can in order to avoid mandatory cutbacks.

Maureen Stapleton, General Manager of San Diego County Water Authority, stated a strong coordination between land use and water agencies is critical to link infrastructure and water supply with land use planning in order to ensure the region’s water reliability. The Water Authority implemented a supply strategy which includes continuation of water transfer from the Imperial Irrigation District; seawater desalination through the Encina and Camp Pendleton desalination plants; increased water recycling and groundwater recovery; achieving the conservation targets; and increasing water storage at the San Vicente reservoir.

Ms. Steiner reiterated that a drought management plan, a fully diversified portfolio, and conservation efforts are in effect in order to respond to present and future hydrological conditions. Hopefully, a state bond or legislation addressing the ecological, environmental, and water needs of the Bay-Delta will include conveyance.

Chair Jones commented that discussions regarding water at the Lake Arrowhead Symposium included the needs of the Bay-Delta. He said it seemed as though environmentalists were in favor of a peripheral canal.

Supervisor Slater-Price recommended presentation of this information in order to clarify that the Water Authority is not a growth control or growth inducing agency. She inquired about the regulations regarding golf courses and whether they receive a preferred rate.

Ms. Stapleton responded that she did not know of any golf course with a preferred rate and said that rates are assigned by retail agencies such as cities, water districts, public utilities, or irrigation districts.

Ms. Steiner stated that some golf courses use recycled water; therefore, receiving a recycled water rate, and perhaps people are confusing this for a preferred rate.

Supervisor Slater-Price stated her support for the usage of recycled water by golf courses and asked for clarification on the Water Authority’s availability to serve notices.

Ms. Steiner replied that the Water Authority provides water availability information to retail agencies for consideration. The agencies provide water at the retail level; produce a water assessment, and the availability to serve notice, which is to be considered by the land use agency when the land use decision is considered. The Water Authority is “growth responsive” in that they will determine the water needs and how to provide water for planned growth.

Supervisor Slater-Price asked if individuals with inquiries about water issues should go to the Water Authority.

Ms. Stapleton responded that right now, growth is left to the discretion of each agency.
Supervisor Slater-Price inquired if water reduction incentives have been developed for golf courses or if different rates exist for golf courses and other discretionary uses.

Ms. Stapleton informed on tiered rates, which incur higher costs depending on water usage. She said all agencies are presently re-examining their tiered rates and a variety of conservation measures, which include incentives and a model landscape ordinance which addresses the appropriateness of commercial, industrial, recreational, and residential landscaping.

Councilmember Barth stated the City of Encinitas recently changed its tiers to encourage conservation and develop drought-scenario water rates. She said the general consensus is why conserve if building continues, which must be addressed by all agencies. She reiterated the importance of future recycled water usage.

Harry Mathis (Metropolitan Transit System) commented it is important to draw a distinction between water re-purification and water reclamation. Golf courses use reclaimed water; an obstacle to a more extensive use of reclaimed water is it requires a costly separate distribution system. Re-purification allows water to be placed into an existing distribution system. He informed on a previous re-purification system, which was supported by the State Water Quality Board, and hoped a new re-purification program might be implemented soon.

Chair Jones informed that the City of San Diego recently reviewed the issue and others should do the same. He said part of the problem is that San Diego is comprised of many different agencies and asked for suggestions on how to bring the agencies together.

Mr. Druker suggested requiring developers to fund water and/or water from other sources. He said some counties, such as Borrego Springs, are trading excess water; and that may serve as another possible solution.

Ms. Steiner stated the Water Authority Board gave direction to meet with general managers regarding mitigation for development, such as retrofitting a park with all reclaimed water or other ideas.

Councilmember Gronke remarked that water agencies are in the position to use their clout at this time to discuss landscaping with developers, particularly lawns which use a lot of water and are non-native.

Mayor Janney asked if the seawater desalination figure of 10% pertained to only one plant.

Ms. Stapleton responded that the 10% is actually assuming an additional 30,000 AF from a second plant.

Mayor Janney suggested the process to approve another desalination plant should begin immediately.

Ms. Stapleton said that since 1991, the price of seawater desalination in the last 10 years has been cut in half due to technological improvements. Presently, a feasibility study is being
conducted at Camp Pendleton regarding an alternate intake process, which would make the plant more compatible with the Marine Corps’ use of the area. The Encina plant is in the final stages of approval and construction should begin soon.

Ms. Steiner added that sites in the South Bay and Mexico are also being explored.

Mayor Janney inquired about the desalination of groundwater.

Ms. Stapleton replied the City of San Diego is conducting a study of the “San Diego Formation,” which appears to be the last large area of potential additional groundwater. Also, Oceanside might increase its desalination of the groundwater in the San Luis Rey River area. She said groundwater will never play a major role for San Diego County due to ocean water seepage.

Mayor Janney cautioned placing the majority of the costs onto the developers and housing.

Ms. Steiner recognized other members of the Water Authority in attendance: Marilyn Daley, representing the City of Escondido; Howard Williams, representing the Vista Irrigation District; and Supervisor Pam Slater-Price, Ex-Officio Board member.

Action: This item was presented for information only.

13. UPCOMING MEETINGS

The next meeting of the Regional Planning Committee is scheduled for February 8, 2008, at 12 noon.

14. ADJOURNMENT

Chair Jerry Jones adjourned the meeting at 2:00 p.m.

Attachment: Attendance Sheet
## CONFIRMED ATTENDANCE
### SANDEG REGIONAL PLANNING COMMITTEE MEETING
*December 7, 2007*
*12:00 p.m. to 2:00 p.m.*

<table>
<thead>
<tr>
<th>SUBREGIONAL AREA</th>
<th>JURISDICTION</th>
<th>NAME</th>
<th>MEMBER/ALTERNATE</th>
<th>ATTENDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>North County Inland</td>
<td>City of Escondido</td>
<td>Lori Holt Pfeiler</td>
<td>Member</td>
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</tr>
<tr>
<td></td>
<td>City of Vista</td>
<td>Steve Gronke</td>
<td>Alternate</td>
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</tr>
<tr>
<td>South County</td>
<td>City of Imperial Beach</td>
<td>Jim Janney</td>
<td>Member</td>
<td>X</td>
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<tr>
<td></td>
<td>City of Chula Vista</td>
<td>John McCann</td>
<td>Alternate</td>
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<tr>
<td>North County Coastal</td>
<td>City of Solana Beach</td>
<td>Lesa Heebner</td>
<td>Member</td>
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<tr>
<td></td>
<td>City of Encinitas</td>
<td>Teresa Barth</td>
<td>Alternate</td>
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<tr>
<td>East County</td>
<td>City of Lemon Grove</td>
<td>Jerry Jones, Chair</td>
<td>Member</td>
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<tr>
<td></td>
<td>City of Lemon Grove</td>
<td>Jerry Selby</td>
<td>Alternate</td>
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</tr>
<tr>
<td>City of San Diego</td>
<td>----</td>
<td>Toni Atkins, Vice Chair</td>
<td>Member</td>
<td>X</td>
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<tr>
<td></td>
<td>----</td>
<td>Jerry Sanders</td>
<td>Alternate</td>
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<tr>
<td>County of San Diego</td>
<td>----</td>
<td>Pam Slater-Price</td>
<td>Member</td>
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<td>Bill Horn</td>
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<td>Advisory Members</td>
<td>Caltrans, District 11</td>
<td>Pedro Orso-Delgado</td>
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<td>Bill Figge</td>
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<td>Advisory Member</td>
<td>San Diego County Water Authority</td>
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<td>San Diego Unified Port District</td>
<td>Michael Bixler</td>
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<td></td>
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<td>MTS</td>
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<td>Regional Planning Technical Working Group (TWG)</td>
<td>Jim Sandoval</td>
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<td>Jonathon Brindle</td>
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<td></td>
<td></td>
<td>Gary Nordstrom</td>
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<td></td>
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<td>Johnny Hernandez</td>
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<td>Allen Lawson</td>
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<td>Advisory Member</td>
<td>Department of Defense</td>
<td>Susanah Aguilera</td>
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<td>Environmental Mitigation Program Advisory Member</td>
<td>Wildlife Conservation Board</td>
<td>John Donnelly</td>
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<td>Debbie Townsend</td>
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<td>Michael Mulligan</td>
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<td>Environmental Mitigation Program Advisory Member</td>
<td>US Army Corps of Engineers</td>
<td>Mark Durham</td>
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<td>Jeannette Baker</td>
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<td>Environmental Mitigation Program Advisory Member</td>
<td>US Fish and Wildlife Service</td>
<td>Therese O'Rourke</td>
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<tr>
<td></td>
<td></td>
<td>Susan Wynn</td>
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</table>
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 is 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 to compete for planning grants only.

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.

While staff does not anticipate many changes, jurisdictions can request 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, in response 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 for Technical Update

SANDAG staff has asked members of the Regional Planning Technical Working Group, which includes planning directors from the County and all 18 cities, to review the smart growth areas currently included on the Smart Growth Concept Map in their jurisdictions and the corresponding site descriptions, and forward any proposed additions, deletions, text changes, or boundary modifications to SANDAG staff.

Staff will compile the requested changes, conduct analysis, and 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 2008 meeting for review, and the updated map will then be presented to the Regional Planning Committee and SANDAG 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.

BOB LEITER
Director, Land Use and Transportation Planning

Key Staff Contact: Carolina Gregor, (619) 699-1989, cgr@sandag.org
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 has entered into a contract with Urban Advantage, Inc. for the development of eight photo-realistic 2-D visual simulations in the region, and is soliciting proposals for the development of three 3-D animated visual simulations. A consultant for the 3-D simulations should be on board by March 2008, resulting in a total of 11 visual simulations in the San Diego region this calendar year.

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 for use by SANDAG and local member agencies.

Related to this effort, SANDAG is also developing a Smart Growth Photo Library. Once the visual simulations have been completed and the photographs are available, SANDAG will link them to the Interactive Smart Growth Concept Map found on the SANDAG Web site, and will share them with local jurisdictions for community outreach and education purposes. The simulations and images will also be used in the Smart Growth Design Guidelines currently underway, and in other SANDAG and/or local jurisdiction brochures, publications, and presentations.

Discussion

In December 2007, SANDAG released a “call for applications” for locations for the visual simulations. SANDAG received 13 applications from throughout the region. Based on selection criteria discussed by the Regional Planning Technical Working Group (TWG) at its December 2007 meeting, the following locations have been selected:
Locations for 2-D Visual Simulations

<table>
<thead>
<tr>
<th>Location</th>
<th>Smart Growth Place Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chula Vista Urban Core – E Street Visitor Transit Focus Area</td>
<td>Urban Center</td>
</tr>
<tr>
<td>Escondido Downtown Planning Area</td>
<td>Town Center</td>
</tr>
<tr>
<td>La Mesa Downtown Village Mixed Use Redevelopment Area and Parking Structure</td>
<td>Town Center</td>
</tr>
<tr>
<td>Location (Cont.)</td>
<td>Smart Growth Place Type</td>
</tr>
<tr>
<td>Barrio Logan Community Planning Area, City of San Diego</td>
<td>Community Center</td>
</tr>
<tr>
<td>Imperial Beach Commercial Mixed Use Zones along Palm Avenue/SR-75</td>
<td>Community Center</td>
</tr>
<tr>
<td>El Cajon Transit and Business District at the El Cajon Trolley Station</td>
<td>Community Center</td>
</tr>
<tr>
<td>Alpine Town Center, County of San Diego</td>
<td>Rural Village</td>
</tr>
<tr>
<td>Imperial Beach Old Palm Avenue Revitalization Area</td>
<td>Mixed Use Transit Corridor</td>
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Locations for 3-D Visual Simulations

<table>
<thead>
<tr>
<th>Location</th>
<th>Smart Growth Place Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chula Vista Urban Core – H Street Transit Corridor</td>
<td>Urban Center</td>
</tr>
<tr>
<td>La Mesa Grossmont Center Redevelopment Area</td>
<td>Urban Center</td>
</tr>
<tr>
<td>Grantville Trolley Station Redevelopment Area, City of San Diego</td>
<td>Town Center</td>
</tr>
</tbody>
</table>

Work on the visualization efforts will be completed by September 2008 and will be available for use by SANDAG and member agencies as part of the Smart Growth Tool Box. As part of this effort, the consultants will provide SANDAG and local graphics staffs with training opportunities on developing visual simulations.

Staff will showcase the final visualization products to the Regional Planning Committee this fall.

BOB LEITER  
Director, Land Use and Transportation Planning

Key Staff Contact: Carolina Gregor, (619) 699-1989, cgr@sandag.org
Regional Habitat Management and Fire Safety - Next Steps

Introduction

At its December 21, 2007, meeting the SANDAG Board of Directors had a discussion about regional habitat management and fire safety. The Board of Directors discussed some of the conflicts that exist between the habitat management plans that are being implemented throughout the region to protect threatened and endangered species, and adequate fire safety zones around structures to reduce the damage from wildfires like the ones experienced in 2003 and most recently in 2007.

Discussion

The Board directed staff to facilitate a forum of regional stakeholders, including Regional Planning Committee members, to discuss how the region can better accommodate fire safety zones in areas where the habitat preserve interfaces with urban development. A forum will be scheduled to coincide with the March 11, 2008, Environmental Mitigation Program Working Group (EMPWG) meeting. In addition to the EMPWG members, SANDAG will invite other stakeholders including the RPC, Board of Directors, fire safety officials, and other interested members of the public. After the forum, staff will report back to the RPC with any recommendations and follow-up activities that are identified at the meeting. In addition, staff will follow up with the Board of Directors as they requested.

The purpose of the meeting will be to identify areas where existing approaches to minimize fire risk are not working or need to be modified. While it is recognized that many factors contribute to the intensity and frequency of wildfires, the forum will be limited to those issues related to the habitat conservation plan requirements and their relationship to fire safety.

Bob Leiter
Director of Land Use and Transportation Planning

Key Staff Contact: Rob Rundle, (619) 699-6949, rru@sandag.org
TransNet ENVIRONMENTAL MITIGATION PROGRAM RECOMMENDATIONS: MEMORANDUM OF AGREEMENT AND FY 2008 MANAGEMENT AND MONITORING FUNDING RECOMMENDATIONS

Introduction

The TransNet Extension Ordinance and Expenditure Plan, approved countywide by voters in November 2004, includes an Environmental Mitigation Program (EMP), which is a funding allocation category for the costs to mitigate habitat impacts for regional transportation projects. The EMP is a unique component of the TransNet Extension in that it goes beyond traditional mitigation for transportation projects by including annual funding allocations for habitat acquisition, management, and monitoring activities as needed to help implement the regional habitat conservation plans. This funding allocation is tied to mitigation requirements and the environmental clearance approval process for projects outlined in the Regional Transportation Plan.

On August 3, 2007, SANDAG Staff gave a presentation to the Regional Planning Committee (RPC) on the status of the TransNet EMP and the next steps, which included the development of a Memorandum of Agreement (MOA) with Caltrans, the U.S. Fish and Wildlife Service (USFWS), and the California Department of Fish and Game (CDFG), and a set of recommendations for FY 2008 land management and monitoring activities.

Since the August RPC meeting, staff from SANDAG, Caltrans, USFWS, and CDFG have reached agreement on the provisions of a proposed MOA (Attachment 1), which will establish the process for the allocation of TransNet funds for the early mitigation of TransNet projects along with the methods for providing assurances that the early mitigation will satisfy future project mitigation needs.

In addition, on December 11, 2007, the EMP Working Group (EMPWG) voted to provide a set of recommendations for land management and monitoring activities to the RPC for consideration. The EMPWG is proposing a set of recommendations for land management and monitoring activities for FY 2008 (see Table 1), as well as the reconfirmation of activities for the unused allocations.
($1.3 million) from FY 2007\(^a\). These recommendations, consistent with the provisions of the proposed MOA, are based on a review of the SANDAG Board-adopted Five-Year Conceptual Funding Strategy for management and monitoring as modified based upon the emerging needs resulting from the 2007 wildfires.

**Discussion**

(A) TransNet Environmental Mitigation Program Memorandum of Agreement

On September 24, 2004, the SANDAG Board of Directors approved EMP Implementation Guidelines. These guidelines served as the initial steps in the process for preparing the required agreements with Caltrans, USFWS, and the CDFG.

Working with the signatory agencies (SANDAG, Caltrans, USFWS, and CDFG), it was decided that a processing agreement in the form of an MOA would best expedite the goals of the TransNet EMP while providing the necessary assurances for transportation project mitigation. The draft MOA (Attachment 1), as agreed to by all the signatory agencies, provides the capacity to fund the early acquisition of mitigation land for future transportation projects, along with the process for providing the assurances that land conserved or restored under the TransNet EMP will be suitable for future mitigation. This satisfies the two fundamental tenets of the EMP: (1) early large-scale acquisition and management of habitat that will (2) provide the mitigation for future transportation projects, thereby reducing future costs and accelerating project delivery.

On December 11, 2007, the 20 members of the SANDAG Environmental Mitigation Program Working Group (EMPWG) discussed the proposed MOA. The EMPWG unanimously supported “the MOA as drafted, with the understanding that there will be comments and possible edits made, and presuming that they don’t change the flavor, intent, or goals of this MOA, the working group supports it.”

On January 9, 2008, the TransNet Independent Taxpayer Oversight Committee (ITOC) unanimously agreed to recommend that the SANDAG Board approve the MOA among SANDAG and the other signatories.

(B) FY 2008 Management and Monitoring Funding Recommendations

Pursuant to the EMP Implementation Guidelines and consistent with the proposed MOA, TransNet includes funding for management and monitoring activities to assist with the implementation of the regional habitat preserves. The SANDAG Board approved $1 million for emergency land management monitoring activities in 2006. On December 15, 2007, the SANDAG Board authorized $700,000 for time-sensitive biological monitoring and allocated an additional $1.3 million, pursuant to the EMP Guidelines, upon an executed agreement with the federal and state wildlife agencies. The SANDAG Board also approved a Five-Year Conceptual Funding Strategy for management and monitoring, also approved by the SANDAG Board on December 15, 2006.

The proposed MOA outlining the process for funding and assurance of the EMP is ready for SANDAG Board consideration. Upon execution of the MOA and pursuant to its conditions and the conditions of the previous adopted TransNet EMP Guidelines, $4.0 million would be available in

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\(^a\) On December 15, 2006, the SANDAG Board approved $2 million for land management and monitoring activities, with $1.3 million contingent on execution of an agreement with federal and state wildlife agencies. The Board also adopted a Five-Year Conceptual Funding Strategy.
FY 2008 for management and monitoring, as well as the unused allocations ($1.3 million) from FY 2007.

The EMPWG is proposing a set of recommendations for land management and monitoring activities (see Table 1). Further details are provided at www.sandag.org/2008EMP. These recommendations include the proposed allocation of the remaining funding from FY 2007 ($1.3 million), as well as the allocation of funding for FY 2008 ($4.0 million) pursuant to the adopted TransNet EMP Guidelines and the proposed MOA. The recommendations for FY 2007 remain consistent with those adopted by the SANDAG Board on December 15, 2006. The FY 2008 recommendations are based on a review of the Five-Year Conceptual Funding Strategy for management and monitoring as modified based upon the emerging needs occurring from the 2007 wildfires.

Table 1: Summary of Recommended Funding

<table>
<thead>
<tr>
<th>Activity</th>
<th>Funding Allocated FY 07(^1)</th>
<th>Proposed Funding FY 08</th>
<th>Recommended Approach</th>
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</thead>
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<tr>
<td><strong>Regional Coordination</strong></td>
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<tr>
<td>Program Developer</td>
<td>$150,000</td>
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<td>Fund through contract.</td>
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<tr>
<td>Management Coordinator</td>
<td>$150,000</td>
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<td>Fund through contract.</td>
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<tr>
<td>Invasive Control/Fire Recovery/Restoration/Access Control and Management</td>
<td>$600,000</td>
<td>$2,300,000</td>
<td>Solicit proposals from land managers to protect, enhance, and restore native habitat and post-burn areas.</td>
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<td><strong>Regional Monitoring</strong></td>
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<tr>
<td>Monitoring Coordinator</td>
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<tr>
<td>Updated Vegetation Mapping and Database</td>
<td>$150,000</td>
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<td>Work with California Department of Fish and Game to solicit proposals to update the vegetation mapping.</td>
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<tr>
<td>Pilot Testing and Refinement of Vegetation Monitoring(^2)</td>
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<td>$145,000</td>
<td>Enter into a contract with San Diego State University to continue monitoring.</td>
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<td>Rare Plant Monitoring Protocols(^2)</td>
<td>$50,000</td>
<td>$50,000</td>
<td>Amend existing contract with U.S. Geologic Survey to add this task.</td>
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<tr>
<td>Gnatacatcher Monitoring Continuation(^2)</td>
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<td>$440,000</td>
<td>Amend existing contract with U.S. Fish and Wildlife Service to continue this monitoring.</td>
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<tr>
<td>Post-fire Monitoring Continuation(^3)</td>
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<td>$650,000</td>
<td>Amend existing contract with U.S. Geologic Survey to continue this monitoring.</td>
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<tr>
<td>Invasive Species Mapping</td>
<td>$50,000</td>
<td>$150,000</td>
<td>Solicit proposals from professional consultants.</td>
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<tr>
<td>Cactus Wren Habitat Mapping</td>
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<td>Amend existing contract with U.S. Fish and Wildlife Service to add this task.</td>
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<tr>
<td>Burrowing Owl Distribution</td>
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<td>Solicit proposals from professional consultants.</td>
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<tr>
<td>Rare Butterfly Surveys</td>
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<td></td>
<td>Solicit proposals from professional consultants.</td>
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<tr>
<td><strong>SUBTOTAL</strong></td>
<td>$1,300,000</td>
<td>$4,000,000</td>
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<td><strong>TOTAL</strong></td>
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<td>$5,300,000</td>
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\(^1\) Approved by SANDAG Board on December 15, 2006.

\(^2\) Ongoing monitoring activity.
**Next Steps**

If the RPC concurs with the recommendations, this item will be forwarded to the SANDAG Board for consideration. Should the MOA and the management recommendations be approved by the SANDAG Board, the Executive Director will execute the MOA, and SANDAG staff will take the necessary contractual actions required to implement the proposed habitat management and monitoring activities for FY 2008.

SANDAG staff will also return to the RPC in approximately two months with an updated Five-Year Conceptual Funding Strategy reflecting changes resulting from the 2007 wildfires and the provisions of the EMP MOA.

BOB LEITER  
Director of Land Use and Transportation Planning

Attachment: 1. Proposed TransNet EMP MOA

Key Staff Contact: Keith Greer, (619) 699-7390, kgr@sandag.org
Memorandum of Agreement (MOA)
among the San Diego Association of Governments (“SANDAG”), the California Department of Fish and Game (“CDFG”), the California Department of Transportation (“Caltrans”), and the United States Fish & Wildlife Service (“USFWS”) (collectively “the signatories”) regarding the mitigation for transportation projects under the TransNet Extension Ordinance Environmental Mitigation Program

WHEREAS, in April 2003 the SANDAG Board of Directors (SANDAG Board) adopted the 2030 Regional Transportation Plan (RTP) entitled MOBILITY 2030, The Transportation Plan for the San Diego Region;

WHEREAS, the RTP includes a list of transportation network improvements and other transportation programs that are intended to improve the mobility of people and goods throughout the region;

WHEREAS, the TransNet Extension Ordinance and Expenditure Plan (Commission Ordinance 04-01) was adopted by the SANDAG Board on May 28, 2004, to provide for continuation of the half-cent transportation sales tax for 40 years to relieve traffic congestion, improve safety, and match state/federal funds;

WHEREAS, the TransNet Extension Ordinance and Expenditure Plan (TransNet Extension) was approved by the voters on November 2, 2004;

WHEREAS, the TransNet Extension included the establishment and implementation of an Environmental Mitigation Program (EMP), including 11 principles that further defined the major elements of the EMP;

WHEREAS, mitigation, which means for this MOA, the early acquisition, creation, restoration, enhancement, and/or management of high-quality habitat, is more cost-effective and more biologically beneficial than the mitigation of habitat based on a project-by-project approach to mitigation;

WHEREAS, the TransNet EMP is intended, in part, to provide for early large-scale acquisition and management of important habitat areas and to create a reliable approach for funding required mitigation for future transportation improvements, thereby enabling the purchase of habitat that may become more scarce in the future, reducing future costs and accelerating project delivery;

WHEREAS, proactive mitigation of transportation projects would provide an opportunity to implement the TransNet EMP by providing opportunities for early large-scale conservation, permit streamlining, and establishing certain cost savings;

WHEREAS, the need for biological monitoring and management of the habitat preserve areas is critical to maintain habitats and ecosystem processes for the persistence and resilience of native flora and fauna;
WHEREAS, the signatories to this MOA agree that a TransNet Plan of Finance (POF) will be adopted which reflects the capacity for funding up to $440 million (nominal dollars) over ten years, and provide funding of $4 million dollars annually for ten years for management and monitoring as the approach toward the timing and expenditure of funds under the EMP;

WHEREAS, the parties have determined that entering into this MOA does not constitute the adoption of, or a commitment to carry out, the concept plan as those terms are used in the California Environmental Quality Act, public resource code section 21000, et seq. (“CEQA”), that entering into this agreement does not constitute a major federal action significantly affecting the human environment as those terms are used in the National Environmental Policy Act, 42, U.S.C. section 4321, et seq. (“NEPA”), and that completion of CEQA and NEPA compliance are conditions precedent to any party being committed to carry out any obligations set forth in this agreement for which such compliance is required;

NOW THEREFORE, BE IT RESOLVED that the signatories agree to implement the EMP, through the provisions of this MOA, as follows:

1. The signatories agree to implement the Conservation and Mitigation Strategy (CMS) (Attachment A, and incorporated by reference) as the method for identifying priority habitat acquisition, creation and restoration opportunities which will be designed to fully mitigate the range of anticipated wildlife habitat, natural communities, fisheries, and sensitive species impacts resulting from the adopted RTP Mobility Network, as well as TransNet funding for local transportation projects. The CMS aligns the estimated impacts of a RTP project(s), to mitigation opportunities, and the types of agreements identified under number 6, below, which will provide regulatory assurances under the authority and jurisdiction of the signatory agencies.

2. SANDAG agrees to update the TransNet Plan of Finance (POF) adopted on December 15, 2006, within three months of signing this MOA to reflect a cash flow for mitigation of TransNet regional and local transportation projects totaling $440 million (nominal dollars) over the next ten years pursuant to the following schedule:

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A total of $160 million will be made available, as needed, for EAP and non-EAP mitigation and according to the priorities under number 7 below. For financial analysis purposes, these funds are to be assumed to be spread out over four years; however, should an opportunity arise as identified and agreed to by the signatories that would require a change in the cash flow; money could be made available as needed as approved by the SANDAG Board. Funds

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1 Sensitive species are generally those which have been covered, or anticipated to be covered, by approved or in progress NCCP/HCP planning efforts.
2 These values are held constant for the year they are expended.
3 Mitigation is the acquisition, creation, restoration, enhancement and/or management of habitat lands.
are to be allocated and spent for three primary purposes (1) acquisition, (2) restoration and enhancement, and (3) monitoring and management, as required to meet each transportation project’s full mitigation needs. Funds not utilized in any given year could be rolled over into the next fiscal year. Borrowing to the degree necessary to meet this objective would be implemented consistent with the adopted POF, with debt service to be paid from annual EMP revenues. Up to $82 million in interest-free fund transfers from transportation categories would be provided as a loan to finance the early acquisitions as provided by the schedule above. And $30 million in debt-service assistance as identified in the ordinance also would be provided. Interest-free fund transfers from transportation project categories would be allowed in such a way that transportation projects are not delayed. Such transferred funds would be returned for use on transportation projects by end of the program.

3. The signatories agree to update the POF to allocate $4 million, escalated annually for inflation, beginning in fiscal year 2008 until fiscal year 2018 to be used for regional management and monitoring. The source of the funds allocated for regional management and monitoring are attributed to the Regional Conservation Fund as described in TransNet Extension EMP Principle 4.

4. Upon execution of this MOA, SANDAG will release $1.3 million approved by the SANDAG Board on December 15, 2006, for regional management and monitoring activities in addition to the $4 million pursuant to number 3, above. Yearly accounting and an analysis of the expenditures and their effectiveness in implementing the management and monitoring goals of the regional habitat conservation plans will be completed by SANDAG staff, in consultation with the signatories.

5. Starting in 2010, and then once every two years thereafter, SANDAG will develop a report card to analyze the status and progress of the MOA in implementing the goals of the TransNet EMP for presentation to the SANDAG Board as apart of the update to the Regional Transportation Improvement Program (RTIP).

The signatories agree to evaluate and modify, if necessary, the POF no later than ten years after execution of this agreement to accommodate potential variations in funding, changes to the adopted RTP, and changes to the CMS. This could be done before, and/or apart, from the required TransNet ten-year Comprehensive Review.

6. EMP funds will be made available according to the schedule described in the POF. The release for advance mitigation will be contingent upon executed agreements intended to establish the mitigation of TransNet-funded regional and local transportation projects as identified in Attachment B (incorporated by reference). The agreements may take various forms and address a range of actions from project-specific to more programmatic-level approaches towards mitigation and conservation actions. Types of agreements could include, but are not limited to:

a. Advanced Mitigation Agreement (e.g., Bolsa Chica)

b. Wetland Mitigation Banking Agreement (e.g., Rancho Jamul)

c. Conservation Banking Agreement (e.g., Rancho San Diego)
d. Programmatic Consultation (e.g., Rail Corridor from Orange County to Oceanside)

e. Early Section 7 Consultation

f. Project(s) Specific Agreement(s)

g. Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP)

h. Regional General Permits (e.g., Contra Costa County)

7. The focus of the initial mitigation efforts under this CMS will be on those RTP projects identified and approved by the SANDAG Board of Directors as Early Action Program projects then projects that belong to the “revenue constrained” scenario of the RTP. Mitigation opportunities for the remaining transportation projects will be initiated if the signatories of this MOA agree that an environmental mitigation opportunity has arisen to satisfy a non-Early Action Program project consistent with number 2 above. SANDAG will work with the local jurisdictions to develop a similar approach for local transportation projects evaluating the early and longer-term mitigation needs.

8. Ten years after signature of this MOA by all parties, if actual direct costs for mitigation of upland and wetland impacts of the transportation projects that have received all of the permits are less than those that were estimated by SANDAG (Attachment B), the unused balance and any economic benefit generated over the ten-year period, shall be transferred to the Regional Habitat Conservation Fund for projects. These funds would be made available for regional habitat acquisition, management, and monitoring as described in the TransNet EMP Principle number 8. SANDAG and Caltrans will actively partner with USFWS and CDFG during the permitting process for TransNet projects impacting wetlands, and waters of the U.S. regulated by the USACOE, EPA, Regional Water Quality Control Board (RWQCB), CDFG, and California Coastal Commission.

9. If a project(s) conforms to the scope, general alignment, and biological effects analysis described in an executed agreement, no additional compensatory mitigation to satisfy the Endangered Species Act (ESA)—California Endangered Species Act (CESA), California Natural Community Conservation Planning Program (NCCP), Fish and Game code section 1600 et seq.,—are anticipated.

10. Project(s) will be reviewed by the Wildlife Agencies to determine consistency with approved agreements. The Wildlife Agencies will contact, in writing, the signatories within 60 days regarding conformance with the executed agreements. If the project does not conform, the Wildlife Agencies will identify necessary actions for the issuance of permits under the executed agreement. For projects that conform to the executed agreements, the Wildlife Agencies will expedite issuance of the permits, as staffing allows.

11. Principals of the federal “Safe Harbor” agreements pursuant to ESA § 17.22(c) (d) and 17.32(c) (d) may be included in any agreement that improves resources in advance of project impacts that may be affected by the project (e.g., coastal lagoon restoration).
12. Assurances for local transportation projects will be, or are already, provided through the local jurisdictions’ HCP/NCCP permits and implementing agreements (e.g., Cities of Chula Vista, San Diego, La Mesa, Poway, Carlsbad, and the County of San Diego). Other jurisdictions could be provided the assurances upon adoption of their subarea plans and subsequent implementing agreements and HCP/NCCP permits.

13. Advance mitigation for projects identified in Mobility 2030 (2004) may be available for other TransNet projects as identified in the RTP. Substituted projects must have impacts equal to or less than the original project and the exchange must be approved by the Wildlife Agencies. The amount of use of mitigation credits would be addressed by subsequent agreements as identified under number 6 above.

14. USFWS and CDFG will actively partner with SANDAG and Caltrans during the permitting process for TransNet projects impacting wetlands, and waters of the U.S. regulated by the USACOE, EPA, RWQCB, and CDFG through wetland banking agreements, master streambed alteration agreements, regional general permits, or other appropriate mechanisms. The signatories support wetland creation and restoration projects for use as advance mitigation and will mutually assist with identifying and obtaining funding for planning and permitting of the creation and restoration projects.

15. USFWS will support and/or present the federal consistency determination for federal projects to the California Coastal Commission for coastal wetland restoration agreement(s) should the projects meet the consistency determination requirements.

16. SANDAG, acting as the San Diego County Regional Transportation Commission, is accountable for all TransNet expenditures pursuant to the TransNet Extension Ordinance. As such, SANDAG is responsible for the expenditure of funds for advanced mitigation through the execution of the agreements described in number 6, above. It is SANDAG’s intent to continue to utilize the capabilities and expertise of Caltrans staff, a SANDAG-contracted independent third-party, or itself to acquire real property and develop and implement restoration plans. The Wildlife Agencies will identify opportunities and priorities pursuant to the CMS.

17. The signatories agree in good faith to provide the legal, financial, technical, and staff resources necessary to implement the provisions of this MOA. However, nothing in this MOA shall be construed as obligating the signatories to expend funds, or for the future payment of money, in excess of appropriations authorized by law, nor does this MOA guarantee the final issuance of permits.

18. The signatories agree to review and modify this MOA, if necessary, after ten years from its signature by all parties based upon its performance in providing advanced mitigation, enhanced project delivery, and overall availability of TransNet funding. Based upon the results of this review, all signatories retain the right to obtain mitigation of individual projects on a project-by-project basis pursuant to Section D and Principle 11 of the TransNet Extension Ordinance and the FESA and CESA.

SAN DIEGO ASSOCIATION OF GOVERNMENTS

Gary Gallegos
Executive Director

DATE

CALTRANS

Pedro Orso-Delgado
Director Caltrans District 11

DATE

UNITED STATES FISH AND WILDLIFE SERVICE

Therese O’Rouke
Assistant Field Supervisor

DATE

APPROVED AS TO FORM:

CALIFORNIA DEPARTMENT OF FISH AND GAME

Kevin Hunting
Deputy Director

DATE

LEGAL REVIEW BY SIGNATORIES STILL REQUIRED
TransNet Conservation and Mitigation Strategy (CMS)

The goal of the TransNet Conservation and Mitigation Strategy (CMS) is to: (1) identify conservation opportunities for habitat acquisition, creation, and restoration that promotes regional habitat conservation planning, and (2) align these opportunities in such a way to fully mitigate the range of potential wildlife habitat, natural communities, fisheries, and sensitive species impacts resulting from transportation projects in the adopted 2030 Regional Transportation Plan (RTP).

Identification of Conservation Opportunities

The U.S. Fish and Wildlife Service and the California Department of Fish and Game (Wildlife Agencies) will partner with SANDAG and Caltrans to identify conservation opportunities that promote the regional conservation of biodiversity, thereby implementing San Diego’s regional habitat plans that have been adopted (or will be adopted) under the Natural Community Conservation Planning Act (NCCP), and as Habitat Conservation Plans (HCPs) under the Endangered Species Act. Implementation of these NCCPs/HCPs will collectively promote the San Diego Regional Comprehensive Plan (2004) policy objective to “Preserve and maintain natural biological communities and species native to the region (p. 153),” and also will provide certainty and streamlined regulatory permitting of future transportation projects.

The opportunities would consist of identification of land acquisitions, upland and wetland restoration and creation, and other specific actions that will contribute to the goal of “maintain[ing] and enhance[ing] biological diversity in the region and conserving viable populations of endangered, threatened, and key sensitive species and their habitat, thereby preventing local extirpation and ultimate extinction (MSCP Biological Goals and Standards).”

In assisting with the development of the conservation opportunities, the Wildlife Agencies will use the basic fundamental tenets of habitat reserve design based upon the recommendations of the NCCP scientific advisors⁴, and specific objectives⁵ based upon the current needs of the regional NCCPs/HCPs, as well as the opportunities to leverage TransNet funds with non-TransNet funding. While the fundamental tenets would not change over time, the objectives will be subject to periodic reassessments as the regional NCCP/HCP matures.

Alignment with RTP Mitigation Needs

Based upon a review of the RTP projects and the estimated impacts (Attachment B), the Wildlife Agencies will partner with SANDAG and Caltrans, and other federal and state regulatory agencies, to align mitigation needs of the RTP project(s) with the identified conservation opportunities, with emphasis on transportation projects belonging to the Early Action Program then projects that belong to the “revenue constrained” scenario of the RTP. The conservation opportunity shall meet the mitigation needs of the project(s) and be formalized in an appropriate agreement as identified in the MOA prior to the release of funds for acquisition of such property. The Wildlife Agencies will not mandate a specific opportunity as the required mitigation, but instead provide a range of

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⁵ Specific objectives could include, as examples, preservation of vernal pool and maritime succulent scrub habitat, restoration of quino checkerspot butterfly and burrowing owl habitat, and creation of coastal wetland habitat.
options for SANDAG and Caltrans to consider based upon cost, timeliness, and respect for private property rights, other state and federal regulatory requirements, and other considerations.

Conceptually, conservation opportunities that achieve the mitigation for estimated RTP project(s) impacts can be grouped into coastal wetlands, jurisdictional freshwater wetlands, uplands, and species specific. Habitat acquisition, restoration, creation, and species-specific enhancement will all be considered, as appropriate.

It is expected that in order to implement this approach, some projects may require additional biological analysis to provide more specificity on the habitats and species that could be impacted and conservation opportunities as a follow-up to confirm the assumptions of executed agreements as described in the MOA.
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LEGAL REVIEW BY SIGNATORIES STILL REQUIRED

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Notes:

2030 Regional Transportation Plan approved April 2003.

TPMF, Transportation Project Mitigation Fund.

Acreages estimated using Generalized Vegetation mapping from SANDAG’s 1995 Regional Vegetation database.

Cost per acre based on recent mitigation ratios, acquisition, restoration, creation, and endowment costs.

Costs are in 2002 dollars.

EAP = Early Action Project
RC = Revenue Constrained
RE = Reasonably Expected
UN = Unconstrained
PROPOSED LEGISLATION FOR INCREASING HOUSING PRODUCTION IN THE SAN DIEGO REGION THROUGH REGIONAL CONTRIBUTION AGREEMENTS

Introduction

In April 2007, the SANDAG Executive Committee asked SANDAG staff to conduct further analysis of a legislative proposal (Attachment 1) from Poway Mayor Mickey Cafagna that would allow a jurisdiction to transfer up to 20 percent of its regional housing needs assessment (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) funds, or general fund monies through a regional contribution agreement. The Executive Committee also asked that staff report back to the Regional Planning Committee prior to their further discussion of the issue.

A legislative approach to this proposal would likely require that two state laws be changed:

- Community Redevelopment Law (CRL) would need to be changed to allow the use of housing set aside funds (also known as Low and Moderate Income Housing Funds) and other tax increment funds outside the jurisdiction in which they were generated; and
- Housing Element Law would need to be changed to allow the transfer of a portion of a jurisdiction’s RHNA numbers to another jurisdiction.

A non-legislative approach to this proposal would be to address the concept as part of the upcoming RHNA process for the 2010-2015 housing element cycle. State law gives SANDAG a large degree of latitude in how the RHNA numbers are allocated, and this approach could result in the elimination of the need to transfer housing needs and/or funds between jurisdictions. The formal RHNA process is scheduled to occur between July 1, 2008, and June 30, 2009. If needed to address specific geographic allocation issues and/or the pooling of redevelopment (or other) funds for affordable housing and/or infrastructure, follow-up legislation could be proposed for the next two-year legislative session (which begins in January 2009). Poway staff has discussed the non-legislative approach and are in agreement with it.

Recommendation

The Regional Planning Technical Working Group (TWG) recommends that SANDAG address this proposal during the upcoming RHNA process rather than develop a legislative proposal at this time. The Regional Planning Committee (RPC) should review Mayor Cafagna’s proposal, its advantages and disadvantages (as described in the Discussion section of the report), and make a recommendation to the Executive Committee on whether to sponsor the proposed legislation at this time or to pursue a non-legislative approach.
Discussion

Potential Advantages and Disadvantages of the Proposal and Other Relevant Issues

Below are some of the potential advantages and disadvantages of pursuing this proposal from a legislative standpoint that were discussed at several TWG meetings, and in committee consultant reports to the state legislature on similar recent legislative proposals. (For more detailed information contained in state legislative committee consultant reports see Attachment 2.)

Advantages

• RHNA goals could be transferred to help the region achieve its smart growth goals, i.e., locating more housing near public transit.
• Jurisdictions taking additional units could receive funds to help defray the cost of providing lower income housing.
• Affordable housing funds could be used more efficiently by allowing them to be pooled and/or spent in lower cost areas.
• The geographic proximity of transferring jurisdictions should be considered in relation to traffic impacts. Transfers within subregions could mitigate potential traffic impacts, and help provide a better jobs/housing balance and create more economically balanced communities.

Disadvantages

• The proposal may be inconsistent with environmental justice and fair housing goals.
• The costs associated with the accommodation of additional lower income housing may go beyond infrastructure and housing subsidies; they could result in ongoing operational costs associated with city/county services and could also impact public transit.
• Jobs/housing imbalances and traffic congestion could be exacerbated if lower income housing is concentrated in certain areas.
• The proposal may make it difficult to determine which jurisdiction would receive credit for providing the lower income housing units.
• The proposal raises issues regarding whether tax increment funds can be spent outside the jurisdiction from which it originated. Although the state legislature has determined that housing fund expenditures outside a project area, but within the jurisdiction can be a benefit to the project area and are therefore permissible, authority to make expenditures outside the jurisdiction has not been granted by the legislature. Legal analysis would need to be done to determine if use of these revenues outside the jurisdiction in which they were generated is permissible under Section 16 of Article XVI of the California Constitution.

Next Steps

The Regional Planning Committee recommendation will be forwarded to the Executive Committee for consideration next month.

BOB LEITER
Director of Land Use and Transportation Planning

Attachments: 1. Memo from Mayor Mickey Cafagna dated March 6, 2007, Proposed Legislation for Increasing Housing Production
2. Description of Proposal in Relation to State Law and Other Past Similar Legislation

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
March 6, 2007
Page 2

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
SANDAG Memo
March 6, 2007
Page 3

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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March 6, 2007  
Page 4

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.
Description of Proposal in Relation to State Law and Other Similar Recent Legislation

As discussed below, Mayor Cafagna’s proposal is similar to past legislative proposals (some of which have failed) and bills that have been signed into law, albeit with many conditions.

Redevelopment Law

Community Redevelopment Law (CRL) requires redevelopment agencies to set aside 20 percent of their annual property tax increment revenues in a Low and Moderate Income Housing Fund (L&M Fund) to increase, improve, and preserve affordable housing. These funds can be used to buy land, build on-site or off-site improvements, build structures, buy buildings, rehabilitate buildings, subsidize housing, pay bonds or other indebtedness, maintain mobile homes, preserve subsidized units, replace destroyed housing units, and other related uses.

Article XVI, Section 16 of the California Constitution provides that tax increment which accrues to a redevelopment agency must be used to pay indebtedness to finance the “redevelopment project.” As a general rule, this is interpreted to mean that the use of tax increment must benefit the project area. However, state law allows for L&M funds to be spent inside or outside a project area but within the territorial jurisdiction of the agency, upon a finding that the use will be of benefit to the project.

Current law also contains a number of exceptions to the rule that L&M funds must be spent within the jurisdiction as follows:

- There is a general statute that allowed, until January 1, 2008, contiguous redevelopment agencies located within adjoining cities within a single Metropolitan Statistical Area (MSA) to participate in a joint powers authority (JPA) for the purpose of pooling their L&M funds for affordable housing uses.
- The Contra Costa County Redevelopment Agency may use its L&M funds within the incorporated limits of the City of Walnut Creek on sites contiguous to the Pleasant Hill BART Station Area Redevelopment Project Area.
- The Orange County Development Agency may use its L&M funds within the incorporated limits of any city within the County of Orange.
- The County of Solano and the cities of Fairfield, Suisun City, and Vacaville may create a joint powers agency for the purpose of pooling L&M funds in order to provide housing for the retention of Travis Air Force Base.

Each of these exceptions is subject to a number of conditions that ensure the efficient and beneficial use of the funds and that the expenditure outside the jurisdiction will not result in racial or economic segregation. Some of the conditions common to two or more of the exceptions that a jurisdiction must have met are:

- Completion of an up-to-date housing element approved by HCD;
- Fifty percent of its share of the regional housing need for very low and low income households must have been met;
- The redevelopment agency must have met or encumbered and contractually committed sufficient funds to meet its replacement housing need;
- Fund may only be used to pay for the direct costs of constructing, substantially rehabilitating, or preserving the affordability of housing units;
- The funds may not be spent in an area that has more than 50 percent minority or low income households;
- The development to be funded shall not result in any residential displacement from the site where the development is to be built;
- If less than all the units in the development are affordable to, and occupied by, low- or moderate-income persons, any agency assistance may not exceed the amount needed to make the housing affordable to, and occupied by, low or moderate income persons; and
- HCD shall review each use of funds for compliance.

Conditions applied to individual exceptions include:

- The agency is not subject to sanctions for failure to spend or encumber a housing fund excess surplus;
- The city in which the development will occur has approved the agency's use of funds;
- The aggregate number of units assisted shall include at least 10 percent that are affordable to extremely low income households and 40 percent that are affordable to very low income households;
- The agency must make a finding that no other reasonable means of financing the housing is available in sufficient amount; and
- The agency shall transfer more than 50 percent of its low and moderate income housing funds.

In a July 7, 2003, Committee Consultant report on AB 1358 (Simitian) that would have given authority to a redevelopment agency in a city of less than 100,000 in San Mateo, Santa Clara, or Santa Cruz counties to spend low and moderate income housing set-aside funds outside a project area, but within five miles of the exterior boundary of the project area and in the same county, it was noted that similar pooling authority permitted by state law in the 1990s was not used and that most communities "want to use the scarce resources to benefit their own jurisdictions." Also, the conditions that the Legislature applied to pooling, transfers, or expenditures outside an agency's jurisdiction to guard against racial or economic segregation are difficult to meet, which may be another reason for the lack of interest in using the authority.

Housing Element Law – Regional Housing Needs Assessment (RHNA)

Current law requires that HCD calculate the statewide housing need and assign each council of governments (COG) its share. Each COG then distributes that state identified regional housing need to each of its jurisdictions in four income categories: very low, low, moderate and above moderate. Each jurisdiction is then required to identify sites for these housing needs in its housing element.
Until January 1, 2000, state law (Section 65584.5 of housing element law) authorized a city or county to transfer not more than 15 percent of its share of the regional housing needs to another city or county if the transferring jurisdiction had first met (in the current or previous housing element cycle) at least 15 percent of its existing share of the region's affordable housing needs in the very low and lower income categories, but prohibited a jurisdiction from transferring more than 500 units in a housing element cycle. Transfers also were subject to numerous additional conditions, which essentially prohibited the use of the transfer authority.

According to a May 3, 2006, Committee Consultant report on AB 3042 (Evans) (a bill that had proposed to allow more liberalized RHNA transfers), the conditions contained in state law (but have since been repealed) were intended to guard against "more affluent cities and counties with strong NIMBY forces to get out from under their responsibilities to house moderate and low income households by transferring these housing needs to jurisdictions that may already have more than their share of such households, thereby exacerbating economic segregation, and indirectly contributing to racial discrimination and segregation as well."
UPDATE ON SANDAG ENERGY WORK PROGRAM AND CALIFORNIA ENERGY COMMISSION PARTNERSHIP

Introduction

SANDAG is currently operating under a two-year agreement with the California Energy Commission to undertake regional energy planning activities. At its June 2007 meeting, the Regional Planning Committee asked to receive periodic updates on the SANDAG-CEC Partnership. Work began on the contract in July 2007.

The Partnership supports the following four energy planning activities:

- Update of the Regional Energy Strategy
- Development of a Regional Climate Action Plan
- Expansion of the “Sustainable Region” energy management program for local governments
- Development of an Alternative Fuels Toolkit for Local Governments

In addition to the CEC Partnership work program, the SANDAG Energy Working Group is currently evaluating the proposed Sunrise Powerlink and Lake Elsinore Advanced Pumped Storage (LEAPS) transmission projects for their consistency with Regional Energy Strategy 2030, at the request of the Board of Directors. This report provides an update on these energy planning activities, as well as an attached white paper on state and regional climate change efforts.

Discussion

Regional Energy Strategy Update

SANDAG began developing long-term regional energy plans in 1978, and adopted its most recent plan—Regional Energy Strategy 2030—in 2003. The Regional Energy Strategy (RES) has traditionally established goals and policies for electricity supply, natural gas supply, and energy efficiency, specifically addressing such variables as the share of renewable electricity generation and in-region generation, transmission capacity, annual electricity and natural gas consumption, and peak electricity demand. The Energy Working Group (EWG), SANDAG staff, and the CEC have identified several priorities for inclusion in the RES update.

Over the next 12 months, the RES will be updated to incorporate goals and policies for transportation energy. Specific transportation energy issues likely to be addressed include the outlook for a reliable supply of affordable transportation fuels, the need to reduce energy use and associated greenhouse gas emissions, and barriers to greater adoption of alternative fuels. In
addition to transportation fuels, electricity and natural gas goals and policies will be updated to reflect new state regulations, and a new section on energy infrastructure security will be introduced.

Progress to Date

Work on the RES update has focused on evaluating the current RES, identifying opportunities and priorities for the update, and researching the plans of other local and regional agencies. The following deliverables relating to the RES update have been submitted to the CEC:

- Background Report on General Plan Energy Elements in California
- Background Report on Regional Energy Plans in the U.S.
- Analysis of the current RES and priorities for the RES update
- Regional Energy Plan Guidebook and Model Outline (for other regional agencies)
- RES Update Outline

These activities were completed in December 2007. Since then, staff has been engaged in preparing the “existing conditions” and “trends and forecasts” sections of the plan.

2008 Work Plan

Through June 2008, work on the RES update will occur in parallel with the development of the Regional Climate Action Plan, as described below. Between July 2008 and December 2008, SANDAG staff will work to build and solidify stakeholder consensus around specific policies and implementation strategies for the RES update. The plan is scheduled for completion in January 2009.

Regional Climate Action Plan

The second component of the CEC Partnership is the development of a Regional Climate Action Plan (RCAP). Like the RES, the RCAP is intended to serve as a long-term policy planning document that is developed with extensive input from local jurisdictions and other stakeholders. The Plan will examine how SANDAG might address regional greenhouse gas (GHG) emissions in each sector of the economy, given its expertise and jurisdictional authority.

An important initial task will be to determine which agencies have jurisdiction over GHG standards for each sector. For example, SANDAG is not suited to develop policy for fuel efficiency or alternative fuel formulations, since those standards are established by state and federal agencies. Similarly, stationary industrial sources are regulated by CARB and the regional Air Pollution Control District, so SANDAG’s role in climate change mitigation in these activities will also be limited. It is anticipated that the Plan specifically will assess policy options for land use and transportation planning, electricity generation, and natural gas consumption in residential and commercial uses, which together account for approximately 75 percent of statewide greenhouse gas (GHG) emissions. A pie chart illustrating statewide GHG sources by sector is available in the attached Climate Change White Paper.

The RCAP is being formulated to be consistent with goals, policies, and regulations that are being developed at the state level, including AB 32, the Global Warming Solutions Act of 2006. AB 32 calls
for statewide reduction of GHG emissions to 1990 levels by 2020, approximately 13 percent below current levels. In the RCAP, GHG targets will be established for the sectors under consideration, based on estimates of regional 1990 emission levels. Business-as-usual forecasts will be developed showing emissions levels in 2020 and 2030 based on current policy. “GHG reduction” scenarios will then be created, showing a potential path towards reaching GHG goals. These scenarios will be used as tools to guide the Regional Planning Committee and Board of Directors in further formulating SANDAG policy in the RCAP. More information on state and regional climate change initiatives can be found in the attached Climate Change White Paper.

Progress to Date

Work to date has consisted of engagement in state climate change activities, internal strategy discussions, and research on municipal climate change plans. Deliverables submitted to the CEC included:

- Background Report on Climate Action Plans in the U.S.
- Climate Action Plan Guidebook and Model Outline (for other regional agencies)

2008 Work Plan

The first development phase of the RCAP consists of a regional GHG inventory, business-as-usual forecasts to 2020 and 2030, and GHG reduction scenarios. This phase is intended to catalogue existing emissions, determine emissions goals, and offer an illustration of how to meet those goals, and it is specifically not intended to establish SANDAG climate change policy. During this phase, the RES update and RCAP development will run in parallel, since both will be heavily influenced by these calculations and scenarios of energy use and GHG emissions. This first phase is scheduled to conclude by June 30, 2008.

The second phase of the RCAP—consisting of policy development among staff, the EWG, the RPC, and the Board—will take place between July 2008 and December 2008. The final Climate Action Plan is scheduled for adoption in January 2009.

Sustainable Region Pilot Program

The Sustainable Region pilot program is an energy efficiency program for local governments that want to improve the performance of their municipal facilities. The program provides energy audits and recommendations for energy retrofits that will reduce both operating costs and greenhouse gas emissions. Other energy measures that are addressed in the program are green building standards, installation of solar photovoltaics and other distributed generation, and alternative fuels recommendations.

In 2006, the City of Carlsbad participated in the first iteration of the pilot program, and received recommendations for cost-effective measures that would result in over $200,000 in annual savings for the City. The CEC Partnership provides support to extend the pilot to an additional two jurisdictions over the next year. In October 2007, letters were sent to city managers in the region, inviting them to apply to participate. The City of Solana Beach and City of Poway were selected for participation.
A kick-off meeting is planned for early February, and work with the jurisdictions is anticipated to conclude in December 2008.

**Alternative Fuels Toolkit for Local Governments**

The final component of the CEC Partnership work program is a toolkit of resources that will help local jurisdictions develop their alternative fuel fleets and infrastructure. The toolkit will include a study of “opportunity zones” for alternative fuel infrastructure that will leverage geographic, institutional, financial, and environmental resources. It will also include best practices related to financing opportunities, analytical tools, codes, ordinances, and standards. At the conclusion of the process, local governments will be better positioned to transform their fleets and to stimulate broader alternative fuels adoption among their contractors and their communities. The toolkit will also be used as a resource at the state level, as the CEC and other agencies seek to implement climate change strategies such as the Low Carbon Fuel Standard.

In November 2007, an ad hoc working group of alternative fuel suppliers and fleet managers was convened to advise on toolkit development. Work has begun on the infrastructure study, a draft of which will be complete in May 2008. The final toolkit is expected to be ready for distribution to local jurisdictions in February 2009.

**Transmission Projects Evaluation**

The SANDAG Board of Directors has requested that the EWG analyze two proposed transmission lines—the Sunrise Powerlink project and the LEAPS/TE-VS project. In November 2006, the EWG voted to not take a position on the Sunrise Powerlink or other proposed projects or scenarios at that time. Reasons given were that the Environmental Impact Report (EIR) for the Sunrise Powerlink had not been prepared, and the costs for several projects were not verified. Additionally, other options had been presented that had not been fully vetted as potential alternatives to the two proposed transmission lines.

Subsequent to its November 2006 recommendation, the Energy Working Group has gathered data from proponents and opponents of the Sunrise Powerlink (with cost revisions) and the LEAPS/TE-VS transmission projects. The EWG is now reengaging in its evaluation of the transmission projects, and will soon forward its evaluation to the Board of Directors.

The Board of Directors requested that the RPC and EWG evaluate the Sunrise and LEAPS projects specifically for their consistency with the RES. Components of the RES that may serve as evaluation criteria include the Guiding Principles, Goals, and Implementation Strategies of the document. The EWG is not empowered by the Board of Directors to analyze the projects on the basis of such factors as cost or the environmental impacts of transmission route alternatives, unless such factors are specifically called out in the principles, goals, or strategies of the RES.

The EWG Policy and Resources Subcommittee will develop recommendations on the projects for consideration by the full EWG. At its December 2007 meeting, the Subcommittee received presentations from project proponents, and began deliberation over its analysis at its January 2008 meeting. At its upcoming February 2008 meeting, the Subcommittee will continue its discussion and develop its recommendations for the full EWG.
When the Subcommittee concludes its evaluation, staff will work with EWG chairs and EWG Subcommittee chairs to draft a report describing the Subcommittee's recommendations. This report will be presented to the EWG at its subsequent meeting. The EWG will then deliberate over the report recommendations, request changes as desired, and finalize its recommendations. It is anticipated that the EWG will take action on this item at its February 28 meeting, and that the item will come before the RPC at its March meeting. However, this timeline is subject to change based on progress made by the EWG in February.

BOB LEITER
Director of Land Use and Transportation Planning


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White Paper on Climate Change Planning Issues  
SANDAG Board of Directors Meeting, January 25, 2008

INTRODUCTION

Earlier this year, a major scientific report was released by the Intergovernmental Panel on Climate Change, an international group that was established to provide decision-makers with objective information on climate change. The “Fourth Assessment Report” expressed the consensus of its 1,250 academic authors that climate change is occurring, and that urgent action is needed to avoid its worst effects. Potential adverse effects of climate change in the San Diego region include a reduction in the quality and supply of water from the Sierra snow-pack and the Colorado River Basin, a rise in sea levels resulting in the displacement of coastal businesses and residences, damage to the marine environment and other ecosystems, and an increase in the incidence of infectious diseases, asthma, and other human health-related problems. Over the past several years, this challenge has received increased attention at every level of government. In the United States, Congress is deliberating over several legislative proposals, including most prominently the Lieberman-Warner Climate Security Act of 2007, which would reduce emissions to 1990 levels by 2020.

In California, Governor Arnold Schwarzenegger and the State Legislature have recognized that climate change poses a serious threat to the economic well-being, public health, natural resources, and environment of California. GHG reduction legislation was signed by the Governor in 2006, and climate change mitigation strategies that will affect local and regional entities in the public and private sectors are being established by state regulatory agencies. This white paper provides background on state actions concerning climate change and information about current SANDAG efforts to address climate change at the regional level.

BACKGROUND

SANDAG has jurisdiction over activities that contribute to climate change, and is recognizing its responsibility to reduce greenhouse gas emissions. SANDAG has received direction from the state that it is obligated to address climate change in its planning activities. Both the Governor and the Legislature have acknowledged the threat of climate change and have enacted laws and regulations intended to address it, while various regulatory agencies also have responsibilities in the climate change arena, developing new standards and guidelines that will affect SANDAG operations.

Executive Order S-3-05

In 2005, Governor Schwarzenegger issued Executive Order S-3-05, which established statewide greenhouse gas emissions reduction targets:

- By 2010, reduce GHG emissions to 2000 levels
- By 2020, reduce GHG emissions to 1990 levels
- By 2050, reduce GHG emissions to 80 percent below 1990 levels
Executive Order S-3-05 directed the California Environmental Protection Agency to form a Climate Action Team composed of representatives from relevant state agencies, including the Business, Transportation and Housing Agency, the Department of Food and Agriculture, the Resources Agency, the Air Resources Board, the Energy Commission, and the Public Utilities Commission. The Climate Action Team was tasked with implementing GHG emission reduction programs and reporting on the progress made toward meeting the statewide greenhouse gas targets that were established in the executive order.

Assembly Bill 32—The California Global Warming Solutions Act of 2006

In September 2006, GHG emission reduction targets were established in AB 32 (Nunez), the California Global Warming Solutions Act of 2006. AB 32 was signed into law, establishing statewide GHG emissions targets that will reduce emissions to 1990 levels by 2020—a reduction of approximately 25 percent below current levels. AB 32 directs the California Air Resources Board (CARB) to monitor and regulate GHG emissions in pursuit of this goal, in coordination with all relevant state agencies.

AB 32 directs CARB to monitor and regulate GHG emissions in order to reach the legislation’s GHG reduction target. The bill mandates the following approach:

- By June 30, 2007, CARB will develop a list of early action measures that can be implemented by January 1, 2010. The list of early action measures has been published. While no measures fall directly under SANDAG jurisdiction, some are related to SANDAG transportation and energy activities, including port electrification, trucking efficiency, and the Low-Carbon Fuel Standard.
- By January 1, 2009, CARB will prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in GHG emissions by 2020.
- By January 1, 2011, CARB will adopt regulations to achieve the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions in furtherance of achieving the statewide greenhouse gas emissions limit, to become operative beginning on January 1, 2012. Regulations may include emission reduction mandates, alternative compliance mechanisms, monetary and non-monetary incentives, voluntary actions, and market-based mechanisms such as a cap-and-trade system.

The Scoping Plan will contain the primary strategies California will employ to reduce GHG emissions. The plan, which is currently under development, will have a range of GHG reduction actions, including direct regulations, alternative compliance mechanisms, monetary and non-monetary incentives, voluntary actions, and market-based mechanisms such as a cap-and-trade system.

The Scoping Plan is expected to include strategies for regulating emissions resulting from land use and transportation plans. A draft of the plan is scheduled for release in June 2008, and the final plan must be adopted by January 1, 2009. SANDAG staff is following the plan development process and participating in stakeholder workshops on a regular basis.
Climate Action Team—Land Use Subcommittee

The Climate Action Team is an interagency group established under Executive Order S-3-05. It is organized into several subgroups, one of which is a Land Use Subgroup (LUSCAT) that is tasked with coordinating efforts in cross-cutting areas related to local government and land use activities. Specifically, LUSCAT is developing land use and transportation-related recommendations for the Scoping Plan, and will submit these recommendations to CARB in February 2008. The goal of these recommendations is to reduce vehicle miles traveled.

The current version of the LUSCAT recommendations takes the form of four broad themes:

- **State Preparations.** The state should add GHG considerations to internal programs related to state-owned facilities and infrastructure and to programs related to state-assisted infrastructure and land use planning, design and development.

- **Providing Structure.** The state should provide regional and local governments with clear guidance on how to inventory GHG emissions within their jurisdiction and on best practices for reducing GHG emissions.

- **Setting the Targets.** The state should define a land use-related GHG emissions target for the state and separate targets for each region for a specified target year. Regional agencies would be responsible for allocating these targets down to the local jurisdictions within their regions. This approach would be similar to the allocation process for the Regional Housing Needs Assessment (RHNA). CARB should establish these state and regional targets by January 1, 2011.

- **Measuring Progress.** The state should collect inventories of GHG emissions from local governments to track progress towards targets.

SANDAG staff is monitoring developments in the LUSCAT through participation in the LUSCAT stakeholder advisory group.

California Transportation Commission—Regional Transportation Plan Guidelines Update

In January 2007, Senate Pro Tempore Don Perata requested that the California Transportation Commission (CTC) review current state guidelines for preparation of Regional Transportation Plans to incorporate climate change emission reduction measures and to ensure that models used in the preparation of RTPs accurately measure the benefits of transportation and land use strategies aimed at reducing vehicle trips. The CTC established an RTP Guidelines Working Group to assist in developing recommendations for the guidelines. SANDAG staff participated in the working group meetings, which were divided into three subsections: Climate Change, Smart Growth/Land Use, and Transportation Modeling and Analysis.

The Working Group recommendations were provided to the CTC and Senate Pro Tempore Perata in December 2006, and were accepted by the CTC on January 11, 2008. The RTP Working Group’s recommendations will be provided to Caltrans for incorporation into the currently approved RTP Guidelines. The CTC will continue to review the RTP Guidelines as new statutory requirements are enacted and policies regarding climate change emission reductions are adopted.
CEQA requires that “cumulatively considerable” impacts be analyzed in environmental documents. Appendix G of the CEQA Guidelines, published by the Office of Planning and Research (OPR), provides guidance on how to evaluate these impacts. Currently, the CEQA Guidelines do not provide direction on evaluating climate change impacts, resulting in significant uncertainty on the part of lead agencies in preparing their CEQA documents.

Senate Bill 97 (Dutton), which was signed into law by the Governor on August 24, 2007, addresses the current lack of guidance concerning addressing climate change under CEQA. SB 97 directs OPR to draft CEQA guidelines for analyzing climate change impacts and to submit them to the State Resources Agency for adoption by January 1, 2010. These guidelines will be utilized by SANDAG in drafting its future CEQA documents when they become available.

**Attorney General CEQA Actions**

Since the passage of AB 32, the State Office of the Attorney General has monitored and commented on the climate change component of both programmatic and project-level environmental impact reports (EIRs), including that of the recently adopted SANDAG 2030 RTP. The Attorney General’s office holds that climate change is a cumulatively considerable impact that must be analyzed and mitigated in CEQA documents. Though CEQA Guidelines do not provide a methodology for assessing climate change impacts, the Attorney General’s office has provided guidance on this subject through comment letters on an ad hoc basis. More than 20 comment letters have been delivered to lead agencies across the state, recommending an approach to environmental analysis that includes GHG inventories and low significance thresholds. The Attorney General’s office also has provided a detailed fact sheet with climate change mitigation best practices.

**REGIONAL PLANNING IMPLICATIONS**

The emergence of climate change as a high priority issue in state law affects regional planning in a number of ways. SANDAG responsibilities under AB 32 remain undefined at this point, but are likely to revolve around the influence of the regional transportation system in the growth of vehicle miles traveled (VMT). VMT is closely correlated to land use plans and the transportation system, which is tied to transportation fuel consumption and GHG emissions. In addition, SANDAG is currently working in the areas of alternative fuels, energy efficiency, and renewable energy through its energy planning activities, all of which will play a role in meeting AB 32 goals.

Currently, the largest contributor of greenhouse gas emissions in the state is the transportation sector, accounting for approximately 40 percent of all emissions. Transportation emissions can be affected over time through a combination of fuel efficiency, alternative fuels, and VMT reduction. Electricity is the second largest contributor in the state. The following figure illustrates the relative share of greenhouse gas emissions from various sectors of the economy.
The role of regional land use, transportation, public facilities, and environmental planning in the climate change arena is currently a topic of debate, with many questions still unanswered. For example, how should climate change impacts be addressed in CEQA documents? How should emission reduction goals be incorporated into long-range regional transportation plans? How should the state regulate GHG emissions from automobiles and light trucks, which account for such a large percentage of emissions statewide? And what can local and regional agencies do to slow the growth of per capita vehicle miles traveled? These questions are being addressed by SANDAG, in collaboration with state and local agencies, in order to achieve the goals of AB 32 while preserving local authority, protecting the economy, and improving quality of life in the region.

**SANDAG EFFORTS TO ADDRESS CLIMATE CHANGE**

**Regional Climate Action Plan**

In June 2007, SANDAG entered into an agreement with the California Energy Commission to develop a Regional Climate Action Plan. SANDAG staff is currently developing the Plan, which will translate the state GHG reduction targets under AB 32 to the regional level. The SANDAG-CEC agreement also includes an update of the Regional Energy Strategy, the expansion of the “Sustainable Region” local government energy efficiency pilot program, and an Alternative Fuels Toolkit for Local Governments.
In addition to satisfying the requirements of the CEC agreement, the Regional Climate Action Plan also was included as a mitigation measure in the RTP 2030 EIR. The plan will be drafted in the following four steps:

- **Regional GHG Inventory.** The plan will catalogue existing conditions in the region’s contribution to GHG emissions. An inventory will be performed that records GHG emissions by sector, from baseline 1990 levels to 2005 levels. The inventory will be performed in accordance with the methodology set up by the California Climate Action Registry, which is a state standard.

- **Business-as-Usual Forecast.** GHG emissions from the transportation and energy sectors will be projected to 2020 and 2030. In the transportation sector, the forecast will be based on the 2030 RTP, while the energy sector forecast will be based on SDG&E’s long-term procurement plan. Both forecasts will include adopted state goals and policies that will influence emissions levels.

- **GHG Reduction Scenarios.** Regional land use and transportation plan alternatives will be drafted and analyzed for their GHG emissions. These alternatives will vary in their assumptions about land use intensities and mixes, redevelopment possibilities, and relative levels of investment in highway and transit infrastructure. The GHG emission levels will be compared to potential GHG reduction targets to illustrate the political and financial feasibility of land use-driven climate change strategies. Scenarios for the energy sector will differ in their relative levels of fossil fuel generation, renewable generation, and energy efficiency.

- **Policy Planning and Implementation.** Goals, objectives, policies, and implementation strategies will be developed based on the outcomes of the scenario analysis and on an estimated GHG reduction target for the transportation and energy sectors.

The inventory, business-as-usual forecast, and draft emission reduction scenarios are scheduled for completion by June 30, 2008. These analytical tools will give the Regional Planning Committee and Board of Directors a basis on which to then guide SANDAG policy planning for climate change.

The Regional Climate Action Plan and other SANDAG climate change activities are designed to comply with existing laws and regulations and to prepare the agency for a new paradigm in planning that is emerging from the state level. State climate change goals are ambitious and will require good faith efforts and evolution in every major sector of the economy if they are to be achieved. Staff will continue to follow developments at the state and federal levels and will ensure that the Board of Directors is kept well-informed of these developments and of SANDAG climate change activities and work products.

**2030 Regional Transportation Plan Environmental Impact Report (EIR)**

The updated 2030 San Diego Regional Transportation Plan was adopted by the SANDAG Board of Directors on November 30, 2007. Updated every four years, the 2030 RTP is the public policy blueprint for how people and goods will move around the San Diego region during the next 23 years. The RTP features a section on transportation fuels and climate change, describing SANDAG initiatives to encourage alternative fuels and update the Regional Energy Strategy. The RTP also
identifies a variety of projects and policies to encourage smart growth development patterns and transportation options.

On June 27, 2007, SANDAG received comments on the RTP EIR Notice of Preparation from the State Attorney General’s office, which requested that SANDAG “evaluate the GHG impacts of priorities and projects in the Transportation Plan and discuss feasible alternatives and mitigation measures to avoid or reduce those impacts.” In preparing the EIR, SANDAG analyzed the plan’s climate change impacts, identified them as “significant and unavoidable,” and established mitigation measures to address them. As part of the analysis, GHG emissions resulting from the 2030 RTP were quantified.

On November 29, 2007, the Attorney General’s office submitted comments on the RTP EIR stating that SANDAG did not fully analyze climate change impacts and should adopt additional mitigation measures to reduce these impacts. The Attorney General’s office letter included the following statements:

- The SANDAG Smart Growth Concept Map misguidedly includes suburban and rural areas that can not be served efficiently by transit. The Smart Growth Incentive Program will not be effective in reducing GHG emissions if it directs funds to all of these areas, as concluded by the Independent Transit Review panel.

- The EIR fails to consider a reasonable alternative that would substantially reduce investment in new freeway lanes and allocate funding to projects such as expanding public transit to shorten or eliminate vehicle trips, and increase biking and walking.

- The EIR does not adequately evaluate and identify the impacts of the numerous freeway widening projects (including many new freeway/highway lanes and some ML and HOV lane projects) that are included in the proposed RTP.

- SANDAG could adopt a more comprehensive policy to require all funded projects to mitigate GHG impacts from construction.

- SANDAG could have a significant impact on climate change by implementing a program to educate, encourage, and assist jurisdictions in developing safe routes to school programs.

SANDAG has responded to these comments, and has offered to meet with the Attorney General’s office to discuss our responses.

**SENATE BILL 375**

Senate Bill (SB) 375 was introduced last year by Senator Darrell Steinberg (D-Sacramento) and is co-sponsored by the California League of Conservation Voters and the Natural Resources Defense Council. SB 375 is a two-year bill that, if passed, would create new provisions for the preparation of regional transportation plans (RTPs). Among the bill’s provisions are new requirements for RTPs to include a “sustainable communities strategy” in order to achieve greenhouse gas reduction targets set by the state and to preserve significant resource areas and farmlands. A key goal of the legislation is to reduce vehicle miles traveled as part of how California addresses greenhouse gas emissions.
As currently amended, SB 375:

- Requires the California Transportation Committee (CTC) in consultation with the CARB to adopt guidelines for travel demand models used in the development of RTPs by July 1, 2008.

- Requires transportation agencies to report to the CTC about the relationship of projects included in the regional transportation improvement program (RTIP) to the RTP and the sustainable communities strategy supplement.

- Requires regional agencies to prepare a sustainable communities strategy (SCS) to meet greenhouse gas emissions targets by 2020 and 2035, as provided by CARB. In the event that the SCS does not reach the targets, requires the Metropolitan Planning Organization/Regional Transportation Planning Agency to submit a supplement that would achieve the targets through alternative development patterns or additional transportation measures.

- Requires the action element of the RTP to describe all transportation projects proposed for development during the life of the plan to be consistent with the SCS.

- Provides for a streamlined CEQA process for projects that are located within jurisdictions whose general plans are consistent with an SCS and that meet specific requirements.

SANDAG currently has taken an “oppose” position on the bill. However, the SANDAG Executive Committee has provided direction to staff regarding possible amendments that could allow SANDAG to modify its position.

Amendments discussed by the Executive Committee include providing an alternative that would allow regions like SANDAG that have adopted regional comprehensive plans and habitat conservation plans to use those plans as a framework for developing the sustainable communities strategy required by the bill. Rather than focus solely on transportation, the SANDAG alternative would provide a more integrated approach to addressing greenhouse gas emissions in the region through land use- and transportation-related measures.

Other amendments include ensuring the bill’s approach to reducing GHG emissions is consistent with the statewide approach that is currently underway to implement AB 32; revising how the bill defines “significant resources areas” and “significant farmlands;” and identifying meaningful incentives that will encourage better climate change planning by local governments and regional agencies.
EMPWG Activities

- Establish regional needs assessment
- FY 06 & 07 Funding Recommendations
- Five-year Funding Strategy
- Recommendations on MOA
- FY 2008 Funding Recommendations
  - Assist with Regional Funding
The intent is to establish a program to provide for large-scale acquisition and management of critical habitat areas and to create a reliable approach for funding required mitigation for future transportation improvements thereby reducing future costs and accelerating project delivery. This approach would be implemented by obtaining coverage for transportation projects through existing and proposed multiple species conservation plans. (Section D)
Environmental Mitigation Program Costs
(In Millions, 2002 Dollars)

- Total Program: $850 Million
- Plus up to $30m in financing costs
- For advanced habitat acquisition

- Major Transportation Project Mitigation: $450m
- Regional Habitat Conservation Fund: $200m
- Local Transportation Project Mitigation: $150m
- $50m

(A) Proposed Memorandum of Agreement Concepts

- MOA is processing agreement 10 years
- Consists of an agreement on the funding of conservation for the mitigation of TransNet Projects, including assurances
- Starting in 2010, and then once every two years, report card to analyze the status and progress of the MOA in implementing the goals of EMP
- Comprehensive evaluation at end of 10 years, may lead to amended MOA
Proposed Memorandum of Agreement Concepts

**Mitigation**

1 or More Projects

RTP Projects and Local Roads (Attachment B)

Opportunities

Conservation and Mitigation Strategy (Attachment A)

Agreements

Executed

$440 Million / 10 Years

Plan of Finance (POF)

EMP

Release of Funds for Mitigation

**Management & Monitoring**

$4 Million Annually For 10 Years

RHCF

Regional Management and Monitoring

After 10 years: Assessment of Cost Savings & Economic Benefit
(8) Table 1: Summary of Recommended Funding

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<th>Funding Allocated FY 07</th>
<th>Recommended Allocation FY 08</th>
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<td><strong>TOTAL</strong></td>
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1 Approved by SANDAG Board on December 15, 2006.

What’s Next?
- RPC – February 8
- BOD – February 22
- Develop Conservation and Mitigation Strategy
- Work on Project Specific Agreements
- Update 5-year Management and Monitoring Strategy
Requested RPC Actions

Recommend that the Board of Directors approves:

A. Proposed TransNet Environmental Mitigation Program Memorandum of Agreement (MOA) and authorize the Executive Director to sign the Memorandum on behalf of the agency; and

B. Proposed management and monitoring activities and budget for FY 2008 and authorize staff to solicit proposals and develop contracts once the MOA is executed.
Update on SANDAG Energy and Climate Change Planning

Overview

- California Energy Commission Partnership with SANDAG
  - Regional Energy Strategy Update
  - Climate Change Action Plan
  - Sustainable Region Pilot Program
  - Alternative Fuels Toolkit for Local Governments
- Transmission Project Evaluation
Regional Energy Strategy (RES) Update

- New state goals and policies for energy
  - Loading Order
  - Renewable Portfolio Standard
- Transportation fuels
  - Availability and affordability
  - Demand management and alternative fuels
- Infrastructure Security

RES Update—Progress to Date

- Research on energy plans in other regions
- Analysis of current RES strengths and weaknesses
- Regional Energy Plan Guidebook and Model Outline
RES Update—2008 Work Plan

• To July 2008: Existing Conditions, Forecasts, and Planning Scenarios

• July-December 2008: Policy Planning and Implementation

Regional Climate Action Plan

• 2030 policy plan

• Focus on transportation and building energy sectors

• Regional contribution to climate change mitigation
Climate Change Science and Policy

- Scientific Research on Climate Change
- Federal Response
- State Response:
  - Executive Order S-3-05
  - AB 32 – California Global Warming Solutions Act of 2006

Key Provisions of AB 32

- Sets statewide greenhouse gas (GHG) emission targets:
  - Reduce GHG emissions to 1990 levels by 2020
- Directs California Air Resources Board (CARB) and other state agencies to develop action plan
What Contributes to Greenhouse Gas Emissions?

Statewide Greenhouse Gas Emissions by Sector in 2004

- Transportation: 40%
- Electric Generation (In-State): 12%
- Electric Generation (Imports): 13%
- Industrial: 20%
- Agriculture: 6%
- Commercial: 3%
- Residential: 6%

What Contributes to Greenhouse Gas Emissions?

Statewide Transportation Greenhouse Gas Emissions in 2004

- Cars and Light Trucks: 74%
- Heavy-duty Trucks and Buses: 20%
- Rail: 2%
- Water: 2%
- Intrastate Aviation: 2%
Regional Climate Action Plan

1. Regional GHG Emissions Inventory
2. Business-as-Usual Forecast to 2020 and 2030
3. GHG Reduction Targets and Scenarios for 2020 and 2030
4. Policy Planning and Implementation

Regional Climate Action Plan
2008 Work Plan

• To July 2008:
  – GHG inventory (early March)
  – Business-as-usual forecast (early March)
  – GHG reduction targets and scenarios (June)

• July-December 2008
  – Policy planning and implementation
Sustainable Region Program

- Energy efficiency program for smaller jurisdictions
  - Energy Audits
  - Recommendations for Retrofits
  - Energy Management Training
- First pilot in 2006 in Carlsbad
- 2008 pilot in Solana Beach and Poway

Sustainable Region Program
2008 Work Plan

- March: Energy audits
- May: Review of audits and recommendations
- June: Presentations on proposed projects to local officials
- July: Energy management trainings for local staff
- September: Best practices guide
Alternative Fuels Toolkit for Local Governments

• Fueling Station Siting Study
  – Proximity to fleet users
  – Potential for shared infrastructure

• Resources on:
  – Financing opportunities
  – Fuel and vehicle specifications
  – Codes and standards

Progress to Date
– Alternative fuels ad hoc working group
– Criteria for evaluating fueling station sites

Work Plan
– May 2008: Draft fueling station study complete
– October 2008: Final fueling station study complete
– February 2009: Toolkit to local jurisdictions
EWG Transmission Project Evaluation

- Sunrise Powerlink (SDG&E)
- Lake Elsinore Advanced Pumped Storage (LEAPS) (Nevada Hydro)
- November 2006 EWG recommendation to wait for additional information on Sunrise

 EWG Transmission Project Evaluation

Evaluating for consistency with the Regional Energy Strategy

- Goals
- Guiding Principles
- Implementation Strategies
EWG Transmission Project Evaluation

- **February 28:** Full EWG Recommendation
- **March 7:** Presentation to RPC
- **March 28:** Presentation to Board of Directors

Update on SANDAG Energy and Climate Change Planning

Regional Planning Committee
February 8, 2008
Regional Energy Overview

February 8, 2008

Recent Investments to Meet Local Energy Needs

- Over the last 15 years, SDG&E has invested $485 million in energy-efficiency programs, saving over 2.9 million mega-watt hours of electricity.
- Renewable energy provides 6 1/2 percent of our delivered energy, including solar and wind supplies.
- SDG&E’s Miramar Peaker plant and Palomar Energy Center provide a combined 600 MW of local reliability.
- Construction is now underway on the Otay Mesa Power Plant.
- Upgrades to the Southwest Powerlink, substation improvements and the Otay-Metro Powerloop enhance the local grid.
### SDG&E’s Energy Resource Plan Process

- SDG&E is responsible and accountable for meeting the electricity needs of its customers in San Diego County, including state mandates.
- SDG&E forecasts its energy needs based on expected consumption during high-demand periods, such as a hot summer afternoon.
- CAISO operates the grid for the benefit of customers on a statewide basis.
- Other agencies/organizations advise on alternatives.
- SDG&E works with many agencies, municipalities and organizations to fulfill this responsibility.

### What Key Factors Influence Energy Resource Planning?

- The electric needs of SDG&E’s customers are expected to increase steadily each year.
  - 100 – 125 Megawatts in new demand annually
- SDG&E also has large power contracts expiring over the next several years.
- SDG&E must stay on track to provide 20% of its customers’ energy needs from environmentally sustainable sources such as solar, wind, geothermal and landfill gas by 2010.
- SDG&E will replace every customer’s electric meter with a “Smart Meter” beginning in 2008 to provide real time information to consumers and enhance customer service.
SDG&E’s Energy Resource Plan to Meet Customers’ Electric Needs

- SDG&E will meet the region’s energy needs with a ranking of preferred environmentally sound resources consistent with State policy:
  - **Energy Efficiency** to foster innovation and provide incentives to reduce overall energy consumption
  - **Demand Response** to help reduce energy use during times of high demand
  - **Distributed Generation** for customers that serve their own load, including the California Solar Initiative
  - **Renewable power** to meet 20% of energy needs by 2010 and beyond
  - **New Power Plants** that uses the latest natural gas technology
  - **New Transmission** for reliability, accessing renewable energy and lower cost

Transmission Is A Critical Element of Energy Planning

*The transmission system is the “interstate freeway” that allows electricity to reach your home or business.*

- **Transmission must be reliable:** State requires the system be able to deliver electricity on a hot summer day, even if both a large generator and transmission line are unavailable.
- **The transmission grid must be carefully planned:** SDG&E works with the State’s electric grid managers to plan new transmission and help reduce energy cost to customers.
- **New transmission is needed to access renewables:** Additional transmission lines are needed to access renewable energy to the east.
- **The Sunrise Powerlink** has been proposed to improve reliability, provide competitively priced power and access renewable energy. The California Public Utilities Commission is now reviewing the Sunrise Powerlink, and a decision is expected in January 2008.
Energy Mix - Today and in 2015

2007
- Nuclear 21%
- Cogeneration 16%
- Renewables 6%
- Utility Owned and Contracts 22%
- DWR 41%

2015
- Nuclear 18%
- Cogeneration 9%
- Renewables 26%
- Utility Owned and Contracts 47%

Major Electric Supply Sources for San Diego County

- San Onofre (~450MW)
- Encina (~900MW)
- Palomar (550MW)
- South Bay (~710MW)
- Otay Mesa (~560MW)
- Multiple Renewable & Peaking Facilities (~490MW)
- Kumeyaay Wind (~50MW)
- Sunrise Powerlink (500/230kV)
- Southwest Powerlink (500kV)
SDG&E Energy Resource Plan Summary

- SDG&E is responsible for our region's energy needs, which includes soliciting input and feedback from the San Diego region.

- SDG&E’s Energy Resource Plan is consistent with State policy and gives priority to energy efficiency, demand response, renewable resources, and then considers adding new generation and transmission.

- SDG&E’s Energy Resource Plan ensures the energy security of our region well into the future.